

TE RIPOATA Ā TAU 2014/2015 Ō TE KAUNIHERA Ō TĀMAKI MAKĀURAU

# Auckland Council **ANNUAL REPORT** 2014/2015



PUKAPUKA RUA: NGĀ POĀRI Ā-ROHE

**VOLUME 1:** Overview, themes  
and groups of activities



## He mihi

Tēnā, toko ake mā ngā motu pōteretere o te Waitematā kia tau atu  
ō kamo ki Mahurangī tītapu i te raki.

Ka tarapeke ā-whenua tō haere ki ngā tāhuna o Kaipara i te uru, i mua  
i tō hokinga ake mā uta ki te Waonui ā-Tiriwa ki reira titiro iho ai ki ngā  
tai pōkarekare o te Manukau.

Ka kauhoe koe mā waho i te kūrae o Āwhitu kia ruruku mai anō i te  
wahapū o te awa tapu o Waikato tukukiri o ngā tūpuna.

Ka rere tō haere i te tonga mā Te Paina ki Kaiaua i te rāwhiti kia tau  
atu koe ki te Moana o Tīkapa ki te pae māhorahora o Hauraki.

Ka hoka tō rere ki te raki, whakaterere ai i te Moananui a Toi-te-Huatahi  
ka tau ki te taratara tapu o Aotea.

Koinei rā ngā pou here waka, herenga ā-iwi, hereherenga o te tāone tipua  
nei o Tāmaki, mūrau a te tini, wenerau a te mano, makau a te rau tangata  
kua whakakāinga motuhake nei i a koe.

Nau mai ki Tāmaki Makaurau, kāinga noho āhuru o te ao.



Weave your way through the myriad of floating isles that is the Waitematā, to gaze upon Mahurangi, a jewel in the north.

Then fly across country to the Kaipara bar in the west, before returning inland to the Wilderness of Tiriwa where you can look down upon the surging tides of the Manukau.

Swimming out beyond the Āwhitu headland you may return by way of the ancestral Waikato River.

Traversing through Te Paina on my southern bounds to Kaiaua in the east to Tikapa Moana and the expansive Hauraki basin.

Wend your way northward across the Hauraki Gulf then rest upon the sacred peak of Aotea.

These are the anchor posts, the ties that bind the people and secure this super city that is Auckland, the byword of the multitudes, the envy of thousands and beloved by the hundreds who have made you home.

Welcome to Auckland, the world's most liveable city.



## RĀRANGI KŌRERO

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## KUPU WHAKATAU

# Welcome to the Annual Report 2014/2015

## Volume 1 – Overview, themes and groups of activities

This annual report covers the performance of the Auckland Council Group (the Group) for the period 1 July 2014 to 30 June 2015. The Group includes the council itself including local boards (the council), council-controlled organisations (CCOs), subsidiaries, associates and joint ventures.

This volume contains an overview of the performance results for the year, together with detailed results against financial and non-financial targets, and funding impact statements for our 12 themes and 35 groups of activities.

The council is responsible for maintaining and developing parks and reserves, public libraries,

swimming pools and recreation centres, and providing services such as building and resource consents, collecting rubbish, dog registrations and liquor licensing. A number of important services are delivered through our CCOs which include Auckland Transport, Auckland Council Property Limited, Auckland Council Investments Limited, Auckland Waterfront Development Agency Limited, Auckland Tourism, Events and Economic Development Limited, Regional Facilities Auckland and Watercare Services Limited.

The full Annual Report 2014/2015 received an unmodified audit report and was adopted by Auckland Council on 24 September 2015.

## What you will find in each volume of the full annual report

### Volume 1 – Overview, themes and groups of activities

Overview information

Our performance against financial and non-financial targets, and funding impact statements for our 12 themes and 35 groups of activities

### Volume 2 – Local boards

Our performance against financial and non-financial targets for each local board

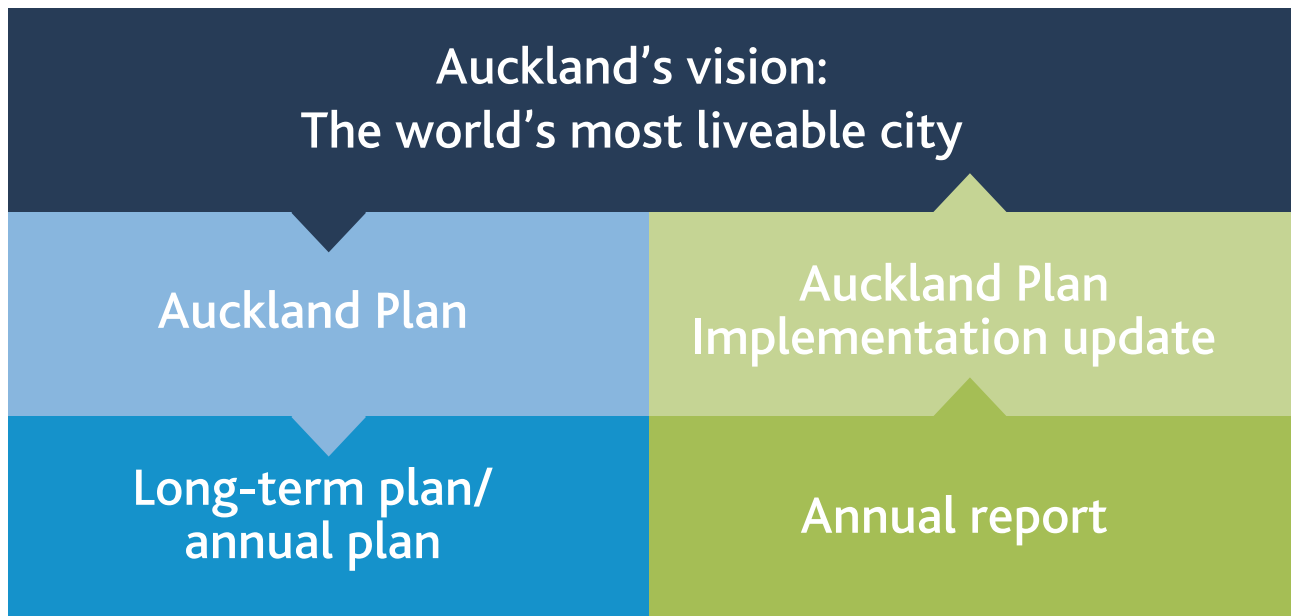
### Volume 3 – Financial statements

Our full financial statements





## How the annual report fits into our planning and reporting processes



### **Auckland's vision: The world's most liveable city**

An aspirational vision for the Auckland region.

### **Auckland Plan**

A forward-thinking strategic plan with a 30-year outlook that sets out the future direction that will enable the vision to become a reality.

### **Long-term plan/annual plan**

The long-term plan is a 10-year plan for our city setting out the future direction and costs of running the kind of city the community wants.

The annual plan sets out how much we will spend, rates for the year ahead and our work programme for the 12 months from 1 July to 30 June.

### **Auckland Plan Implementation update**

A report produced each year that details progress achieved against the aspirations of the Auckland Plan.

### **Annual report**

A report setting out what we achieved in the past year and looking at the progress we made in a number of important areas. The report details our performance results against the annual plan.



## HE KARERE NĀ TE KOROMĀTUA

# Message from the mayor

Auckland is growing and we welcome that growth.

Our region is becoming more liveable, vibrant, culturally diverse and economically successful. In the last year our GDP grew at 3.7 per cent and 37,000 new jobs were created.

With more people from more places making Auckland home, our population has grown by 100,000 in five years. By 2043 we will welcome more than 716,000 new Aucklanders, for a population of 2.2 million.

Already this growth is presenting big challenges for the region in transport, housing affordability and gaps in infrastructure caused by decades of underinvestment.

The clear and consistent message from Aucklanders is that we need more investment in Auckland, particularly to fix transport, while keeping rates affordable and debt low.

In the past year the Auckland Council Group has focused on these areas, with \$1.5 billion of capital investment to tackle our considerable and unique growth pressures.

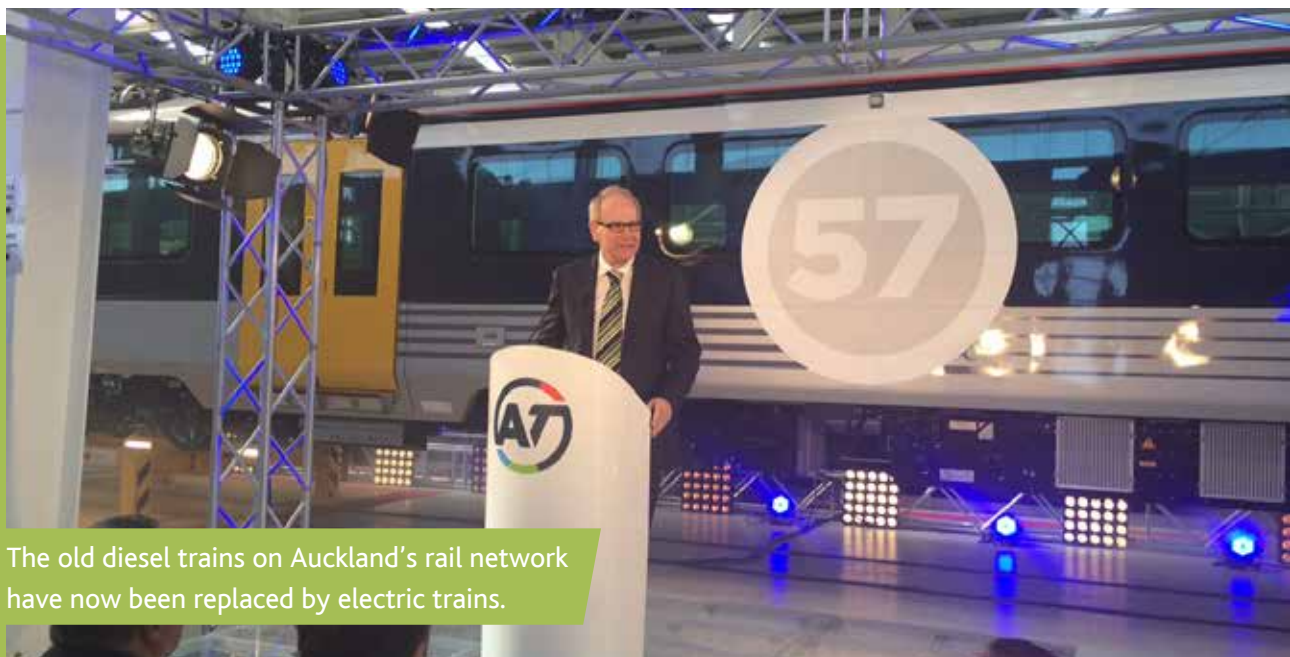
There have been significant improvements across our entire transport network.

Work started on the Albany Highway North and Te Atatū Road upgrades to reduce congestion and cater for projected growth. The Panmure phase of the AMETI project was completed, and the new Te Horeta Road will take 20,000 vehicles, including 2400 trucks, off the route through Panmure roundabout and local roads.

We completed the country's first on-road, separated urban cycleway along Beach Road, linking the city centre to the North-Western cycleway, and the first stage of the Westhaven Promenade with walkways, cycleways and boardwalks.

Public transport saw major improvements, patronage targets were exceeded on trains, buses and ferries, increasing to 79 million trips. Alongside the completion of the rollout of electric trains across the entire network, rail patronage alone grew by 22 per cent.

That is an outstanding result that shows Auckland is on the right track. However, with this rate of patronage growth, Britomart will reach service capacity by 2016. It also means we will meet the patronage targets set by the government for funding the City Rail Link three years ahead of schedule.



The old diesel trains on Auckland's rail network have now been replaced by electric trains.





Housing Minister Dr Nick Smith and the mayor signing tranche seven of the special housing areas under the housing accord with the government.

We continue to play our role to help accelerate Auckland's housing supply, with 21 new special housing areas established this year, bringing the total to 84 special housing areas established to date. This will contribute to the delivery of 45,720 consented sites and dwellings.

Prudent financial management remains a continuing focus. We maintain credit ratings of AA from Standard and Poor's and Aa2 from Moody's Investor Services, confirming our strong debt-servicing capability. These remain among the strongest credit ratings in New Zealand.

Of course there is more to do – we can always find more ways to improve, but the future is exciting for Auckland.

Auckland Council is about to embark on a large investment programme with \$18.7 billion over 10 years invested in maintaining our existing assets and providing for growth by building new infrastructure.

Aucklanders have said they want more investment to fix transport and to start fixing it now, preferring the integrated transport network set out in the Auckland Plan.

This will provide more transport choices, with faster and more frequent public transport, improved safety and better support for Auckland's growing population.

So the council agreed on an accelerated transport programme that includes \$523 million of extra investment over three years into more bus lanes, cycling and walking, roads, park and rides, and rail improvements.

And we will continue to balance our need for investment with affordability, working to achieve \$2.74 billion in accumulated efficiency savings over 10 years.

How Auckland decides to manage its growth, and the challenges and the opportunities this will present over the next 10 to 20 years, will go a long way to making Auckland the world's most liveable city.

I would like to thank our people across the entire Group for their hard work towards making Auckland a better place to live and work.

Len Brown  
Mayor of Auckland



## HE KARERE NĀ TE TUMU WHAKARAE

# Message from the chief executive

This is the fifth Auckland Council Group annual report, and for Auckland this is a time of massive opportunity.

As we look ahead to 2.2 million Aucklanders within 30 years, never before has the Group's ability to positively influence the future of this rapidly transforming city been more important.

For the foreseeable future Auckland's growth will ensure transport, housing affordability and a need for new infrastructure will be continuing and constant challenges for the Group.

We are at the forefront of the opportunities and the challenges. In the past year our focus has been to deliver more and provide real change that Aucklanders can see and feel, while balancing this investment with affordability, including:

- \$204 million in new electric trains and a depot, for a total investment to date of \$582 million in 57 electric trains and \$350 million invested into roads and footpaths.
- As well as delivering 21 new special housing areas, we continue to ensure seven years of land supply is available at all times, staging its release when urban zoning and bulk infrastructure services are in place.
- More than 30 major events, injecting \$73 million into the regional economy.
- Establishment of Development Auckland, a new CCO responsible for driving large urban development focused on the regeneration of our town centres.
- Completing the Long-term Plan 2015-2025, our 10-year budget for Auckland providing \$18.7 billion of investment, to spend on new assets as well as looking after existing ones.

This past year the Group has delivered \$1.5 billion of capital expenditure. This includes continued investment in essential services and infrastructure within local communities from Wellsford in the north to Waiuku in the south.

New cultural facilities have been opened, such as Te Oro music and arts centre in Glen Innes, Titirangi's arts and culture precinct and new libraries in Waiheke, Devonport, Rānui and Te Atatū.

We built or upgraded sports centres, playing fields and swimming pools in local areas across the region, connected Clarks Beach, Glenbrook, Patumahoe and Waiau Pā to the metropolitan water supply and upgraded three water treatment plants in Waiuku to improve water quality.

Our land holdings increased by 178 hectares at Waitākere, Mahurangi and Te Rau Pūriri regional parks, and we opened Te Ara Hura – the 100km continuous walk around Waiheke.

Over the next 10 years, our long-term plan builds on the platform of this past year. Our asset base is expected to grow from \$42 billion to \$60 billion, and we will also slow the growth of our debt, which will be \$11.6 billion by 2025 compared to \$13.7 billion previously forecast.

Our ability to improve our performance and deliver results is because of the hard work, dedication and passion of all our people.

Their job is to make Auckland the best place it can be and to provide excellent services to the people who live and work across our region.

They are driven to succeed because they feel proud to represent Auckland, and because they want to leave a legacy by making it a better place each and every day.

I'm grateful every day to work alongside them in this endeavour, and thank them for embracing the challenges and finding ways to make Auckland the world's most liveable city.



Stephen Town  
Chief executive









## TE HAUMI KI TĀMAKI MAKAURU Investing in Auckland



To date, we have invested \$582 million in our new electric trains and depot, delivering more services and greater capacity



We added 178 hectares to regional parks at Waitākere, Mahurangi and Te Rau Puriri



Playing capacity increased with 15 sports fields lit and another 15 with new sand fields



We upgraded Khartoum Place as part of our inner city development



A five-way partnership delivered the Sir Owen G Glenn National Aquatic Centre at AUT Millennium





We opened new libraries at Te Atatū, Ranui, Waiheke and Devonport and refurbished Takapuna and Pukekohe

Families moved into new homes in Weymouth, the first of 84 special housing areas designed to accelerate house building across Auckland



Beach Road in the CBD is our first on-road cycleway

We restored Lopdell House and added the new Te Uru Waitākere Contemporary Art Gallery



A 20-year dream was realised with the opening of Te Oro, the Glen Innes Music and Art Centre for youth

The Panmure phase of the Auckland Manukau Eastern Transport Initiative (AMETI) has taken 2400 trucks off the Panmure roundabout each day





## NGĀ RAWENGA MATUA Ā TAU Highlights from 2014/2015



More than 35,000 people came to the Anzac Day dawn service at the Cenotaph in the Auckland Domain to mark the 100th anniversary of Gallipoli

Public transport use exceeded all targets with rail patronage alone growing by 22 per cent



The JobFest employment summit attracted 2000 young people



We hosted major events such as the Volvo Ocean Race stopover

*Yann Riou/Volvo Ocean Race*



More than 232,000 people attended our summer line-up of major concerts, adding \$10.3 million to our economy







More than 27,000 people made submissions to the Long-term Plan 2015-2025 and more than 2300 attended feedback events

Auckland celebrated its 175th anniversary



Anjalee, an Asian elephant, became Burma's new companion at the zoo

Our waterfront scooped two international design awards



The FIFA U-20 World Cup 2015 was the largest football event held in New Zealand

Balmoral school recycling worm farm garden, sustainability education programme





## NGĀ WHIWHINGA Awards

### International

- Auckland's waterfront scooped two leading international awards. The transformation of Jellicoe Street, North Wharf and Silo Park in Wynyard Quarter won the Rosa Barba International Landscape Prize. Waterfront Auckland also won the Best Waterfront Project Award at the International Society of City and Regional Planning congress.
- Our geospatial team members were recognised at the Esri International User Conference with a Special Achievement Award for their outstanding work in geographic information systems.
- Auckland Transport's 2014 annual report was awarded gold at the Australasian Reporting Awards. AT joins a select group of only four New Zealand organisations whose annual reports have won an elite gold award in the past five years. The report also won a New Zealand Pride in Print award.
- Olympic Park, Parris Park, Taipari Strand and Sanders Reserve won Green Flag awards. The Green Flag Award scheme is a benchmark national standard for parks and green spaces in the UK but is also awarded internationally.
- Lonely Planet rates our 16km Coast to Coast walkway as the 'tenth most wonderful workout around the globe'.
- Tawharanui Regional Park, Albert Park and Whangateau Holiday Park won 2015 Trip Advisor certificates of excellence. The awards are based on reviews and opinions posted on Trip Advisor's online review forum.







## National

- Lopdell Precinct, Te Pātaka Kōrero o Te Hau Kapua - Devonport Library, and the Merchant Quarter in New Lynn won awards at the Property Council New Zealand Rider Levett Bucknall Property Industry Awards 2015.
- The council won the 2015 New Zealand Sign Language Accessible Service Award. Initiatives included enabling deaf people to submit to the Unitary Plan via online video translation.
- Shed 10 on Queens Wharf received a Gold Pin in the Public and Institutional Spaces category and bronze for its sustainable design initiatives at the New Zealand Best Design Awards.
- Auckland Transport's Driver Distractions '2 seconds to kill' won the Social and Community Platinum Award at the Research Association of NZ 2014 Research Effectiveness Awards.
- Our Cycling's the Go summer programme won the Best Cycling Promotion Award at the Cycling Advocates Network Cycle Friendly Awards.
- Sanchia Jacobs, manager international relations, was awarded an Eisenhower Fellowship for 2015.
- The Hurstmere Green upgrade in Takapuna won a gold award and a value award at the New Zealand Commercial Project Awards.
- Projects we commissioned won at the 2015 Resene NZILA Pride of Place Landscape Architecture Awards – the navy museum in Devonport, Beachlands Maraetai Coastal Walkway, La Rosa Reserve Stream Daylighting, Hobson Bay and the City East West Transport Study.
- Auckland Zoo has been endorsed as one of New Zealand's elite tourist attractions with recent Qualmark certification as an Endorsed Visitor Activity and an Enviro Gold award.
- Duncan Francis, team leader Code Compliance Certificates, is the prestigious Pacific Steel Group Young Building Control Professional of the Year. The building policy team picked up the Mitek Commitment to Training award.
- The National Environmental Monitoring Standards Steering Group, of which we are a member, won the building organisational capability award at the 2015 McGredy Winder SOLGM Local Government Excellence Awards.
- The ITM 500 Auckland V8 Supercars race took Best Volunteer Group Award at the annual V8 Supercars Awards in Sydney.
- COMET strategic analyst Alison Sutton was awarded a Winston Churchill Memorial Trust Fellowship to observe how English and American communities are collaborating to increase literacy for adults and children.
- A document and collaboration management system designed by Auckland Transport and LeapThought won the Collaboration and Content in Business Productivity Award at the Microsoft Partner Awards. Fulcrum was judged best-in-class for capital infrastructure projects.
- Auckland Transport and Opus International won the New Zealand Engineering Award for Excellence in Community Engagement for AMETI Panmure.

# NGĀ RAWENGA Ā PŪTEA

## Financial highlights

### Annual revenue

2013/2014  
**\$3.3b**

2014/2015  
**\$3.6b**  
annual revenue

2014/2015  
Annual Plan  
**\$3.2b**



**\$1.5 billion**  
from rates



**\$2.1 billion**  
from other sources

Collected from 527,000  
ratepayers

This includes grants, subsidies, development contributions,  
user charges, fees and return on investments

### Debt

2013/2014  
**\$6.3b**

2014/2015  
**\$7.3b**  
debt

2014/2015  
Annual Plan  
**\$7.5b**

Auckland Council has a credit rating from Standard & Poor's of AA. We borrow to fund new long-term assets

### Efficiency gains

2013/2014  
**\$14m**

2014/2015  
**\$38m**  
of efficiency gains

2014/2015  
Annual Plan  
**\$38m**

Achieved through better procurement/tendering processes, reducing the office buildings we occupy, and many more





Service delivery

# Auckland Council provides **hundreds** of vital services



**79 million**  
public transport  
passenger trips



**3.6 million**  
library collection items



**326 million**  
litres of drinking water  
per day

Rubbish collection and recycling, park maintenance, events, civil defence, attracting tourists, dog control, recreation centres, bus, train and ferry services, street and light maintenance, food safety, upkeep of sports fields, water supply, alcohol licensing, stormwater maintenance, wastewater, pest management, plus many more

Investment

2013/2014  
**\$1.6b**

2014/2015  
**\$1.5b**  
investment in assets

2014/2015  
Annual Plan  
**\$1.7b**

We buy assets with an average life of 40 years



35 years



a lifetime



100 years

**57**  
new electric trains

**178 hectares**  
of park land

Wastewater treatment  
**upgrade**

## KĀWANATANGA

# Governance

We have a unique model of local government comprising the governing body, local boards, council-controlled organisations (CCOs), co-governance entities and advisory panels. Our legislation also established the Independent Māori Statutory Board which is independent of, but works closely with, the council.

### Overall structure

|                        |   |
|------------------------|---|
| Governing body         | This consists of the mayor and 20 councillors elected on a ward basis. It focuses on strategic decisions important to the whole region                        |
| 21 local boards        | Each board comprises between five and nine elected members. They make decisions on local matters, provide local leadership and build strong local communities |
| Seven substantive CCOs | These organisations carry out specific functions independently, but are accountable to the council  |
| Other bodies           | Co-governance entities<br>Advisory panels   |

The governing body and local boards make up our two complementary decision-making parts. This structure:

- enables the mayor and elected members to perform their regional and local governance roles effectively
- enables effective regional and local decision-making that promotes the well-being of Aucklanders now and into the future
- ensures the democratic process operates smoothly and includes participation by the public, mana whenua and all stakeholders.

Local government elections are held every three years and the next election will take place on 8 October 2016.

### Governing body

This consists of the mayor and 20 councillors who represent 13 wards. Councillors are also members of governing body committees. The governing body focuses on the big picture and on strategic initiatives that are important to the whole region.

### The mayor

The mayor is elected directly by electors across Auckland. The mayor leads the council and has particular responsibilities including promoting a vision for Auckland; providing leadership to achieve the vision; leading development of region-wide council plans, policies and budgets; and ensuring effective engagement with all Aucklanders. The mayor appoints the deputy mayor and establishes the committees of the governing body as well as their chairpersons.





## Governing body committees

### Committees of the whole

All councillors are members of these committees. The Independent Māori Statutory Board (IMSB) has two representatives on these committees:

- Auckland Development Committee
- Budget Committee \*
- Finance and Performance Committee \*
- Regional Strategy and Policy Committee.

\*On 30 June 2015, the Budget Committee was amalgamated with the Finance and Performance Committee.

### Other committees

- Arts, Culture and Events Committee
- Audit and Risk Committee
- CCO Governance and Monitoring Committee
- CEO Review Committee
- Civil Defence Emergency Management Group Committee
- Community Development and Safety Committee
- Economic Development Committee
- Environment, Climate Change and Natural Heritage Committee
- Hearings Committee
- Infrastructure Committee
- Long-term Plan/Annual Plan Hearings Committee
- Parks, Recreation and Sport Committee
- Regulatory and Bylaws Committee
- Tenders and Procurement Committee
- Unitary Plan Committee

## Local boards

We have 21 local boards that represent their local communities and make decisions on local issues, activities and facilities. They also provide important local input into Auckland-wide strategies and plans. There are 149 elected member positions but we currently have only 142 members, as five people each sit on two boards. The boards:

- provide leadership and create a local identity for their area, including making governance decisions on non-regulatory local activities, issues and services (such as parks, libraries, community halls and swimming pools)
- adopt local board plans every three years in consultation with their communities
- provide local input into regional strategies, policies and plans
- propose local bylaws for the local area
- perform civic duties (such as Anzac Day activities and citizenship ceremonies)
- engage with and represent their communities.

Each year, local boards and the governing body make 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 are included in the annual plan.

Detailed information on key local board activities and budgets can be found in Volume 2 of the Annual Report 2014/2015.

[For more information about governing body committees and local boards, see the 'About council' section of our website: aucklandcouncil.govt.nz](http://aucklandcouncil.govt.nz)

## Advisory panels

We have eight advisory panels that advise us on issues of significance for the groups or communities they represent and on how best to engage with them:

- Auckland City Centre Advisory Panel
- Disability Advisory Group
- Ethnic Peoples' Advisory Panel
- Heritage Advisory Panel
- Pacific Peoples' Advisory Panel
- Rural Advisory Panel
- Seniors' Advisory Panel
- Youth Advisory Panel.

The Rainbow Communities' Advisory Panel will start operating in the 2015/2016 financial year.

## Auckland Council organisation

The Auckland Council organisation is led by the chief executive. The chief executive provides leadership for council staff and delegates tasks and authorities to the senior management team and other staff who provide advice to the governing body and local boards, and carry out their decisions.



The governing body has committed to increasing Māori participation in its decision-making. In October 2014, it was hosted by Ngāti Whātua o Ōrākei at its first-ever meeting on a marae.





## Council-controlled organisations

These are organisations in which the council controls 50 per cent or more of the votes or has the right to appoint 50 per cent (or more) of directors or trustees.

Council-controlled organisations (CCOs) enable us to manage assets and services efficiently using commercial disciplines and specialist expertise while focusing on our core role. They are governed by boards of directors or trustees and operate at arm's length to the council. The CCOs are accountable to the council which agrees the objectives and targets for each CCO and monitors their performance via the CCO Governance and Monitoring Committee.

The overall direction for CCOs is set in line with the Auckland Plan, the long-term plan, and the CCO Accountability Policy.

The CCO Governance and Monitoring Committee appoints directors and negotiates CCOs' statements of intent (SOIs) which are the basis for CCO reporting. The SOIs include performance measures and are agreed by the committee. The public can provide input to each board's consideration of its SOIs at meetings which the CCOs must hold in public.

### The substantive CCOs

A substantive CCO is either responsible for the delivery of a significant service or activity on behalf of the council, or owns or manages assets with a value of more than \$10 million. We currently have seven substantive CCOs:

- Auckland Transport provides all of Auckland's transport requirements (except state highways and Auckland motorways) ranging from roads and footpaths to traffic signals, and managing bus and train services and street parking
- Auckland Council Property Limited\* manages the 'non-service' properties (those not immediately

required for service delivery or infrastructure purposes) and commercial properties on behalf of Auckland Transport and the council. It also works with stakeholders to develop affordable housing projects and develop or initiate urban centre upgrades

- Auckland Council Investments Limited manages our investments in Ports of Auckland Limited, Auckland Film Studios Limited and a large shareholding in Auckland International Airport Limited. It brings a strong commercial focus to the ownership and management of our investments, securing a good economic return for the benefit of ratepayers
- Auckland Waterfront Development Agency Limited\* partners with the private sector and other stakeholders, including other CCOs, to achieve the vision for the central city waterfront as outlined in the Waterfront Plan
- Auckland Tourism, Events and Economic Development Limited promotes economic performance and growth, including managing tourism and major events that are exciting, successful and attract visitors and revenue
- Regional Facilities Auckland supports our vision for Auckland as a vibrant and dynamic international destination city by managing arts, culture and heritage, leisure, sport and entertainment venues
- Watercare Services Limited provides high-quality water supply and wastewater treatment and disposal services.

\*From September 2015, Auckland Council Property Limited and Auckland Waterfront Development Agency Limited will be merged into a new CCO known as Development Auckland.

## Other CCOs

Three smaller CCOs are required to meet governance requirements such as half-year and annual reports and Statements of Intent:

- COMET Auckland
- Te Puru Community Charitable Trust (now exempted)
- The Contemporary Art Foundation.

These CCOs are exempt from the above requirements:

- Arts Regional Trust
- Highbrook Park Trust
- Māngere Mountain Education Trust (no longer exempted)
- Manukau Beautification Charitable Trust
- Mount Albert Grammar School Community Swimming Pool Trust.

## Co-governance entities

Largely as a result of Treaty settlements legislation, the council is party to a number of co-governance entities with different mana whenua groups.

- The Ngāti Whātua Ōrākei Reserves Board was continued under the Ngāti Whātua Ōrākei Claims Settlement Act 2012. Three of the six members are council appointees – two councillors and one local board member.
- The Parakai Recreation Reserve Board was established under the Ngāti Whātua o Kaipara Claims Settlement Act 2013. Three of the six members are council appointees.
- The Mutukaroa (Hamlins Hill) Management Trust was established in 1996. Two of the six members are council appointees.
- The Te Motu a Hiaroa (Puketutu Island) Governance Trust was established in 2013. Four of the 12 members are council appointees.

- Tūpuna Maunga o Tāmaki Makaurau Authority (the Maunga Authority) is our newest co-governance arrangement. This is the statutory authority established under the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 to co-govern our tūpuna maunga (ancestral mountains).

The Maunga Authority had its inaugural hui on 15 September 2014 and is comprised of equal representatives from Ngā Mana Whenua o Tāmaki Makaurau and the council together with Crown (non-voting) representation.

Mana whenua are represented by Paul Majurey (Marutūāhu Rōpū) (Chair), Ngarimu Blair (Ngāti Whātua Rōpū), Tipa Compain (Marutūāhu Rōpū), Grant Hawke (Ngāti Whātua Rōpū), Dennis Kirkwood (Waiohua Tāmaki Rōpū) and Te Warena Taua MNZM (Waiohua Tāmaki Rōpū).

Auckland Council is represented by Hon Christine Fletcher QSO (ward councillor: Albert-Eden-Roskill) (Deputy Chair), Chris Darby (ward councillor: North Shore), Glenda Fryer (deputy chair: Albert-Eden Local Board), Kit Parkinson (member: Ōrākei Local Board), Simon Randall (chair: Maungakiekie-Tāmaki Local Board) and Bill Cashmore (ward councillor: Franklin).

The Crown is represented by Andrew Bignell (Department of Conservation).





## Other entities

- Tikapa Moana–Hauraki Gulf Forum. This statutory body promotes and facilitates integrated management, protection and enhancement of the gulf under the Hauraki Gulf Marine Park Act 2000. It has 21 members, five of which are Auckland councillors, and is administered by the council.
- Independent Māori Statutory Board (IMSB). The IMSB is an independent board established by the Local Government (Auckland Council) Act 2009 to assist us by:
  - promoting cultural, economic, environmental and social issues of significance for mana whenua groups and mataawaka
  - assisting the council to act in accordance with statutory provisions referring to the Treaty of Waitangi/Te Tiriti o Waitangi. The board must identify and prioritise issues significant to Māori to help guide the council in carrying out its purpose
  - advising us about issues that affect Māori in Auckland.

Both mana whenua and mataawaka are represented on the board. Mana whenua are Māori with ancestral relationships in certain areas in Tāmaki Makaurau where they exercise customary authority. Mataawaka are Māori living in the Auckland region whose ancestral links lie outside Tāmaki Makaurau. The IMSB has its own website with more information about their role and board members – [imsb.maori.nz](http://imsb.maori.nz)

## Changes in 2014/2015

We made changes to our governance structure and operations to improve efficiency, integration of services and transparency about the way we work.

### CCO review

This review was an opportunity to investigate whether we needed to change any council or CCO activities, functions, structures or the ways in which they operate. All local authorities have a new requirement to review, at least every six years, the cost-effectiveness of arrangements for providing good quality local infrastructure, local public services and regulatory functions. The review did not include the structure of Auckland Transport which is governed by legislation.

As a result of the review, some adjustments were made to the governance framework for the substantive CCOs, but overall the current CCO service delivery model governance arrangements are assessed as appropriate.

### Key changes include:

- the formation of Development Auckland (see below)
- improved alignment of the long-term plan, CCO letter of expectation and CCO statement of intent (SOI) processes so that the SOI process is strongly linked to decisions about what funding the council is providing
- enhanced requirements for CCOs to report on financial and other risk
- transferring local economic development implementation responsibilities from the council to ATEED to improve effectiveness
- transferring the management of the diversified financial assets portfolio from Auckland Council Investments Limited to the council from 1 March 2015
- a new CCO governance manual for substantive CCOs
- a review of governance policies covering board member remuneration and director recruitment policies including diversity policies and practices.

## Development Auckland

The merger of Auckland Council Property Limited (ACPL) and Auckland Waterfront Development Agency Limited (Waterfront Auckland) from September 2015 to form Development Auckland is the most significant result from the CCO review. It is an example of how we can use the scale of the Auckland Council Group to provide a total urban redevelopment package.

Development Auckland is designed to increase the group's urban development capacity using regeneration and investment, and to address some of the remaining barriers to brownfield redevelopment. It will facilitate the redevelopment of urban locations (mostly town centres) to create vibrant places that accommodate more homes and businesses, and optimise parts of our property portfolio that are underused.

It will work with the private sector and other agencies to deliver these goals, aiming to achieve a balance of commercial and strategic goals. Development Auckland takes over all activities provided by ACPL and Waterfront Auckland including waterfront development, management of business interests (including quarries, waste disposal and forestry), providing commercial advice to the council, property acquisitions and disposals, and property management on the council's behalf.

Development Auckland will deliver public and private development and infrastructure, including housing.

## Governing body committees

On 28 May 2015, the governing body changed its terms of reference for committees and introduced changes that:

- narrowed the focus of some of the reporting committees to concentrate on a few key projects or responsibilities
- changed the meeting frequency of some committees
- merged the Budget and Finance and Performance committees at the completion of the Long-term Plan 2015-2025 process.

The governing body also adopted new standing orders on 28 May 2015.

## Chief executive delegations

The governing body increased the chief executive's delegated financial authority. Together with changes to the committee structure, this saves on administration costs and frees up councillors to focus on the bigger issues.

## Availability of information

Putting more information about how we work onto our website meets our commitment to transparency and accountability and it aligns us with best practice across the public sector in making information more accessible to the public.

We now provide better, timelier and more accurate information about how we work. This includes Auckland Council Group staff numbers, information about annual average rates increases, debt, efficiency savings, updates on the NewCore project and contracts awarded by the council. We are publishing public interest responses to Local Government Official Information and Meeting Act requests.

In February 2015, we began live streaming of our governing body and committees of the whole council on our website. You can also see these meetings on our YouTube channel.





The ASB Polyfest

## Governing body

The governing body consists of the mayor and 20 councillors, and it focuses on Auckland-wide strategic decisions.



**Len Brown, JP**  
Mayor



**Penny Hulse**  
(Deputy Mayor)  
Waitākere



**Arthur Anae**  
Manukau



**Cameron Brewer**  
Ōrākei



**Dr Cathy Casey**  
Albert-Eden-Roskill



**Bill Cashmore**  
Franklin



**Ross Clow**  
Whau



**Linda Cooper, JP**  
Waitākere



**Chris Darby**  
North Shore



**Alf Filipaina**  
Manukau



**Hon. Christine Fletcher,**  
QSO  
Albert-Eden-Roskill



**Denise Krum**  
Maungakiekie-Tāmaki



**Mike Lee**  
Waitemata and Gulf

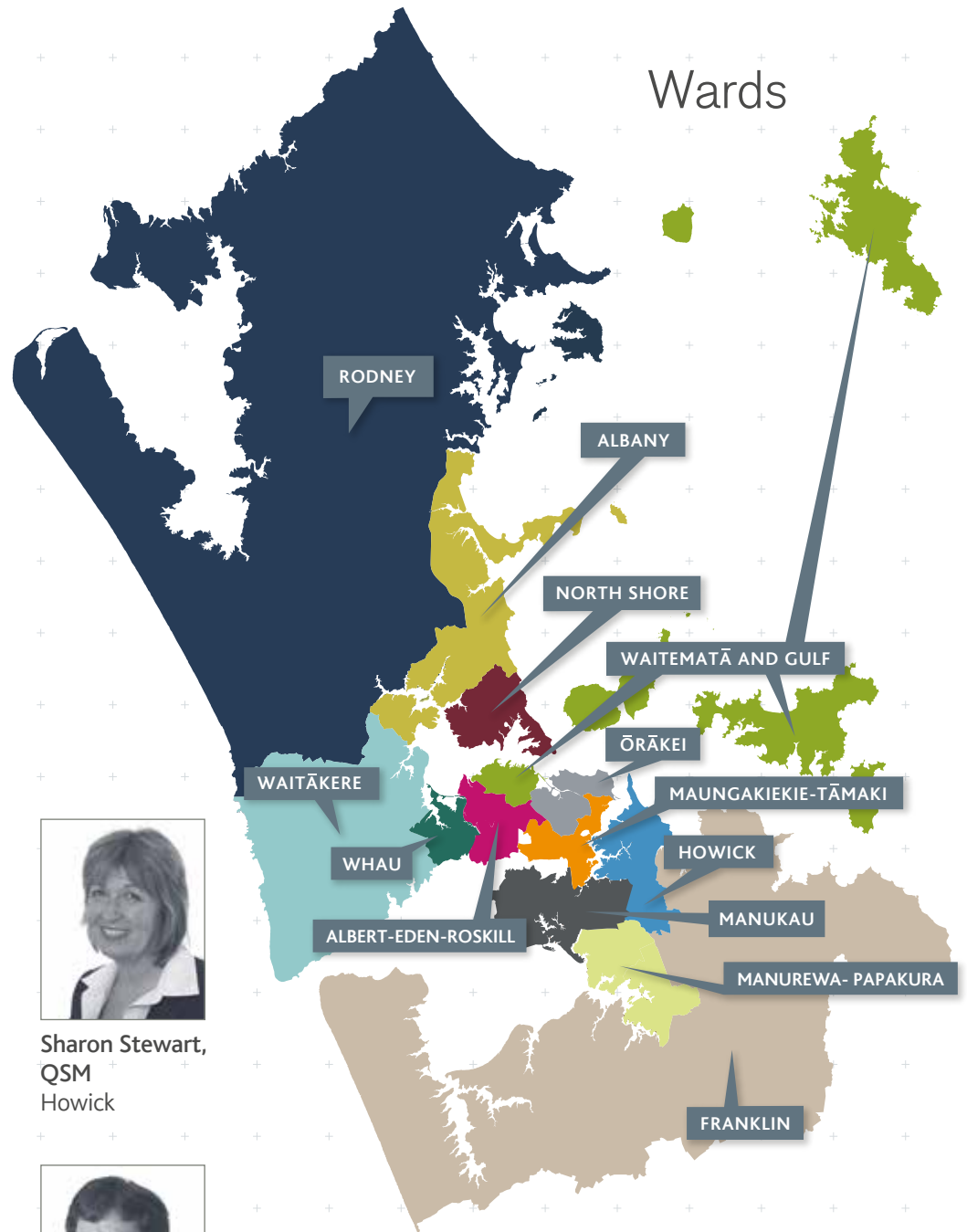


**Calum Penrose**  
Manurewa-Papakura





# Wards



Dick Quax  
Howick



Sharon Stewart,  
QSM  
Howick



Sir John Walker,  
KNZM, CBE  
Manurewa-Papakura



Wayne Walker  
Albany



John Watson  
Albany



Penny Webster  
Rodney



George Wood,  
CNZM  
North Shore

# Local board members

## Albert-Eden Local Board



Peter Haines  
Chair



Glenda Fryer  
Deputy Chair



Helga Arlington



Lee Corrick



Graeme Easte



Rachel Langton



Margi Watson



Tim Woolfield

## Devonport-Takapuna Local Board



Joseph Bergin  
Chair



Grant Gillon  
Deputy Chair



Mike Cohen,  
QSM, JP



Dianne Hale,  
QSO, JP



Jan O'Connor



Allison Roe, MBE

## Franklin Local Board



Andrew Baker  
Chair



Jill Naysmith  
Deputy Chair



Malcolm Bell



Alan Cole



Brendon Crompton



Angela Fulljames



Sarah Higgins



Murray Kay



Lyn Murphy





## Great Barrier Local Board



Izzy Fordham  
Chair



Susan Daly  
Deputy Chair



Jeff Cleave



Judy Gilbert



Christina Spence

## Henderson-Massey Local Board



Vanessa Neeson, JP  
Chair



Shane Henderson  
Deputy Chair



Brenda Brady, JP



Peter Chan, JP



Warren Flaunty, JP



Will Flavell



Tracy Kirkley



Luke Wilson

## Hibiscus and Bays Local Board



Julia Parfitt, JP  
Chair



Greg Sayers  
Deputy Chair



David Cooper



Janet Fitzgerald



Gaye Harding-Kirikiri



Gary Holmes



Lovisa Rasmussen



Lisa Whyte

## Howick Local Board



David Collings  
Chair



Adele White  
Deputy Chair



Gary Boles



Katrina Bungard



Jim Donald



Lucy Schwaner



John Spiller



Steve Udy



Bob Wichman

## Kaipātiki Local Board



Kay McIntyre  
Chair



Ann Hartley  
Deputy Chair



Grant Gillon



John Gillon



Danielle Grant



Richard Hills



Lorene Pigg



Lindsay Waugh

## Māngere-Ōtāhuhu Local Board



Lydia Sosene  
Chair



Carrol Elliot, JP  
Deputy Chair



Nick Bakulich



Tafafuna'i Tasi  
Lauese, JP



Christine O'Brien



Leau Peter Skelton



Togatolu Walter Togiamua

## Manurewa Local Board



Angela Dalton  
Chair



Simeon Brown  
Deputy Chair



Michael Bailey



Angela Cunningham-Marino



Hon. George  
Hawkins, QSO



Daniella  
McCormick



Ken Penney



Daryl Wrightson

## Maungakiekie-Tāmaki Local Board



Simon Randal  
Chair



Chris Makoare  
Deputy Chair



Josephine Bartley



Brett Clark



Bridget Graham,  
QSM



Obed Unasa



Alan Verrall



## Ōrākei Local Board



Desley Simpson  
Chair



Colin Davis, JP  
Deputy Chair



Ken Baguley



Troy Churton



Kate Cooke



Mark Thomas



Kit Parkinson

## Ōtara-Papatoetoe Local Board



Fa'anānā Efeso  
Collins, Chair



Ross Robertson  
Deputy Chair



Lotu Fuli



Stephen Grey



Mary Gush



Donna Lee



John McCracken

## Papakura Local Board



Bill McEntee  
Chair



Michael Turner  
Deputy Chair



Stuart Britnell



Brent Catchpole



Graham Purdy



Katrina Winn



## Puketāpapa Local Board



Julie Fairey  
Chair



Harry Doig  
Deputy Chair



David Holm



Ella Kumar, JP



Nigel Turnbull



Michael Wood

## Rodney Local Board



Brenda Steele  
Chair



Steven Garner  
Deputy Chair



James Colville



Warren Flaunty,  
QSM



Thomas Grace



Beth Houlbrooke



John McLean



Phelan Pirrie



Greg Sayers

## Upper Harbour Local Board



Lisa Whyte  
Chair



Brian Neeson  
Deputy Chair



Callum Blair



John McLean



Margaret Miles,  
JP



Christine  
Rankin-MacIntyre

## Waiheke Local Board



Paul Walden  
Chair



Beatle Treadwell  
Deputy Chair



Becs Ballard



John Meeuwsen



Shirin Brown

## Waitākere Ranges Local Board



Sandra Coney,  
QSO Chair



Denise Yates, JP  
Deputy Chair



Neil Henderson



Greg Presland



Steve Tollestrup



Saffron Toms

## Waitematā Local Board



Shale Chambers  
Chair



Pippa Coom  
Deputy Chair



Christopher Dempsey



Greg Moyle



Vernon Tava



Rob Thomas



Deborah Yates

## Whau Local Board



Catherine Farmer  
Chair



Susan Zhu  
Deputy Chair



Derek Battersby,  
QSM, JP



Ami Chand



Duncan  
McDonald, JP



Ruby Manukia-  
Schaumkel



Simon Matafai





## Ō MĀTOU MANUKURA ME NGĀ KAIMAHI

# Our leaders and people

This section provides information about the council executive leadership team and progress achieved in the last year in delivering to strategic goals for our people.

### Our executive leadership team

Auckland is on the verge of a growth phase unlike any other we have experienced, and we have a refreshed executive leadership team that recognises and rises to those challenges.

In the last year, we farewelled five executive leadership team members who contributed significantly to the establishment of Auckland Council. We appreciate their service and their contribution to our performance. We appointed new members to the team from within our organisation and from outside. Each has skills and experience we can use to our advantage along with a strong commitment to the council. I am confident they have the right qualities to support and drive a high-performance council that will benefit Auckland.

Stephen Town  
Chief Executive

### Our thanks to...

**Dr Roger Blakeley, Chief Planning Officer,** who was responsible for major initiatives such as the Auckland Plan, Economic Development Strategy, City Centre Masterplan, Unitary Plan, The Southern Initiative, area plans, city transformation projects and land, air and water strategies.

**Andrew McKenzie, Chief Finance Officer,** who was responsible for financial functions including financial policy, expenditure and income monitoring, analysis and reporting, debt and investment management, business planning and budgeting as well as property, information services, CCO governance and external partnerships and City Parks Services.

**Grant Taylor, Governance Director,** who was responsible for ensuring the successful implementation of the new governance model for Auckland and managed the relationship and funding agreement for the Independent Māori Statutory Board. He led Democracy Services, Local Board Services and the Māori Strategy and Relations Department.

**Clive Manley, Civil Defence and Emergency Management Director,** who focused on building relationships with key agencies, building a culture of commitment and investigating the role of new technology.

**Alan Brookbanks, People and Capability Director,** who was charged with creating a positive and productive organisational culture, promoting health and safety, and supporting business improvement initiatives and the leadership of change. Although Alan has completed his role as People and Capability Director, he continues to be involved in the organisation in a part-time leadership coaching role.

## Executive leadership team

**Stephen Town**  
Chief Executive



Stephen heads the executive leadership team. He has extensive experience in local government, leadership of large infrastructure projects and strong credibility across government and the private sector. Stephen was the regional director of the New Zealand Transport Agency for Auckland and Northland and chief executive of Tauranga City Council.

**Sue Tindal**  
Chief Financial Officer



Sue joined us in March 2015 from PricewaterhouseCoopers where she was a strategic advisor to a number of financial services clients. She returned home to New Zealand in 2014 following a very successful career in Australia, Asia and the USA where she held a number of senior, chief executive and non-executive director roles. Sue was also responsible for the relationships with state and federal governments of two large Australian banks. As our CFO, Sue is responsible for our financial functions including council group financial policy; balance sheet, income and expenditure management; debt and investment management; business planning and budget processes; property; procurement; information services; CCO governance and external partnerships and our central project office.

**Dean Kimpton**  
Chief Operating Officer



Dean leads the largest division in council – our Operations division – where staff are responsible for providing the majority of our public-facing services such as building and resource consenting, rubbish collection and stormwater infrastructure, through to community services including libraries, parks and recreation, and community safety. As COO, Dean also has oversight of the housing portfolio. Prior to joining the council, Dean was managing director of AECOM NZ, a global leader in all aspects of infrastructure planning, design and delivery. He has wide experience at senior executive and governance levels.



## **Jim Quinn** **Chief of Strategy**

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Jim joined us in May 2015. He was the inaugural CEO of KiwiRail and has extensive experience in CEO and executive manager roles, most recently at Express Couriers and New Zealand Post. He was chair of MCom for nine years and is currently a director on a range of boards. His commercial experience and knowledge of infrastructure, transport and the technology industries are a great asset to the council and Aucklanders. This is a pivotal role in our refreshed executive leadership team, where Jim will take the lead in translating our big plans into action and building a unified region.

## **Phil Wilson** **Governance Director**

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Phil was chief of staff to the mayor of Auckland prior to taking up this role. He led the mayor's office through the formative stages of the new council following amalgamation. His local government roles include general manager of human resources and communications for Manukau City Council and then chief advisor, where he led the chief executive and mayoral offices. Phil's role is focused on developing the directorate as a centre of excellence and innovation for both democratic and corporate governance practice, and as an important contributor to the strategic outcomes identified for Auckland.

## **Patricia Reade** **Transformation Director**

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Patricia joined Auckland Council at amalgamation in November 2010 as the chief operating officer. Prior to that she held senior leadership positions in the public service including deputy chief executive at the Ministry of Social Development, responsible for Work and Income. She now leads our key change and transformation programmes to enable and deliver the high performance council strategy.



**Christine Etherington**  
**People and Capability Director**

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Christine joins us from Auckland District Health Board where she was director of strategic human resources (HR). She brings a great deal of HR experience and good understanding of big public sector organisations to the role. Her previous experience includes executive HR roles with the Ministry of Social Development, Ford Motor Company Ltd, and Network Rail Infrastructure Ltd in London. Christine is responsible for a team of professionals who support the council's business and employee operations with administration services and HR specialist advice, coaching and support.

**Katherine Anderson**  
**Director Legal and Risk**

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Katherine joined the council in February 2014 as general counsel, leading the delivery of legal services. Katherine is a senior lawyer with private and public law experience including Chapman Tripp, the Crown Law Office and the Department of the Prime Minister and Cabinet, where she was an advisor to the Prime Minister. In 2011 she moved to the New Zealand Police, representing it in the Pike River Royal Commission and later joining Police's executive team as general manager: policy, performance and legal. In 2013 she was appointed as a member of the Human Rights Review Tribunal. Her updated title is director legal and risk, given her expanded responsibilities for risk management, including insurance.

**Karl Ferguson**  
**Communication and Engagement Director**

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Karl joined the council in September 2014. He was previously group manager, communications at the Ministry of Education. He has extensive experience in central government communications, and has held senior roles at the New Zealand Transport Agency, Canterbury Earthquake Recovery Authority and Inland Revenue. Karl oversees a department that is responsible for managing key channels on behalf of the council, such as Our Auckland, engages with Aucklanders on key conversations about Auckland and its future, and ensures all Aucklanders are well informed about the council and its services and activities. He has a strong professional interest in ensuring public sector agencies are aware of, and meet, stakeholder needs.



## Our people

In 2014/2015, we turned our focus to becoming a high performance council (HPC). This strategy provides a clear vision, summarises our areas of focus, and highlights the leadership and behaviours required to enable high performance. It includes a new balanced scorecard and business planning process, a new corporate strategy function and re-setting of the transformation portfolio to more closely align with HPC. We also streamlined our governance structure for enterprise-wide initiatives and developed new capability to drive process improvements across the council.

### Our structure

Our group structure enables us to maximise the skills of our people and develop the capabilities we need to take Auckland into the future. Auckland Transport and Watercare operate independent systems, but we share some programmes with them and with our other CCOs.

### Nurturing in-house talent

We are developing a future-focused talent management approach to help identify and prepare our high-performing employees for leadership positions. Creating a deep pool of leaders is critical as they will go on to shape our strategy, inspire teams and deliver results for the council and for Aucklanders.

### Performance, recognition and pay

We have made innovative changes to our performance, recognition and pay programmes. We are emphasising the benefits of regular conversations between our people and their leaders, as a more effective way of motivating high performance. We are rewarding performance through career development and other non-monetary forms of recognition, reflecting the feedback employees have given us about what is most important to them.

### Career pathways

Our graduate, intern and cadet programmes are highly successful in recruiting future leaders and specialists.

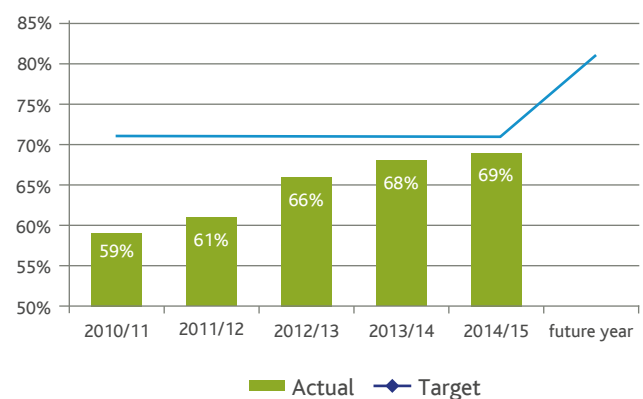
In 2015, we hired 46 graduates, 25 interns for the summer intern programme and 11 cadets. Māori and Pasifika make up 90 per cent of the cadet group and we are piloting a programme with iwi to recruit more Māori cadets with potential for leadership roles.

### Employee engagement

Increased engagement leads to increased job satisfaction, productivity, staff retention and innovation – the things that will help us become high-performing. Making employee well-being a priority in 2014/2015 has been returned in increased engagement.

In the next year, we will continue to focus on valuing our people, ensuring that they understand our organisational purpose and strategy, and promoting excellent customer service.

Engagement scores 2011-2015



### People Leaders Programme

This programme is part of a council-wide strategy to expand our leadership. It is already paying dividends with 75 per cent of participants feeling encouraged to develop their leadership skills, knowledge and abilities.

The programme has been opened to emerging leaders for the first time in 2014/2015 and will be refreshed in 2015/2016 to ensure strong ongoing alignment with our high-performance strategy.

### Training

Investment in training and development is critical to delivering HPC. We reviewed provider relationships and coordinated our learning activities to create a more consistent experience across the council.

### Workforce diversity

Our diversity initiatives run across the council group, continuing our strategy of creating a diverse workplace that reflects the diversity of Auckland itself. This includes appointing two more women to our executive leadership team, focusing on graduate and cadet recruitment to build diversity, workshops on inclusive leadership for senior leaders, and flexible working arrangements. We also have a CCO programme covering future Māori directors, an intern programme for women and diversity training for all CCO directors.

### Relationship with unions

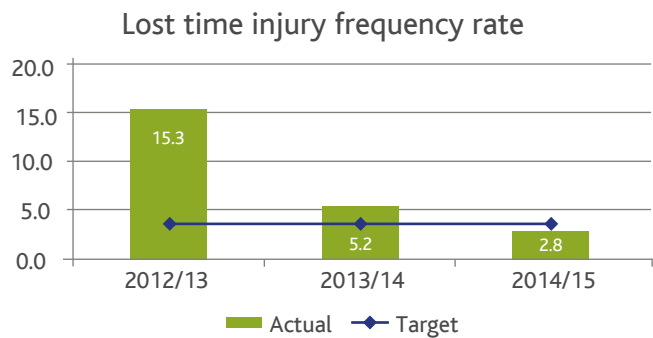
We continue to work constructively with the New Zealand Public Service Association (PSA) and the Amalgamated Workers' Union of New Zealand. We have a strong partnership with the PSA through which we have committed to creating a high-performance, high-engagement, and high-trust workplace. We are committed to involving PSA delegates and members in all significant workplace initiatives. Most notably in 2014/2015 we partnered with the PSA to develop our new performance, recognition and pay framework. PSA delegates were involved in the design of the new framework and are now engaged in implementation efforts, working alongside their people leaders and other staff.

### Our workplace strategy

We are now designing our workplaces to accommodate the diversity of the people using them while creating more choice in how they work. Our retrofit of 135 Albert Street and Bledisloe House showcases a contemporary, prudent and frugal workplace based on a loose-fit design and accommodating new technology.

### Health and safety

This year has delivered a substantial improvement in health and safety performance in three areas – changing culture, improving performance and being proactive. Our lost time injury frequency rate continues to improve.



For the first time we provided a wellness programme aimed at proactively improving the health and well-being of staff across the council group. Staff surveys showed improvement in all four wellness areas – nutrition, exercise, sleep and social well-being.

### Community volunteer days

In the past year, around 1300 staff from across the group gave a day's work to support a local community or volunteer organisation.





## WHAKAHAERE TIKANGA HAUMARU

# Risk management

Effective risk management is fundamental to delivering our strategic priorities. Our enterprise risk management framework proactively identifies, assesses and manages risks in line with the Australian New Zealand International Standard, AS/NZ ISO31000:2009. By managing risks we maximise opportunities for all Aucklanders.

In 2014/2015, we established a new role – Head of Risk – in response to operational changes, and have made an appointment to that role. This role heads up the risk and insurance and claims management teams and reports to the director legal and risk.

The risk team aims to embed a positive risk culture that will enable the council to make well-informed decisions and achieve an advanced level of risk maturity by 2017. In 2014/2015, our executive leadership team (ELT) approved a two-year risk strategic plan which included a detailed work programme to deliver on strategic outcomes. This was endorsed by the Audit and Risk Committee.

A balanced insurance programme is essential to effective risk management. We review insurable risks across the group annually to ensure appropriate levels of insurance are in place. Treasury and Risk are taking a combined approach to the group's ongoing insurance strategy which is to be approved annually by ELT and the Treasury Management Steering Committee.

See section 2 in Volume 3 for detailed disclosure of the group's insurance policies.



Murrays Bay Wharf on the North Shore

## Ō MĀTOU TAUTOKO KI TE IWI MĀORI

# Our commitment to Māori

Auckland Council highly values its relationships with Māori, and is committed to significantly lifting Māori economic, social and cultural well-being, to strengthen the council's effectiveness for Māori, and optimise post-Treaty settlement opportunities for the benefit of mana whenua and the whole of Auckland.

### Delivering on our commitments across the council group

**Ehara taku toa i toa takitahi,  
engari he toa takitini.**

*Success is not determined by me alone,  
it is the sum of the contribution of many.*

Over the year we introduced a council group approach called Te Toa Takitini – Māori Responsive Council - where we have delivered specific activities and expenditure that contributed to achieving better outcomes with Māori.

Te Toa Takitini is led by Chief Executive Stephen Town, with the chief executives of our CCOs, the chief executive of the Independent Māori Statutory Board, the mayor's chief of staff and council's Executive Leadership Team.

**Activities and expenditure have been grouped into five areas of delivery from across the council group:**

- Whai Rawa – Māori Economic Well-being
- Whai Painga – Māori Social Well-being
- Whai Tiaki – Māori Cultural Well-being
- Whai Tika – Effectiveness for Māori
- Whai Tahinga – Treaty of Waitangi Settlements.

**Key Māori responsive activities delivered during the year included:**

- our first-ever needs analysis of 31 mana whenua and mataawaka marae, which gave us greater understanding of Tāmaki Makaurau marae and their requirements
- youth, literacy and education initiatives for Māori youth developed by COMET.

**We made two key appointments during the year that will enhance our relationships with mana whenua of Tāmaki Makaurau:**

- Manager Treaty Settlements. We established this role so that the group engages effectively in the Treaty Settlements space and delivers outcomes that meet Māori aspirations as well as those of the council and the wider public. This is unique to local government, driven by Auckland's extraordinary growth, the unitary council structure and Treaty settlements.
- Lead Officer – Tūpuna Maunga O Tāmaki Makaurau Authority. This is the new statutory authority to co-govern our tūpuna maunga (ancestral mountains). It was established under the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act. We support the authority with management, advice, hui, project and relationship management, and coordination across the council. We appointed Justine Smith to manage this relationship.



**We delivered key projects as part of the Treaty of Waitangi Audit Response Programme including:**

- Ngā Kete Akoranga, a comprehensive learning and development programme to upskill elected members and staff in their understanding of Māori concepts and perspectives, the use of Māori language, knowledge of Te Tiriti o Waitangi/Treaty of Waitangi, and our statutory obligations to Māori
- the development of departmental and CCO Māori responsiveness plans such as Te Kauhanganui, our libraries' Māori Responsiveness Plan. This lays the foundation for strengthening relationships with Māori by encouraging Māori participation in all aspects of libraries and promoting te reo Māori.

**Other activities included:**

- approval for Special Housing Areas to be established on Māori Land, Treaty Settlement Land and Māori Special Purpose zoned land in eligible parts of rural Auckland
- our Māori and Pacific Trades Training initiative which supports young adults to obtain sustainable employment in infrastructure and trades. In 2014/2015, we enrolled 122 students and had 25 major employers actively engaged.



Carver Sunnah Thompson at work on the pare (lintel) for 135 Albert Street



Table 1

| Māori transformational and co-governance activities in 2014/2015   | Find more information here                     |
|--|--|
| Matariki Festival and Waitangi day events  | 2.1 Regional, arts culture and events services |
| The Tūpuna Maunga o Tāmaki Makaurau Authority (Maunga Authority) was established with the inaugural Hui on 15 September 2015. Fourteen of our Tūpuna Maunga (ancestral mountains) are now administered by this new co-governance arrangement | 2.4 Regional parks services                    |
| The Tūpuna Maunga Operational Plan 2014/2015 was adopted by the Maunga Authority   |  |
| Routine management of the Tūpuna Maunga (under the direction of the Maunga Authority)  |  |
| Māori Economic Development Programme   | 3.1 Regional economic strategy and initiatives |
| Supporting marae in The Southern Initiative (TSI)  |  |
| Sea Change –Tai Timu Tai Pari/Hauraki Gulf Marine Spatial Plan   | 5.1 Environment and heritage protection        |
| Māori Cultural Heritage Programme  | 5.1 Environment and heritage protection        |
| Okahu Bay daylighting project  | 8.1 Stormwater management                      |
| Treaty of Waitangi settlement programme that co-ordinates the council's response to Crown and mana whenua settlements  | 11.1 Governance and democracy                  |
| Management and democracy services support for the Maunga Authority   |  |
| Effectiveness for Māori programme focused on strengthening council's responsiveness to Māori   |  |
| Delivered key projects as part of the Treaty of Waitangi Audit Response Programme  | 12.1 Organisational support                    |



Table 2 below highlights additional key priorities previously identified in the Annual Plan 2014/2015.

**Table 2**

| Annual Plan priorities contributing to<br>Māori outcomes 2014/2015                         | Find more information here                         |
|--|--|
| Kia Māia te Whai summer reading programme  | 1.1 Regional library services                      |
| Launched Te Kauhanganui–Auckland Libraries' Māori Responsiveness Plan                      |  |
| Commissioned carving for Te Pātaka Kōrero o Te Hau Kapua–Devonport Library                 | 1.2 Local library services                         |
| Haere Whakamua project   | 1.3 Regional community services                    |
| Establishment of Te Ohu Mana Rangatahi   |  |
| Papakura Whānau Fun Day  | 1.4 Local community services                       |
| European tour for historical Māori artworks by Gottfried Lindauer                          | 2.8 Regional collections and amenities             |
| Incorporating Māori culture and heritage in waterfront planning and development            | Waterfront development                             |
| Promotion of Auckland's Māori identity   | 3.3 Tourism, major events and industry development |
| Support and promotion of Māori tourism ventures  |  |
| Hui with mataawaka artists   | 4.1 Planning                                       |
| Wānanga/workshops on establishing a rangitahi rōpū   |  |
| Māori and Pacific Trades Training  |  |
| Kōhanga reo project  |  |
| Māori engagement in development of key policies  |  |
| National Policy Statement for Freshwater Management-Wai Ora Wai Māori                      | 5.1 Environment and heritage protection            |
| Te Aranga Māori design programme   |  |
| Waste Minimisation and Innovation Fund   | 6.1 Waste and recycling services                   |
| Mana whenua Kaitiaki Forum   | 7.1 Water supply                                   |
| Key projects with mana whenua to enhance the mauri of our waterways                        | 8.1 Stormwater management                          |
| Māori values assessment for Penlink  | 9.2 Roads and footpaths                            |
| Māori Responsiveness Plan for commercial activities  | 10.1 Commercial                                    |
| Ports of Auckland partnership with mana whenua at Manukau South Head                       |  |
| Established Te Toa Takitini, the council group's Māori Responsiveness programmes of action | 11.1 Governance and democracy                      |
| Delivered key projects as part of the Treaty of Waitangi Audit Response Programme          | 12.1 Organisational support                        |

## Mayoral priority projects

In addition to the projects identified above, the Annual Plan 2014/2015 identified six Māori priority project areas.

**Table 3**

| Māori priority project areas   | Progress  |
|--|---|
| <p><b>Major events</b><br/>Explore a Māori event</p>   | <p>ATEED continued to facilitate the design and development of a signature Māori festival. Following engagement with mana whenua, ATEED has undertaken further thinking in partnership with iwi on the governance and operational management of the festival and options for delivering a waka festival in December 2015</p>  |
| <p><b>Tāmaki Transformation Programme</b><br/>Provide opportunities for affordable housing, marae and associated education and cultural facilities</p> | <p>Worked continued on the Ruapōtaka Marae Capacity Building Project as part of the master plan. Working with mana whenua on a cultural mapping project to protect cultural landmarks. Financial literacy training targeting Māori and Pasifika to enable community members to deliver information sessions to Tāmaki families throughout 2015. Implementation of the Affordable Housing Strategy in partnership with Community Housing Aotearoa, Ngā Iwi Katoa, and Te Matapihi (sector body representing Māori housing interests)</p> |
| <p><b>The Southern Initiative (TSI)</b><br/>Scope a project to address Māori interests</p>   | <p>A number of projects are underway including a Ngā Mana Whenua Diorama Project, Māori and Pasifika Trades Training, the Tāmaki Healthy Families Alliance and collaboration with mana whenua on social enterprise opportunities</p>  |
| <p><b>Transport walking and cycling Infrastructure</b><br/>Incorporate Te reo signage/ narrative, Māori design and public artworks</p>                 | <p>Mana whenua and Auckland Transport are working together on a number of major projects including the City Rail Link, Auckland Manukau Eastern Transport Initiative, Dominion Road, Penlink and East West and Mill Road, Point England to Panmure cycleway and Mt Roskill safety routes, and the Ōtāhuhu bus interchange. This includes using the Te Aranga Māori urban design framework to identify specific Te reo signage and Māori art projects in the cycle and walking programme</p>   |
| <p><b>Stormwater investment</b><br/>Incorporate mātauranga Māori</p>   | <p>Continued to invest in day-lighting and restoration of streams with Māori significance (e.g. Okahu Bay daylighting)</p>  |
| <p><b>Unitary Plan</b><br/>Mana whenua engagement on provisions and protection of sites of significance</p>  | <p>Mana whenua engagement in a review of 3600 sites of value to iwi completed. The council established a working group to address implementation issues regarding the CIA provisions in the plan</p>  |





Polynesian waka arrival in Auckland

## Ō MĀTOU TAUTOKO MŌ TE WHAKAPŪMAUTANGA

# Our commitment to sustainability

Our commitment to sustainability has delivered real benefits and savings ranging from lower energy use through to composting. In 2014/2015, we increased that commitment in two significant ways. Firstly, we created a Chief Sustainability Office and appointed the council's first chief sustainability officer who will help us pull together in the same direction to mainstream sustainability throughout and beyond the council. Secondly, we took on initiatives that deliver a broad range of social and environmental outcomes as well as making smart business sense.

### Albert Street retrofit

Our move into 135 Albert Street is a good example of us 'walking the talk' and we are aiming for a level of excellence through the New Zealand Green Building Council's Green Star rating scheme. The location reduces travel time between offices, productivity improves as people come together, the building makes good use of mobile technology and we can reconfigure space quickly.

Our energy-saving ideas have significantly reduced the building's running costs. For example, remaking 2443 fluorescent light units into LED lights has reduced lighting costs by about 39 per cent, or \$490,000. Sensor taps in bathrooms have reduced the building's annual water costs by 25 per cent, or \$23,000. We have also achieved significant resource savings, diverting 775 tonnes (83 per cent) of waste from landfill and using carpet that is 40 per cent recycled and 100 per cent recyclable.

Moving into Albert Street and consolidating our central city locations will save about \$2.7 million a year over the next 10 years.

Our approach to Albert Street has created interest with visits from central and local government, private companies, the media and property groups, along with several Australian councils and some of our suppliers. It is a smart step towards more sustainable council buildings, so watch this space.

### Neighbourhood greenways

Neighbourhood greenways connect communities by providing on-street and trail links between destinations such as schools, town centres, open spaces and transport hubs. They also provide ecological connections and opportunities for people to interact and experience Auckland's natural and cultural heritage.

Greenway plans have been driven from the ground up by local boards, starting with Whau then Puketāpapa, Maungakiekie-Tāmaki and Waitemātā, with plans now being implemented from over a dozen local boards.

In 2014/2015, we began a wider strategic collaboration across the council, the community and the business sector to ensure that the funding for greenways provided in the Long-term Plan 2015-2025 translates into on-the-ground green infrastructure that will be well-used and loved by all Aucklanders.



Balmoral Primary School  
learning to be wastewise

### Auckland Council Travel Plan

We are asking Aucklanders to modify their travel habits and that includes our own staff. We know about half our staff drive to work and that travel planning can reduce the number of drive-alone trips.

Our travel plan, a joint effort with Auckland Transport, aims to:

- raise awareness of travel choices for staff commuting to/from work
- reduce single occupancy vehicle travel to council sites
- improve sustainability and reduce our carbon footprint
- ensure more efficient business travel
- reflect ratepayer and politician expectations.

### South Auckland Home Insulation Scheme

EECA's Warm Up New Zealand: Healthy Homes programme has insulated 68,909 Auckland homes since 2009, alongside strong financial support from Foundation North and the insulation providers themselves. In 2014/2015, we leveraged EECA funding to help insulate additional homes, targeting community and emergency housing. Proper insulation improves living conditions, can reduce energy bills and climate emissions and can also lower hospital admissions and improve productivity at work and school. Sustainability done right is a win for people, planet and productivity.

### Where to next with sustainability?

We are looking at initiatives ranging from community-funded solar energy projects to sustainable procurement, bulk LED lighting upgrades and working to create an Auckland that is more resilient to the impacts of climate change.



## NGĀ RAWENGA Ā POĀRI Ā-ROHE

# Local board highlights

### **Albert-Eden**

Designs for the Pt Chevalier and Mt Albert town centre plaza upgrades are complete and the Mt Albert Aquatic Centre refurbishment has begun.

### **Devonport-Takapuna**

The new Devonport Library opened, Marine Square was upgraded and two barracks at Fort Takapuna were refurbished for community use.

### **Franklin**

We began appointing committees to manage community halls in our rural areas, with four appointed to date.

### **Great Barrier**

We began a conversation with our community on the island's future ecology.

### **Henderson-Massey**

We developed a community-led safety plan, and opened the new library at Ranui and the new Te Atatū library/community centre.

### **Hibiscus Bays**

Browns Bay Beachfront Reserve has upgraded toilets and changing facilities and there is a new hall at Stillwater.

### **Howick**

We continued developing Barry Curtis Park, our sports parks, extended cycle and walkways, and began building the Uxbridge Creative Arts Centre.

### **Kaipātiki**

We upgraded the Glenfield Pool and Leisure Centre and a number of our sports surfaces.

### **Māngere-Ōtāhuhu**

The new Ōtāhuhu recreation precinct is complete and we began streetscape improvements around Ōtāhuhu town centre.

### **Manurewa**

We upgraded sports fields, continued work on the Netball Manurewa Community Events Centre and started improving the town centre.

### **Maungakiekie-Tāmaki**

Te Oro – the Glen Innes Music and Art Centre for youth – opened and the Onehunga Bay foreshore project is nearly complete.

### **Ōrākei**

We upgraded playgrounds, sports fields and paths.

### **Ōtara-Papatoetoe**

We focused on parks, sports and recreational facilities and began developing the Colin Dale Motorsport Park.

### **Papakura**

Papakura Museum now has a new military room celebrating the 100th anniversary of Gallipoli.

### **Puketāpapa**

We began the link between Fearon Park and Harold Long Reserve, and improved sports facilities, walkways and cycleways.

### **Rodney**

Helensville War Memorial Hall is getting new community facilities and Warkworth Showgrounds has new sports facilities.

### **Upper Harbour**

We began building the Albany Stadium Pool, the Sunderland Lounge refurbishment is nearly complete and we upgraded sports fields.

### **Waiheke**

Our new library opened, the old space is being turned into an artworks precinct, and we opened the Te Ara Hura walking track.



### Waitākere Ranges

Lopdell Precinct is complete and we adopted the Waitākere Ranges Strategic Weed Management Plan.

### Waitematā

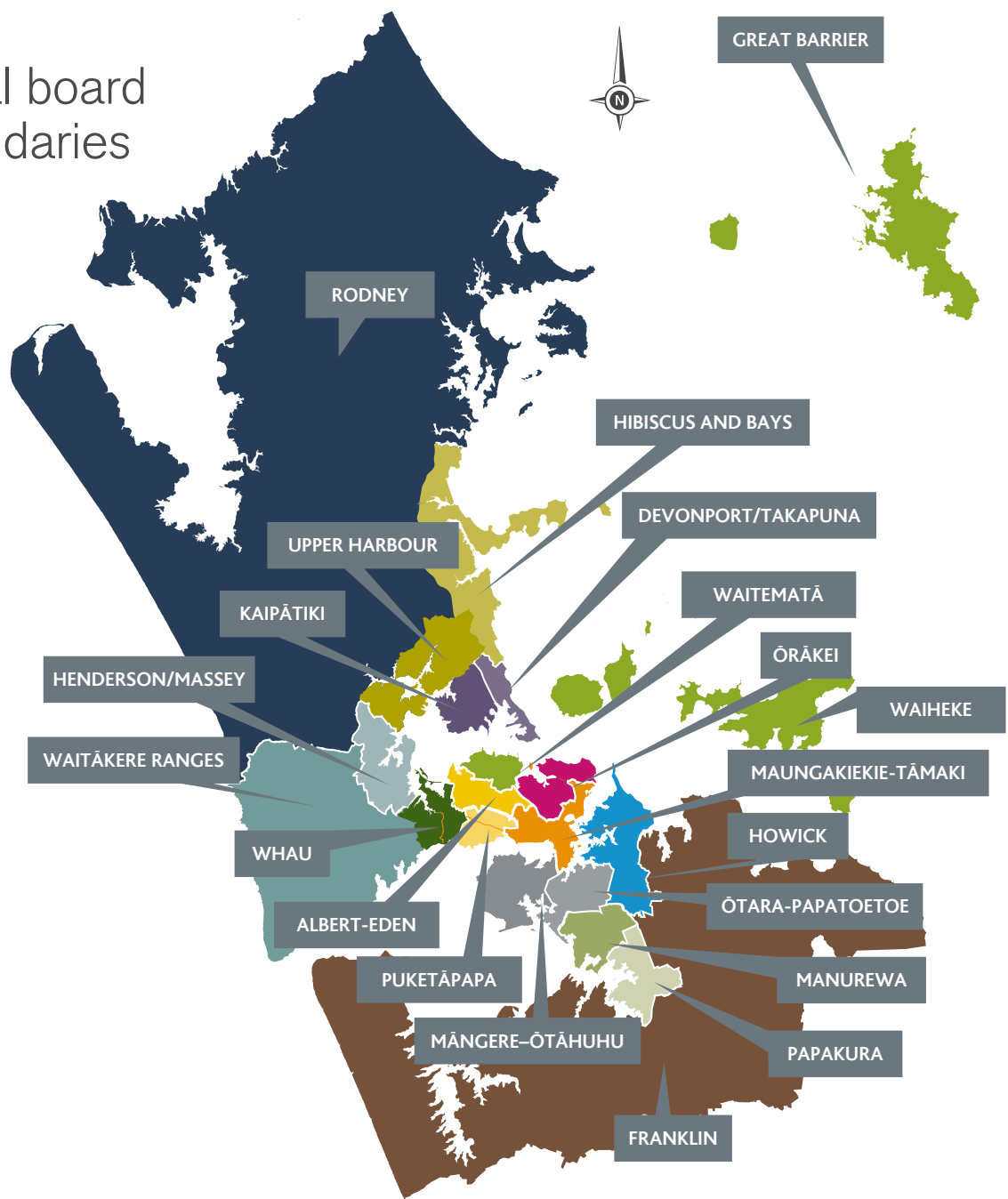
We began building the Weona Coastal Walkway and upgraded the Myers Park playground, lighting and CCTV.

### Whau

We finalised our greenways plan, developed concepts for links across the ward and completed the Crum Park sports fields.

[For more information on local board activities, see Volume 2: Local boards.](#)

## Local board boundaries

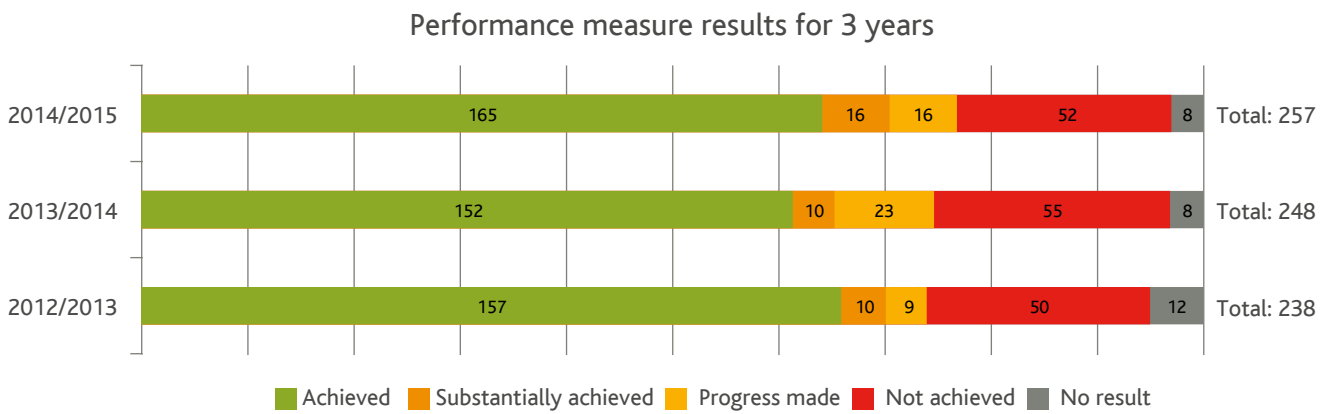


# TIROHANGA WHĀNUI Ō NGĀ MAHI WHAKAHAERE RĀTONGA






## Service performance overview

There were 257 service performance measures included in the Annual Plan 2014/2015 on which the council intended to report. Of these, 70 per cent were achieved or substantially achieved, which is an improvement on the previous year's results.

The graph below summarises our performance measure results over the last three years.



The performance measure results, compared to targets, are summarised as follows:






|   |   |   |  |   |
|---|---|---|--|---|
|  |  |  |  |  |
| Achieved  | Substantially achieved  | Not achieved but progress made  | Not achieved   | No result   |

More detailed information can be found in the themes and groups of activities section of this volume.





The table below summarises the performance measure results by theme. A comparison to the prior year is included to show the progress achieved.

|                               |  |               |  |               |  |               |  |               |  |               |
|-------------------------------|---|---------------|---|---------------|---|---------------|---|---------------|---|---------------|
| Themes                        | 2014/<br>2015   | 2013/<br>2014 | 2014/<br>2015   | 2013/<br>2014 | 2014/<br>2015   | 2013/<br>2014 | 2014/<br>2015   | 2013/<br>2014 | 2014/<br>2015   | 2013/<br>2014 |
| Community                     | 19  | 19            | 0   | 1             | 2   | 2             | 13  | 9             | 0   | 4             |
| Lifestyle and culture         | 30  | 35            | 3   | 3             | 4   | 4             | 13  | 12            | 2   | 0             |
| Economic development          | 18  | 16            | 1   | 0             | 0   | 2             | 6   | 8             | 1   | 0             |
| Planning                      | 7   | 5             | 0   | 0             | 0   | 0             | 0   | 1             | 0   | 1             |
| Built and natural environment | 28  | 26            | 3   | 1             | 3   | 3             | 10  | 12            | 1   | 2             |
| Solid waste                   | 2   | 3             | 1   | 1             | 0   | 0             | 1   | 0             | 0   | 0             |
| Water supply and wastewater   | 14  | 13            | 1   | 1             | 0   | 0             | 0   | 1             | 0   | 0             |
| Stormwater                    | 7   | 7             | 1   | 1             | 0   | 0             | 1   | 1             | 0   | 0             |
| Transport                     | 24  | 6             | 1   | 2             | 1   | 9             | 2   | 2             | 1   | 0             |
| Commercial & investment       | 3   | 6             | 2   | 0             | 0   | 0             | 1   | 0             | 0   | 0             |
| Governance                    | 5   | 7             | 0   | 0             | 2   | 1             | 4   | 6             | 3   | 0             |
| Corporate support             | 8   | 9             | 3   | 0             | 4   | 2             | 1   | 3             | 0   | 1             |
| Total                         | 165   | 152           | 16  | 10            | 16  | 23            | 52  | 55            | 8   | 8             |

This section summarises, by theme, our service performance, key achievements, and the challenges we are still facing.

## Community

Community activities help to create a strong, inclusive and equitable society through involvement in recreation, leisure, arts and culture, heritage, volunteering and community services.

### Service performance summary

In 2014/2015, 19 out of 34 performance measures achieved or substantially achieved the target level.

### Key achievements

- We opened new libraries at Te Atatū, Ranui and Devonport. Takapuna and Papatoetoe libraries were refurbished.
- We opened Te Oro, the Glen Innes Music and Art Centre for youth.
- Nearly 10,000 children took part in our summer reading programme, which included Te reo Māori for the first time.
- We developed a local alcohol policy as part of our commitment to reducing alcohol-related harm.
- Our electronic presence grew with a new libraries app, a trial for online resources consents, eRates, eBooks and Zinio, Facebook and civil defence updates.

- We opened new community facilities at West Harbour, Glendene and Stillwater.
- Te Ohu Mana Rangatahi was formed to focus on increasing the cultural connectivity of rangatahi and to help develop leadership.

### Challenges

- Changes in libraries' business model to accommodate a shift in customer preferences towards more digital services.
- Improve service delivery provided to housing for the elderly customers.
- Provide further advice to recipients of community funding and continue monitoring accountability.
- Provide community centres that better meet local community needs and improve their use.
- Improve community awareness and preparation for potential emergencies.
- Improve satisfaction with our cemeteries and memorial gardens services, including signage and appearance of the grounds.



The new Devonport Library



## Lifestyle and culture

Our lifestyle and culture activities provide Aucklanders and visitors with high-quality arts, culture and recreation opportunities ranging from arts programmes and parks, to galleries and museums. We invest in facilities to attract world-class events to Auckland.

### Service performance summary

In 2014/2015, 33 out of 52 performance measures achieved or substantially achieved the target level.

### Key achievements

- Lopdell Precinct re-opened after a \$19 million redevelopment and the addition of Te Uru Waitākere Contemporary Gallery.
- A five-way partnership delivered the Sir Owen G Glenn National Aquatic Centre at the AUT/ Millennium Pool.
- The historic Victoria Wharf was renewed.
- More than 232,000 people attended our summer line-up of major concerts, adding \$10.3 million to our economy.
- More than 38,000 people came to the Anzac Day dawn service at the Cenotaph in the Auckland Domain to mark the 100th anniversary of Gallipoli.
- The art gallery attracted the second highest number of visitors in the last 30 years with The Light Show.
- Anjalee, an Asian elephant, became Burma's new companion at the zoo.
- We now co-govern our ancestral mountains with the Tūpuna Maunga o Tāmaki Makaurau Authority. Land was added to regional parks at Piha and Karekare, Mahurangi, Te Rau Puriri and Te Arai.
- We opened Te Ara Hura, the 100km continuous walk around Waiheke Island.
- Playing capacity increased with 15 sports fields lit and another 15 with new sand fields.
- We were awarded a \$12.4 million Healthy Families contract to address obesity.

### Challenges

- Provide a range of events and cultural activities that is diverse and of high quality.
- Increase Māori participation in regional events.
- Continue caring for and protecting our volcanic heritage.
- Promote our regional parks as great places for enjoyment and continue encouraging volunteer participation.
- Improve our local park provision and care, to better cater for community needs.
- Increase community participation in sport and recreation initiatives.
- Provide better recreation facilities and continue to deliver popular programmes.



Matakana Playground

## Economic development

We use our economic development activities to drive economic growth and development for Auckland, which benefits Aucklanders and New Zealand's overall future prosperity.

### Service performance summary

In 2014/2015, 19 out of 26 performance measures achieved or substantially achieved the target level.

### Key achievements

- We continued to develop new town centres at Westgate and Flat Bush.
- Upper Kharatoum Place was redesigned and there are new shared spaces in O'Connell and Federal streets.
- More than 30 major events injected \$73.1 million into the regional economy and generated 390,000 visitor nights. These included the Volvo Ocean Race Auckland stopover and the FIFA U-20 World Cup, our biggest ever football event.
- GridAKL, our innovation precinct at Wynyard Quarter, reached full capacity with 15 start-up tenants.
- We began a tripartite economic alliance between the sister cities of Auckland, Guangzhou and Los Angeles.

- Down at the waterfront, Waitemata Plaza is now a landscaped green oasis with a strong public art focus. We finished Daldy Linear Park North and opened the first stage of the Westhaven promenade. The waterfront won two international design awards.
- A record 543 permits for filming in our open public spaces were approved, facilitating productions worth nearly \$130 million.
- The JobFest employment summit attracted 2000 young people. There are now 48 business improvement districts in Auckland.

### Challenges

- Improve our OECD rating GDP/capita from 74th in a list of 85 comparator cities.
- Speed up delivery of our Auckland Plan economic development objectives.
- All city transformation projects need to lift Māori social and economic well-being.
- Improve the cleanliness, quality and maintenance of our street environment.
- Deliver our waterfront projects on time and within budget.







## Planning

Auckland's scale and complexity makes planning, strategy development and resource management particularly important. Our planning activities help translate those three elements into activities that will create better and more sustainable living, working and recreation environments.

### Service performance summary

In 2014/2015, seven out of seven performance measures achieved the target level.

### Key achievements

- Families moved into the new homes in the first of our Special Housing Areas (SHAs) in Weymouth.
- We approved rezoning and resource consent for 31 hectares in the Whenuapai village SHA enabling land zoned future urban to be developed now. This was the first concurrent plan variation and qualifying development consent to be approved in New Zealand, as anticipated under the Auckland Housing Accord.
- More than 27,000 Aucklanders provided feedback on the Long-term Plan 2015-2025 (LTP).
- The accelerated transport programme was adopted as part of the LTP.

- Our first 30-year infrastructure strategy covering transport, water, wastewater, stormwater, parks and open spaces, and community facilities was completed.
- The Unitary Plan hearings process is on track for a final decision in September 2016.
- We are supporting marae in The Southern Initiative to develop sustainable tourism opportunities.

### Challenges

- Continue involving mana whenua in the development of our strategies, policies and plans.
- Improve the economic situation in south Auckland, introducing initiatives to tackle poverty rates, unemployment and social issues.
- Accelerate Auckland's housing supply and deliver against the targets set within the Auckland Housing Accord.



Social housing in Papatoetoe

## Built and natural environment

Protecting and enhancing our built and natural environment is part of our commitment to environmental action and green growth. We monitor our air, land and water quality; promote urban design; conserve our historic heritage and apply regulations. We work with mana whenua, communities, businesses and other stakeholders to restore and enhance natural areas.

### Service performance summary

In 2014/2015, 31 out of 45 performance measures achieved or substantially achieved the target level.

### Key achievements

- Our Indigenous Biodiversity Plan delivered protection programmes for 42 threatened species and kept the Hauraki Gulf islands free of pests.
- We granted just over \$1 million to groups and private landowners to restore native ecosystems, enhance water quality and protect heritage values.
- Mana whenua were involved in projects including Te Auaunga Awa-Oakley Creek, the National Policy Statement for Freshwater Management, and the stewardship and kaitiakitanga of natural resources.
- We supported the rollout of local board-funded industry pollution prevention studies to help industry minimise its effect on waterways.

- Nearly 150,000 school children learnt about sustainability.
- Retrofit Your Home offered 3000 homeowners financial assistance to retrofit for clean heat and insulate their homes.
- We began training for staff and food premises operators for the transition to the new Food Act.

### Challenges

- Need to find ways to encourage turnover of old domestic fires and reduce emissions of air pollutant PM10.
- Continue implementing kauri disease solutions to stop its spread in the Waitākere Ranges.
- Improve customer satisfaction with building consents delivery.
- Improve speed of processing resource consent applications.
- Provide a faster response to pollution incident calls.
- Increase the regularity of inspections of food and alcohol-licensed premises.
- Improve communication with customers on our animal management services.



Federal Street shared space



## Solid waste

We aim to have zero waste by 2040 so that almost nothing goes into landfills and we recycle, reuse or recover virtually everything. Together with our waste management and minimisation plan, and advocacy to take more responsibility with our waste, we can turn this problem into a resource. We provide collection and disposal services, kerbside recycling and community advice and education.

### Service performance summary

In 2014/2015, three out of four performance measures achieved or substantially achieved the target level.

### Key achievements

- Waste Minimisation and Innovation Fund grants were made to businesses, mana whenua and community groups to reduce and minimise waste going to landfill.

- Our waste minimisation learning centres hosted over 9000 people, most of them students.
- We trialed a weekly organic food scraps collection trialled across 2000 homes on the North Shore.
- We developed the Compost Collective, a new regional composting programme, and increased engagement for those with English as a second language.
- Through recognition of kaitiakitanga and the mauri of resources we developed partnerships with mana whenua and mataawaka to support sustainable development of waste minimisation, Māori outcomes, leadership and community.

### Challenges

- Continue educating and engaging with Aucklanders to improve good recycling and composting habits.



Waitākere Resource Recovery Centre



## Water supply and wastewater

We provide water supply and wastewater treatment services across Auckland. We also maintain and upgrade our existing infrastructure while adding new infrastructure ranging from pipes to treatment plants to accommodate current needs and future growth.

### Service performance summary

In 2014/2015, 15 out of 15 performance measures achieved or substantially achieved the target level.

### Key achievements

- Work continued on the Hunua No 4 water main to cater for Auckland's growth.
- The \$950 million Central Interceptor project moved to the detailed design, fieldwork and consent phase.

- We began rehabilitating quarried land on Puketutu Island using biosolids.
- Clarks Beach, Glenbrook, Patumahoe and Waiau Pā in Franklin were connected to the metropolitan water supply.
- We began detailed design work for the Rosedale Wastewater Treatment Plant expansion which will rebalance the capacity of our wastewater network.

### Challenges

- Continue improving our services to customers, reducing the number of water interruptions and potable water network losses.
- Improving the number of non-metropolitan plants and reticulations achieving top grades.



Wairoa Dam in the Hunua Ranges





## Stormwater and flood protection

Our stormwater infrastructure is designed to minimise the impact of stormwater going into our streams, beaches, harbours and surrounding habitats. This is becoming increasingly important as Auckland grows and we need to protect our biodiversity, air quality, land, waterways and oceans.

### Service performance summary

In 2014/2015, eight out of nine performance measures achieved or substantially achieved the target level.

### Key achievements

- We delivered major stormwater projects including Queen Street renewal, Browns Bay Culvert relining, Pukekohe Railway Station renewal upgrade and outfall improvements in Kawakawa Bay.
- Mana whenua were involved in the design of new stormwater infrastructure for Special Housing Areas and enhancing culturally significant waterways.

- The \$22 million Artillery Drive stormwater tunnel in Papakura moved to procurement stage.
- We partnered with mana whenua to educate stormwater unit engineers on the mauri model and show mana whenua how stormwater projects can enhance mauri.
- We removed obstacles to native fish migration and increased biodiversity on Great Barrier and Waiheke islands, and in the Hunua and Waitākere ranges.

### Challenges

- Improve response times to stormwater requests.
- Increase customer satisfaction, by keeping our customers informed on progress with their requests.
- Liaise and partner more frequently with mana whenua in the delivery of our services.
- Continue working on the mapping of catchments with flood hazards.



The council maintains Auckland's stormwater system

## Transport

We work to provide an effective, efficient and safe public transport network that connects people and places with easy, affordable and sustainable transport choices. We work closely with other organisations to provide an integrated transport system.

### Service performance summary

In 2014/2015, 25 out of 29 performance measures achieved or substantially achieved the target level.

### Key achievements

- Our new electric trains are now running on all lines.
- Beach Road in the CBD is our first on-road cycleway. We also began cycle projects on the North Shore, and in the city, Avondale, Papatoetoe, Papakura and Manurewa.
- Public transport use exceeded all targets, rail patronage alone growing by 22 per cent.
- The new Panmure section of the Auckland Manukau Eastern Transport Initiative AMETI took 2400 trucks away from the Panmure roundabout each day.
- Ferry facilities were upgraded at Devonport, Downtown and Stanley Bay.
- The new Ōtāhuhu bus train interchange design was completed.
- Stage one of the Silverdale Park and Ride was finished.
- Fifteen new double decker buses were introduced on

the Botany-Downtown route.

- Mana whenua worked on design elements for Dominion Road and the Ōtāhuhu interchange.
- Our Travelwise programme now includes 408 out of 541 Auckland schools.
- We continued improving arterial routes in Albany, Whangaparaoa, Manurewa, Flat Bush, Glenfield and Te Atatū.
- There are free, dedicated motorcycle and scooter parking areas in the CBD.
- An early work design contract was awarded for City Rail Link (CRL) with most of the 70 surface properties bought. Mana whenua worked closely with the CRL design team.

### Challenges

- Increase the number of cycleways.
- Reduce fatal and serious injuries through our education programmes in schools and road safety campaigns.
- Increase the uptake of walking, cycling and use of public transport.
- Increase off-street parking availability.
- Continue managing congestion and investing in infrastructure to accommodate Auckland's future growth.





## Commercial and investment

Our commercial property and investment activities are designed to get the best possible return for the council with a focus on making our economy more productive and developing affordable housing and upgraded town centres.

### Service performance summary

In 2014/2015, all our performance measures achieved or substantially achieved the target level.

### Key achievements

- Auckland Council Properties Limited (ACPL) contributed a net surplus of \$39.3 million to the council, \$11.8 million above budget.
- ACPL began a 63-terrace house development at Ormiston town centre as part of a partnership with Todd Property Limited.
- Strong performance from Ports of Auckland Limited (POAL), who issued a dividend of \$54.7 million (\$17 million above budget). Auckland remains the country's largest container port. Car numbers have increased by 17 per cent since last year and productivity levels for cranes and vessels have improved.
- POAL partnered with iwi and the local community to restore and enhance the environment of land around the signal station at Manukau South Head.
- The share price for Auckland International Airport Limited rose from \$3.90 to \$4.94 during the year,

leading to a \$276 million increase in the value of the shares owned.

- At the 2015 SKYTRAX World Airports Awards, Auckland Airport was named the Best Airport in Australia/Pacific for the seventh year in a row.
- The occupancy rate for Auckland Film Studios Limited (AFSL) was 97 per cent, well above the 35 per cent target.

### Challenges

- ACPL needs to increase customer satisfaction, currently measured as 69 per cent.
- Work on the Bledisloe Wharf extension ceased and the piles are being removed following the successful challenge to the resource consents previously granted by the council.
- The performance of the Diversified Financial Assets Portfolio can be volatile due to market conditions, therefore it is measured over a rolling 10 year period.
- We are exploring the possibility of developing a screen precinct at Hobsonville Point. This has affected the decision on whether the fire-damaged studios at Henderson should be rebuilt.
- POAL and AFSL are being encouraged to develop knowledge and support the council's policies and contribution to Māori well-being.



Ports of Auckland



## Governance

We have a unique model of local government covering the governing body, local boards, the Independent Māori Statutory Board, council-controlled organisations, and advisory panels and boards. Our governance activities are designed to enable decision-making that promotes the well-being of Aucklanders now and in the future.

### Service performance summary

In 2014/2015, five out of 14 performance measures achieved or substantially achieved the target level.

### Key achievements

- ACPL and Waterfront Auckland merge from September 2015 to become Development Auckland with the goal of facilitating urban redevelopment.

- Meetings of the governing body and its committees of the whole are now webcast live.
- During the LTP process, we focused on boosting engagement with Māori by using Māori media and holding specific Have Your Say events at local marae.
- We agreed to establish a Rainbow Communities' Advisory Panel.

### Challenges

- Better inform Aucklanders on how they can participate in our governing body and local board decision-making processes and increase awareness of existing initiatives.
- Develop new agreements with mana whenua that will strengthen our partnerships.



Have Your Say event - Māori regional stakeholder hui



## Corporate support

Corporate support services support staff as they deliver services to Aucklanders and plan for the city's future well-being and growth. This service provides the policy and monitoring frameworks that ensure the council follows the agreed strategic direction.

### Service performance summary

In 2014/2015, 11 out of 16 performance measures achieved or substantially achieved the target level.

### Key achievements

- We completed our CBD office consolidation project which will deliver significant savings and efficiencies.
- Te Toa Takitini is our new Māori Responsiveness Executive Leadership Group.

- We began updating our fleet with electric and hybrid vehicles.
- We introduced online rates payments through eRates.

### Challenges

- Develop and maintain our leadership on how the council plans, develops and delivers activities with Māori.
- Improve our communication when dealing with customers, e.g. answering calls and emails within established timelines.
- Increase staff engagement to support our activities.



New Bledisloe House customer service centre

## HE WHAKARĀPOPOTO MŌ TE PŪTEA

# Financial overview

**The following pages provide a summary of financial performance for the Auckland Council Group for the year 1 July 2014 to 30 June 2015.**

The Auckland Council Group consists of the council, and its controlled entities, associates and joint ventures.

The Group had sound financial performance over the year. Revenue of \$3,558 million was ahead of the Annual Plan 2014/2015 forecast of \$3,249 million by \$309 million. This was offset by increased expenditure resulting in operating surplus before gains and losses of \$80 million against an annual plan deficit of \$38 million.

**Revenue included rates of \$1,458 million (2014: \$1,395 million). This increased by \$63 million on the previous year; however the rate revenue was in line with the annual plan. Rates contribute to the funding of the renewal program for capital expenditure. The main other revenue increases against the annual plan forecasts include:**

- \$10 million with building consents up, due to building and construction activity
- \$11 million commercial property portfolio
- \$11 million water and wastewater services
- \$268 million in additional vested assets
- \$38 million grant funding received for the electric trains
- \$15 million dividend income

This is offset by \$62 million reduction in capital expenditure grants.

**Expenditure of \$3,478 million (2014: \$3,133 million) was ahead of the annual plan budget of \$3,287 million by \$191 million. This increase can be attributed to:**

- \$42 million in additional depreciation not budgeted for projects capitalised earlier than anticipated
- \$63 million in staff costs resulting from work being brought in-house, and reduced capitalised rate of staff costs to projects
- \$52 million additional provision mainly for weathertightness.
- \$27 million for increased grants

Capital expenditure for the group was \$1,546 million (2014: \$1,553 million). This represents 92 per cent of the budgeted programme.

The group's assets of \$42.2 billion increased by \$2.3 billion on the previous financial year, primarily due to an increase in Property Plant and Equipment assets of \$2 billion. Within this category the following increases in net book value are: roads (\$239 million), stormwater (\$599 million), water and wastewater (\$361 million), and parks, reserves and buildings (\$439 million).

The capital expenditure was primarily funded through debt issue of \$978 million. This resulted in total group debt as at 30 June 2015 of \$7,334 million, an increase on the \$6,341 million as at 30 June 2014.

Auckland Council continues to have one of the highest Standard & Poor's rating (AA) and Moody's credit ratings (Aa2) in New Zealand. Both ratings were reaffirmed in November 2014.

[More information on the Group's financial results with comparatives to budget can be found in the financial statements in Volume 3 of the annual report.](#)





Tawharanui beach

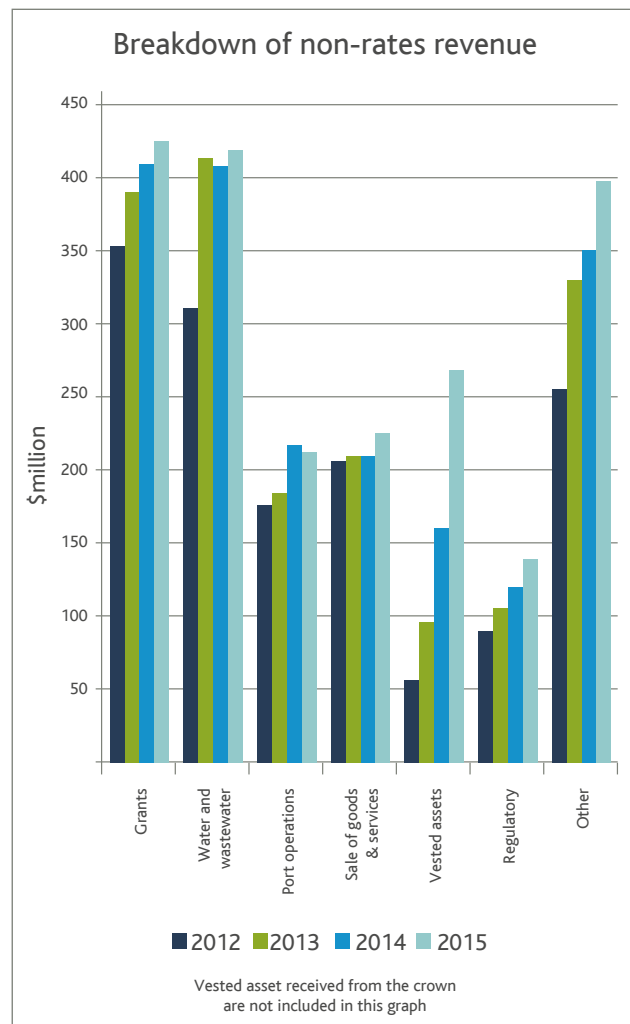
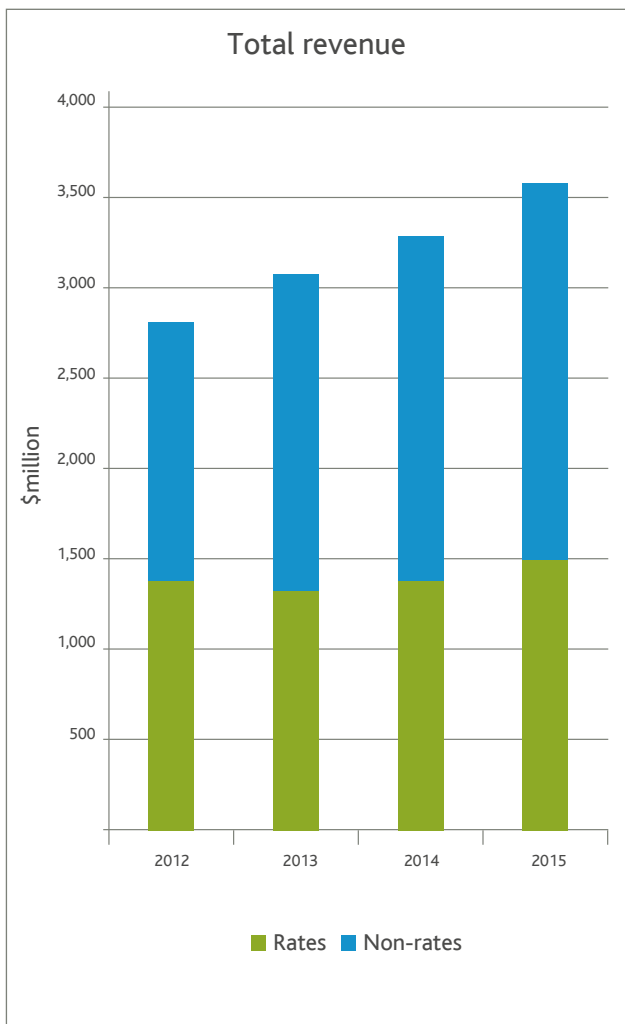
## Revenue at a glance

### Our revenue

The group’s largest single source of revenue is rates, representing 41 per cent (2014: 42 per cent) of total revenue. In the past year rates revenue was \$1,458 million (2014: \$1,395 million). Rates revenue, which includes general rates and targeted rates less any remissions or discounts, as a portion of total revenue is decreasing as shown on the graph below.

### Non-rates revenue

In addition to rates, the group also has many different types of revenue streams, totalling \$2,100 million (2014: \$1,888 million) which represents 59% of total revenue and is increasing in proportion to total revenue. The largest were grants of \$425 million sourced primarily from government, and revenue from water and wastewater services \$418 million.



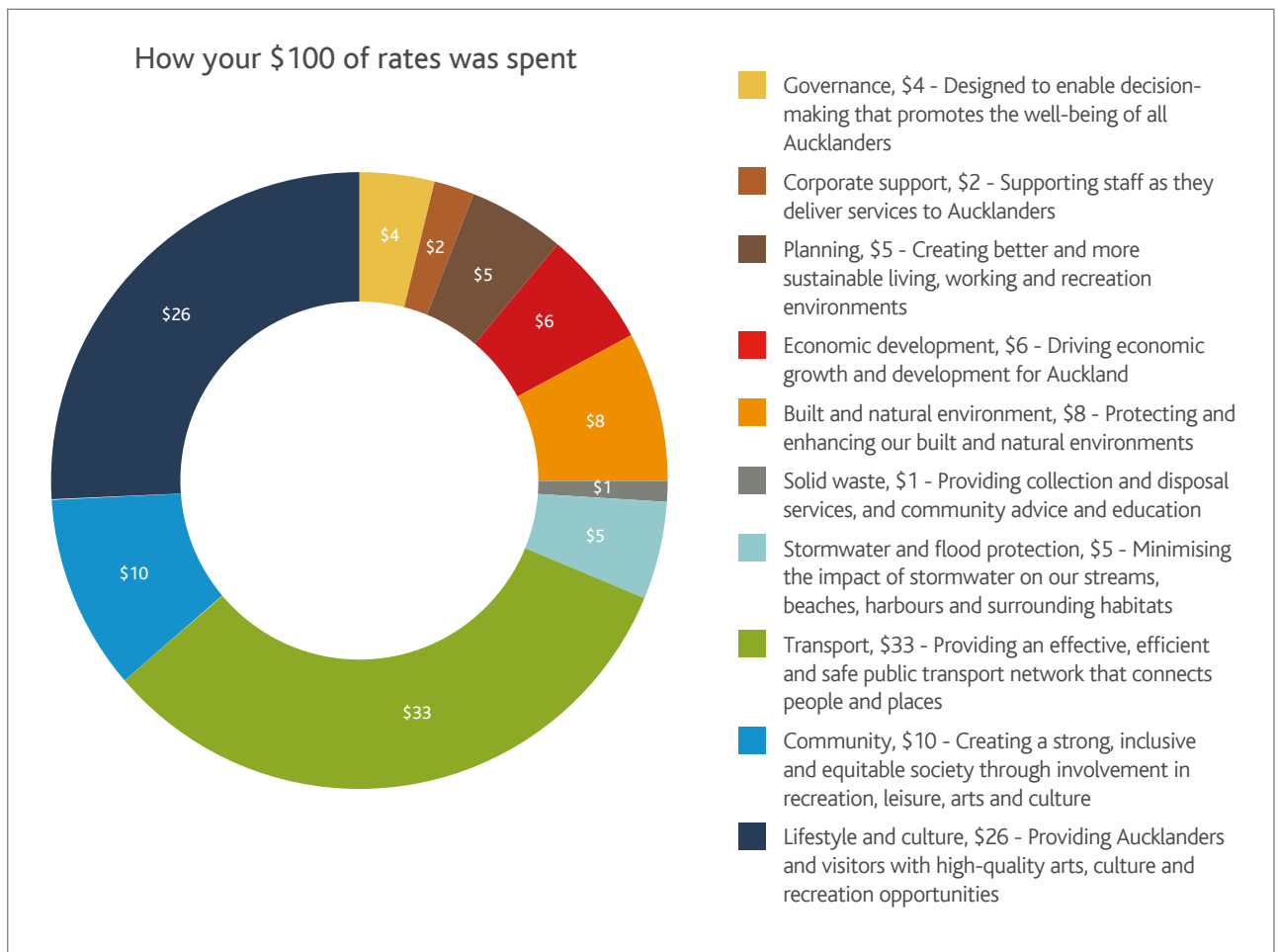


### How \$100 of your rates was spent

Your rates are used to pay for things that make Auckland such a great place to live, such as public transport, events, parks and other community facilities. We continue to invest more than ever before in your communities, delivering more facilities and infrastructure for Aucklanders.

Rates provided about 41 per cent of the council's revenue with the rest coming from grants, subsidies, development and financial contributions, user charges and fees.

Each \$100 of general rates is applied to specific themes. The largest proportion of rates is used to fund the transport theme, followed by lifestyle and culture, which includes funding for events, parks, recreation and art services.





## Capital investment during the year

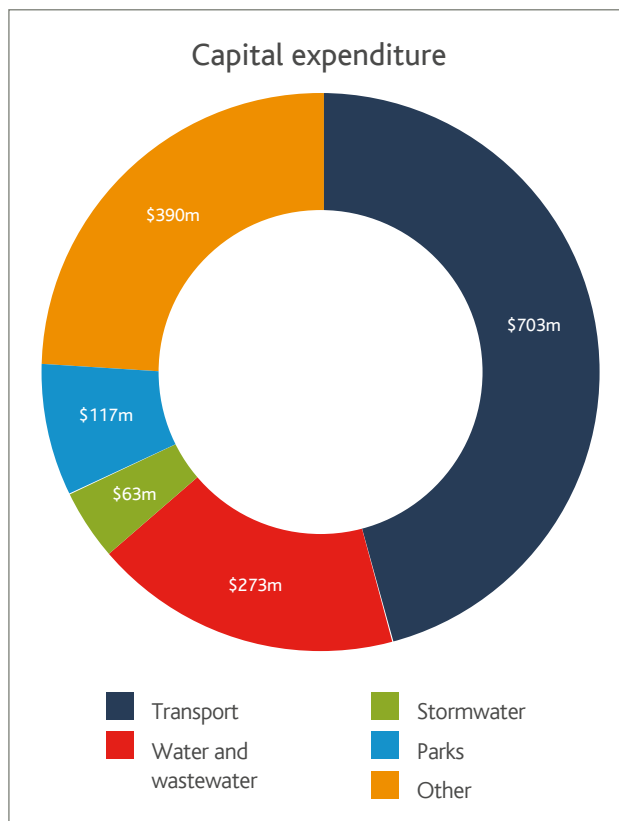
Auckland is not only New Zealand’s most populous region but also the fastest growing, increasing 8.5 per cent since 2006, the equivalent of adding a city about the size of Tauranga to the region.

Since 2010, the year Auckland Council was established, the population has risen by 105,200 compared to 100,900 for the rest of New Zealand. It is forecast that in 30 years 716,000 more people will live in our region, in a projected population of 2.2 million.

Auckland has to invest in and build infrastructure to support this large population growth, including roads, water and sewerage, storm water drainage, new transport facilities, libraries, community services, parks, sports and recreational facilities.

The Annual Plan 2014/2015 forecast capital expenditure of \$1,675 million. The group’s actual spend was \$1,546 million (2014: \$1,553 million) which has been invested in the following major capital projects:

- **Roads and footpath renewals and construction**  
\$350 million
- **New electric trains and depot**  
\$204 million
- **Water and wastewater management and upgrades**  
\$153 million
- **Local and regional parks**  
\$133 million
- **Stormwater and flood protection**  
\$97 million
- **Auckland City Rail Link**  
\$92 million
- **Hunua No 4 water supply**  
\$61 million.





## How we pay for capital investment

Maintaining Auckland's high standard of living and aiming to become the world's most liveable city requires significant capital investment.

Funding for our capital investment programme comes from three main areas.

| Investment type  | Primarily funded by       |
|--|---------------------------|
| Building and purchase of new assets                        | Borrowing                 |
| Renewal of existing assets                                 | Rates revenue             |
| Additional assets and infrastructure to accommodate growth | Development contributions |

### Prudent borrowing

We consider the fairest way to pay for long-life assets is to borrow, as this spreads the cost across the generations of ratepayers who will receive the benefits from these assets. However, we must ensure we use debt sustainably and that it is affordable for both current and future ratepayers. We also need to ensure enough flexibility to deal with unexpected events such as another global financial crisis.

We have adopted a set of three prudential limits to ensure borrowings and interest expense does not grow too large relative to our rates and other revenue. These are agreed by the Auckland Council governing body as part of the long-term plan:

1. Net debt to total revenue: 192 per cent (risk limit: 275 per cent)
2. Net interest to total revenue: 12 per cent (risk limit: 15 per cent)
3. Net interest to total rates income: 21 per cent (risk limit: 25 per cent).

Together with our large asset base, these limits underpin our current AA credit rating, which is stronger than most New Zealand banks. We also prudently manage the Council's exposure to interest rate changes by fixing the interest rate on a portion of Council's current and future borrowings. While this provides a high degree of protection in the short to medium term, over the longer term there is a risk that interest rates will be higher than we have projected over the next 10 years. In this event we would address the situation, which could include reduced capital expenditure, reduced service levels in some areas, selling additional surplus assets, finding additional efficiency savings and/or increasing rates or other revenue.

We monitor and review our projected future interest expense each year through our annual and long-term planning processes.

## Group borrowing

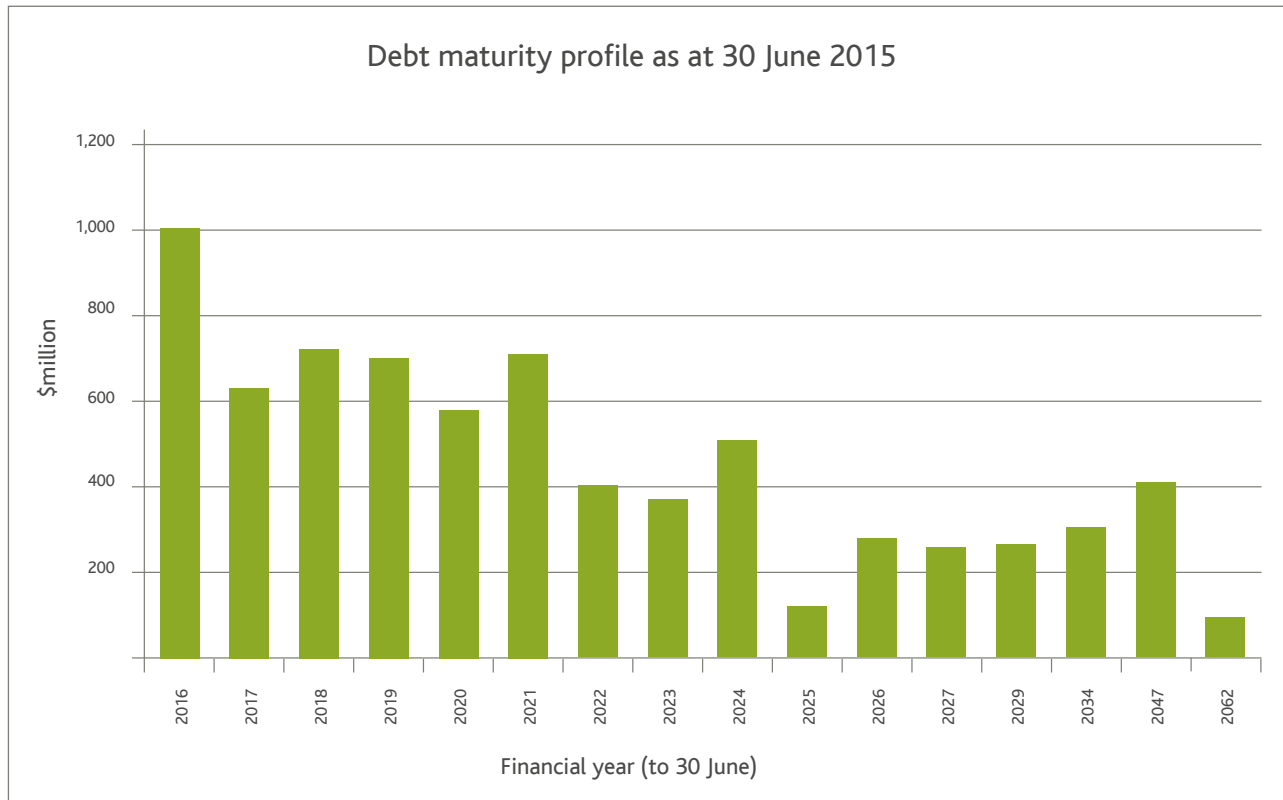
Total group debt as at 30 June 2015 was \$7,334 million, an increase of \$993 million compared to \$6,341 million as at 30 June 2014. Debt is \$131 million below budget primarily driven by lower capital delivery.

### Group borrowing management

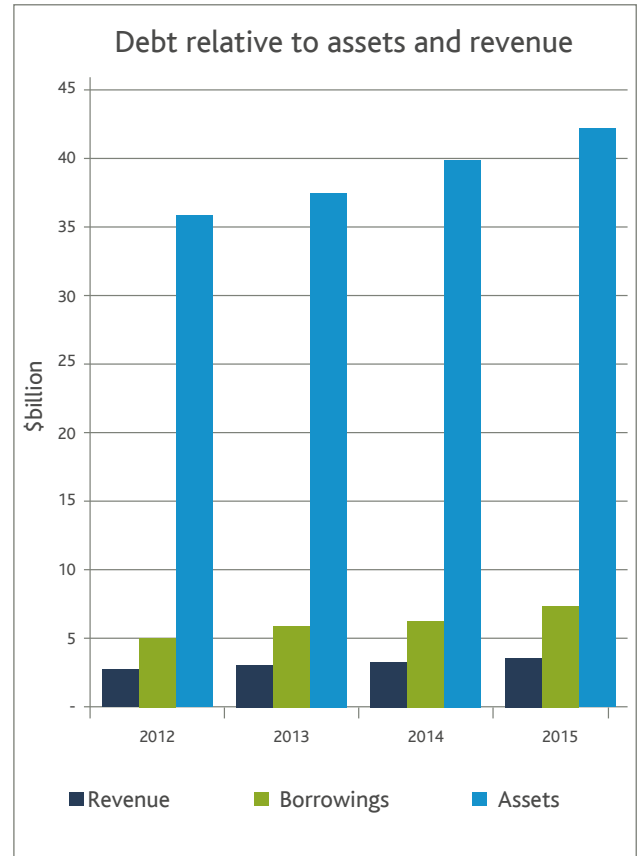
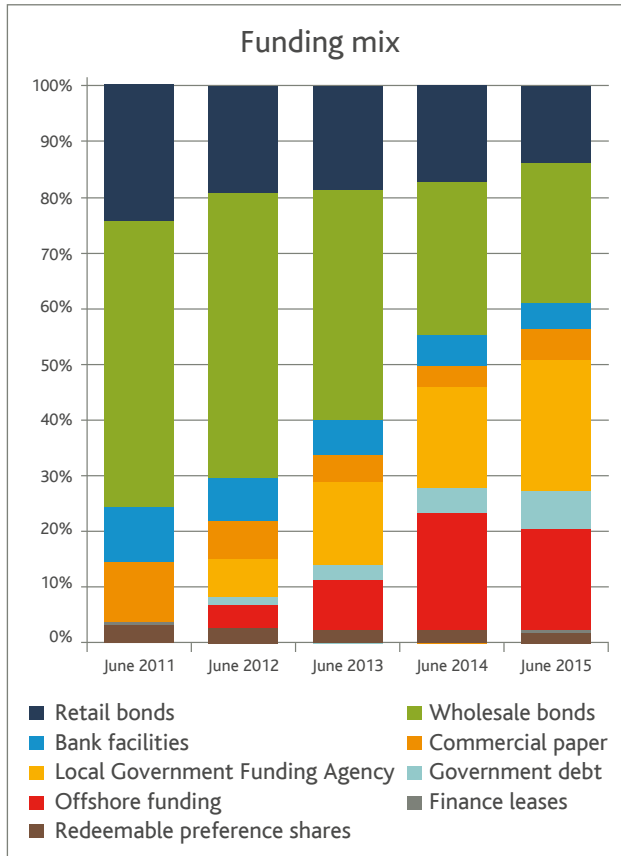
Council’s borrowings are subject to the liability management policy and the revenue and financing policy which is set out in the long-term plan. There are three key risks around the group’s borrowings – interest rates, liquidity, and funding and refinancing.

Interest rate risk is the risk that net interest expense (due to adverse movements in market interest rates) materially underperforms the projections in the council’s plans, negatively affecting the council’s financial performance and position. Interest rate risk is managed by matching the interest rate profile of financial assets and liabilities, through fixed rate borrowing and using interest rate hedging instruments.

Liquidity risk is the risk that the council will not be able to meet its short and long-term commitments when due. Liquidity risk is managed by spreading borrowings over a range of maturities and maintaining adequate liquid assets and bank standby facilities. Interest rate risk and liquidity risk are explained more fully in the financial risk management notes to the Group’s financial statements.







Funding and refinancing risk is the risk that the council will not be able to take on new borrowings when required. The Group manages funding and refinancing risks through borrowings from a range of domestic and international lenders. This enables the Group to spread its funding sources, borrow for longer periods to better match the timing of funding for new assets, and to choose markets delivering the most competitive rates.

The three main borrowing sources are New Zealand investors, the Local Government Funding Agency (an organisation jointly owned by most local authorities in New Zealand and the Crown to borrow on behalf of the sector) and offshore markets. The Group eliminates all foreign currency risks on offshore borrowings by entering into derivative contracts with approved counterparties that converts the risk to New Zealand dollars.

The Group’s debt level is currently \$7,334 million and the current annual interest cost is \$422 million. This remains prudent relative to the Group’s annual revenue of \$3,558 million and total assets of \$42,167 million. In addition, at balance date the Group carried \$337 million of cash and cash equivalents, meaning we had a net debt of \$6,997 million.

[Further details on the results of the benchmarks are reported in Section 2, Volume 3 of the annual report.](#)

## Summary financial statements

The summary financial statements presented on the following pages are the results for the Auckland Council and Group. The Group results include Auckland Council, its subsidiaries, associates and joint ventures.

Auckland Council has designated itself and the Group as public benefit entities and applies New Zealand Tier 1 Public Benefit Entity Accounting Standards (PBE Accounting Standards). These standards are similar to International Public Sector Accounting Standards, with amendments for the New Zealand regulatory environment.

These summary financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice, PBE Accounting Standards and other applicable financial reporting standards, as appropriate for public benefit entities, as they apply to summary financial statements. This includes full compliance with Public Benefit Entity Financial Reporting Standard 43: Summary Financial Statements.

This is the first set of summary financial statements presented in accordance with the new PBE Accounting Standards. Although there has been no

material impact resulting from the new accounting standards, the Group has recognised changes to the accounting for borrowing costs, impairment of assets and the revaluation of Property, Plant and Equipment, and the Statement of Comprehensive Income is now referred to as the Statement of Comprehensive Revenue and Expenditure. These summary financial statements have been audited.

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

For full details of the Group's significant accounting policies and material adjustments arising on transition to the new PBE Accounting Standards, refer to Section 1 of Volume 3 of the annual report. There have been no changes in accounting policies that have material impacts on these summary financial statements.

The full financial statements and these summary financial statements for the year ended 30 June 2015 were authorised for issue by the council's governing body on 24 September 2015.



Warkworth library Mural Painting by Grace Newson mentored by professional artist Adrian Jackman



## Summary statement of comprehensive revenue and expenditure

For the year ended 30 June 2015

| \$million  | Group        |              |              | Council      |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
|  | Actual 2015  | Budget 2015  | Actual 2014  | Actual 2015  | Budget 2015  | Actual 2014  |
| <b>Revenue</b>   |              |              |              |              |              |              |
| Rates  | 1,458        | 1,451        | 1,395        | 1,470        | 1,462        | 1,406        |
| Fees and user charges  | 1,030        | 1,011        | 989          | 221          | 209          | 202          |
| Grants and subsidies   | 425          | 444          | 410          | 57           | 31           | 25           |
| Development and financial contributions                              | 107          | 120          | 102          | 107          | 120          | 102          |
| Other revenue  | 521          | 218          | 371          | 307          | 162          | 322          |
| Finance revenue  | 17           | 5            | 16           | 111          | 101          | 72           |
| <b>Total revenue excluding other gains</b>                           | <b>3,558</b> | <b>3,249</b> | <b>3,283</b> | <b>2,273</b> | <b>2,085</b> | <b>2,129</b> |
| <b>Expenditure</b>   |              |              |              |              |              |              |
| Employee benefits  | 792          | 729          | 730          | 489          | 469          | 462          |
| Depreciation and amortisation  | 778          | 736          | 737          | 220          | 206          | 202          |
| Grants, contributions and sponsorship                                | 150          | 123          | 122          | 644          | 607          | 569          |
| Other operating expenses   | 1,336        | 1,289        | 1,172        | 582          | 500          | 420          |
| Finance costs  | 422          | 410          | 372          | 364          | 353          | 302          |
| <b>Total expenditure excluding other losses</b>                      | <b>3,478</b> | <b>3,287</b> | <b>3,133</b> | <b>2,299</b> | <b>2,135</b> | <b>1,955</b> |
| <b>Operating surplus/(deficit) before gains and losses</b>           | <b>80</b>    | <b>(38)</b>  | <b>150</b>   | <b>(26)</b>  | <b>(50)</b>  | <b>174</b>   |
| Net other (losses)/gains   | (230)        | -            | 483          | (176)        | -            | 480          |
| Share of surplus in associates and joint ventures                    | 54           | 42           | 53           | 1            | -            | 2            |
| <b>(Deficit)/surplus before income tax</b>                           | <b>(96)</b>  | <b>4</b>     | <b>686</b>   | <b>(201)</b> | <b>(50)</b>  | <b>656</b>   |
| Income tax (benefit)/expense   | (24)         | 18           | 10           | -            | -            | -            |
| <b>(Deficit)/surplus after income tax from continuing operations</b> | <b>(72)</b>  | <b>(14)</b>  | <b>676</b>   | <b>(201)</b> | <b>(50)</b>  | <b>656</b>   |
| Deficit from discontinued operations                                 | -            | -            | -            | -            | -            | -            |
| <b>(Deficit)/surplus after income tax</b>                            | <b>(72)</b>  | <b>(14)</b>  | <b>676</b>   | <b>(201)</b> | <b>(50)</b>  | <b>656</b>   |
| <b>(Deficit)/surplus after income tax is attributable to</b>         |              |              |              |              |              |              |
| Ratepayers of Auckland   | (72)         | (14)         | 676          | (201)        | (50)         | 656          |
| <b>Total other comprehensive revenue/(expenditure)</b>               | <b>1,010</b> | <b>661</b>   | <b>1,641</b> | <b>768</b>   | <b>360</b>   | <b>581</b>   |
| <b>Total comprehensive revenue</b>                                   | <b>938</b>   | <b>647</b>   | <b>2,317</b> | <b>567</b>   | <b>310</b>   | <b>1,237</b> |
| <b>Total comprehensive revenue is attributable to</b>                |              |              |              |              |              |              |
| Ratepayers of Auckland   | 938          | 647          | 2,317        | 567          | 310          | 1,237        |



## Summary statement of financial position

As at 30 June 2015

| \$million                                   | Group          |                |                | Council        |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
|   | Actual<br>2015 | Budget<br>2015 | Actual<br>2014 | Actual<br>2015 | Budget<br>2015 | Actual<br>2014 |
| <b>Total current assets</b>                 | <b>1,013</b>   | <b>950</b>     | <b>898</b>     | <b>933</b>     | <b>833</b>     | <b>843</b>     |
| <b>Non-current assets</b>                   |                |                |                |                |                |                |
| Property, plant and equipment               | 38,897         | 37,859         | 36,906         | 12,064         | 10,749         | 11,074         |
| Investment in subsidiaries                  | -              | -              | -              | 20,800         | 20,584         | 20,542         |
| Investment in associates and joint ventures | 890            | 674            | 846            | 18             | 3              | 5              |
| Other non-current assets                    | 1,367          | 1,134          | 1,224          | 2,410          | 2,640          | 1,831          |
| <b>Total non-current assets</b>             | <b>41,154</b>  | <b>39,667</b>  | <b>38,976</b>  | <b>35,292</b>  | <b>33,976</b>  | <b>33,452</b>  |
| <b>Total assets</b>                         | <b>42,167</b>  | <b>40,617</b>  | <b>39,874</b>  | <b>36,225</b>  | <b>34,809</b>  | <b>34,295</b>  |
| <b>Current liabilities</b>                  |                |                |                |                |                |                |
| Current borrowings                          | 1,006          | 1,070          | 1,171          | 666            | 886            | 890            |
| Other current liabilities                   | 832            | 772            | 821            | 730            | 577            | 640            |
| <b>Total current liabilities</b>            | <b>1,838</b>   | <b>1,842</b>   | <b>1,992</b>   | <b>1,396</b>   | <b>1,463</b>   | <b>1,530</b>   |
| <b>Non-current liabilities</b>              |                |                |                |                |                |                |
| Non-current borrowings                      | 6,328          | 6,395          | 5,170          | 5,890          | 5,783          | 4,549          |
| Other non-current liabilities               | 1,922          | 1,678          | 1,567          | 669            | 511            | 513            |
| <b>Total non-current liabilities</b>        | <b>8,250</b>   | <b>8,073</b>   | <b>6,737</b>   | <b>6,559</b>   | <b>6,294</b>   | <b>5,062</b>   |
| <b>Total liabilities</b>                    | <b>10,088</b>  | <b>9,915</b>   | <b>8,729</b>   | <b>7,955</b>   | <b>7,757</b>   | <b>6,592</b>   |
| <b>Net assets</b>                           | <b>32,079</b>  | <b>30,702</b>  | <b>31,145</b>  | <b>28,270</b>  | <b>27,052</b>  | <b>27,703</b>  |
| <b>Equity</b>                               |                |                |                |                |                |                |
| <b>Total equity</b>                         | <b>32,079</b>  | <b>30,702</b>  | <b>31,145</b>  | <b>28,270</b>  | <b>27,052</b>  | <b>27,703</b>  |



## Summary statement of changes in equity

For the year ended 30 June 2015

| \$million                       | Group         |               |               | Council       |               |               |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                 | Actual 2015   | Budget 2015   | Actual 2014   | Actual 2015   | Budget 2015   | Actual 2014   |
| Opening ratepayer equity        | 31,145        | 30,055        | 28,828        | 27,703        | 26,742        | 26,466        |
| Total comprehensive revenue     | 938           | 647           | 2,317         | 567           | 310           | 1,237         |
| Deconsolidation of subsidiaries | (23)          | -             | -             | -             | -             | -             |
| Found assets                    | 19            | -             | -             | -             | -             | -             |
| <b>Balance as at 30 June</b>    | <b>32,079</b> | <b>30,702</b> | <b>31,145</b> | <b>28,270</b> | <b>27,052</b> | <b>27,703</b> |
| <b>Components of equity</b>     |               |               |               |               |               |               |
| Contributed equity              | 26,728        | 26,734        | 26,734        | 26,569        | 26,569        | 26,569        |
| Accumulated equity              | 517           | (83)          | 586           | 20            | (492)         | 228           |
| Reserves                        | 4,834         | 4,051         | 3,825         | 1,681         | 975           | 906           |
| <b>Total ratepayer equity</b>   | <b>32,079</b> | <b>30,702</b> | <b>31,145</b> | <b>28,270</b> | <b>27,052</b> | <b>27,703</b> |

## Summary statement of cash flows

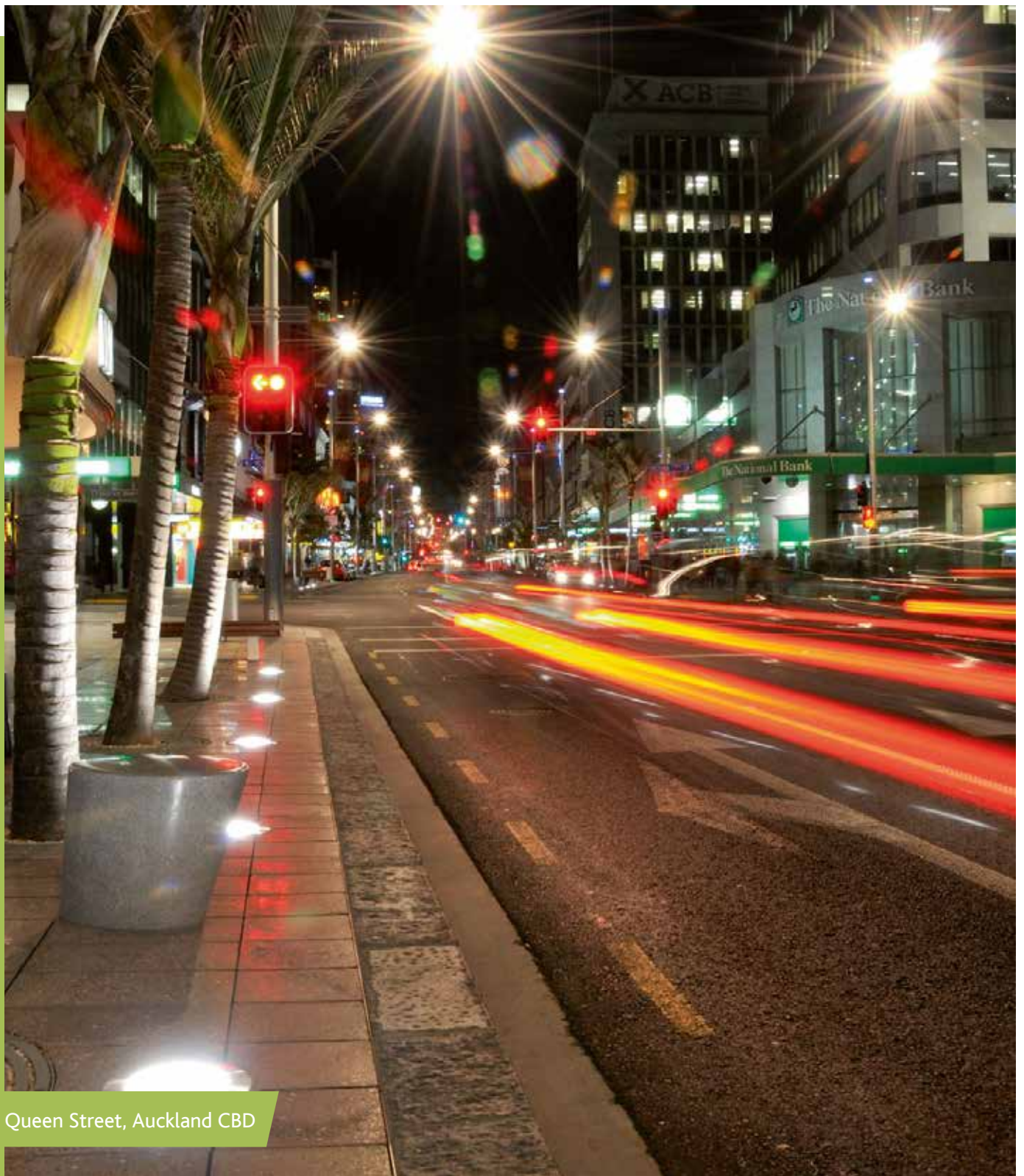
For the year ended 30 June 2015

| \$million   | Group       |             |              | Council     |             |              |
|---|-------------|-------------|--------------|-------------|-------------|--------------|
|   | Actual 2015 | Budget 2015 | Actual 2014  | Actual 2015 | Budget 2015 | Actual 2014  |
| Net cash inflow from operating activities                                       | 726         | 706         | 823          | 262         | 120         | 229          |
| Net cash outflow from investing activities                                      | (1,445)     | (1,629)     | (1,540)      | (1,119)     | (1,200)     | (1,232)      |
| Net cash inflow from financing activities                                       | 854         | 945         | 586          | 982         | 1,082       | 863          |
| <b>Net (decrease)/Increase in cash and cash equivalents and bank overdrafts</b> | <b>135</b>  | <b>22</b>   | <b>(131)</b> | <b>125</b>  | <b>2</b>    | <b>(140)</b> |
| Opening cash and cash equivalents and bank overdrafts                           | 202         | 240         | 333          | 157         | 239         | 297          |
| <b>Closing cash and cash equivalents and bank overdrafts</b>                    | <b>337</b>  | <b>262</b>  | <b>202</b>   | <b>282</b>  | <b>241</b>  | <b>157</b>   |



Rangitoto across the Waitematā Harbour





Queen Street, Auckland CBD



## Community outcomes

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

|  |   |
|--|---|
|  | <p><b>A fair, safe and healthy Auckland.</b> Auckland is a strong and equitable society where social and economic disadvantage is reduced, particularly for children and young people.</p>  |
|  | <p><b>An Auckland of prosperity and opportunity.</b> Auckland is a global city with a strong and vibrant economy providing ample business growth and job opportunities.</p>   |
|  | <p><b>A green Auckland.</b> Our waterways and coastlines are cleaner, healthier and full of life.</p>   |
|  | <p><b>A well-connected and accessible Auckland.</b> Auckland's infrastructure is well planned, built to last, has kept up with growth and meets the needs of its communities and the economy.</p>   |
|  | <p><b>A beautiful Auckland that is loved by its people.</b> Auckland remains one of the most beautiful cities in the world, offering superb lifestyle opportunities in a quality environment.</p>   |
|  | <p><b>A culturally rich and creative Auckland.</b> Arts and culture are alive and well and part of everyday life.</p>   |
|  | <p><b>Te Hau o Te Whenua, Te Hau o Te Tangata – A Māori identity that is Auckland's point of difference in the world.</b> Mana whenua, who are the original inhabitants of Tāmaki Makaurau, and other Māori originating from across Aotearoa/New Zealand living in Auckland have the opportunity to contribute to the social, cultural, economic and environmental success of Auckland.</p> |

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



**Community**

|                             |   |   |   |   |   |  |   |   |   |
|-----------------------------|---|---|---|---|---|--|---|---|---|
| Cemeteries and crematoria   | ● |   | ● |   | ● |  | ● |   | ● |
| Emergency management        | ● |   |   | ● |   |  |   |   | ● |
| Regional library services   | ● | ● |   | ● | ● |  | ● | ● | ● |
| Local library services      | ● | ● |   | ● | ● |  | ● | ● | ● |
| Regional community services | ● | ● |   | ● | ● |  | ● | ● | ● |
| Local community services    | ● | ● |   | ● | ● |  | ● | ● | ● |

**Lifestyle and culture**

|  |   |   |   |   |   |  |   |  |   |
|--|---|---|---|---|---|--|---|--|---|
| Regional arts, culture and events services | ● | ● |   |   | ● |  | ● |  | ● |
| Local arts, culture and events services    |   | ● |   | ● | ● |  |   |  | ● |
| Regional events facilities                 | ● | ● |   |   | ● |  | ● |  | ● |
| Regional parks services                    | ● |   | ● |   | ● |  | ● |  | ● |
| Local parks services                       | ● |   | ● | ● | ● |  | ● |  | ● |
| Regional recreation services               | ● | ● |   | ● | ● |  | ● |  | ● |
| Local recreation services                  | ● | ● | ● | ● | ● |  | ● |  | ● |
| Regional collections and amenities         |   |   | ● |   | ● |  | ● |  | ● |

**Economic development**

|  |   |   |   |   |   |  |   |  |   |
|--|---|---|---|---|---|--|---|--|---|
| Regional economic strategy and initiatives     | ● | ● | ● | ● |   |  | ● |  | ● |
| Local economic development                     |   | ● |   | ● | ● |  | ● |  | ● |
| Tourism, major events and industry development |   | ● |   |   | ● |  | ● |  | ● |
| Waterfront development activities              | ● | ● | ● | ● | ● |  | ● |  | ● |

**Planning**

|          |   |   |   |   |   |  |   |  |   |
|----------|---|---|---|---|---|--|---|--|---|
| Planning | ● | ● | ● | ● | ● |  | ● |  | ● |
|----------|---|---|---|---|---|--|---|--|---|



**Built and natural environment**

Environment and heritage protection



Local built and natural environment

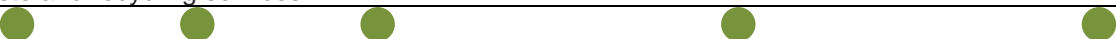


Regulation



**Solid waste**

Waste and recycling services

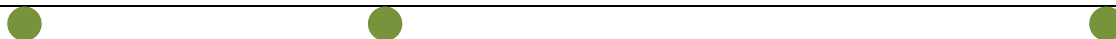


**Water supply and wastewater**

Water supply



Wastewater



**Stormwater and flood protection**

Stormwater management



Flood protection



**Transport**

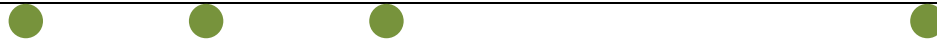
Public transport and travel demand management



Roads and footpaths

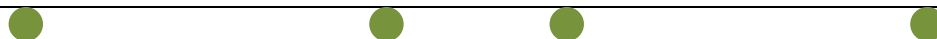


Parking enforcement

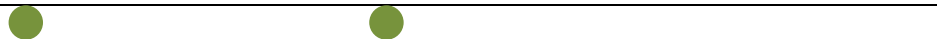


**Commercial and investment**

Commercial



Investment



**Governance**

Governance and democracy



Local governance



**Corporate support**

Governance and democracy





## Funding impact statement results

The Local Government Act 2002 requires local authorities to produce Funding Impact Statements in the Annual Report.

The Funding Impact Statements report the sources and application of both the operating and capital funding in the prescribed format in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. These Funding Impact Statements are prepared for each of the 35 groups of activities as well as the Auckland Council Group (the Group).

Each Funding Impact Statement compares actual results with the Annual Plan and the Long-term Plan and includes four sections:

- Sources of operating funding
- Applications of operating funding
- Sources of capital funding
- Applications of capital funding.

Below are the keys items included in each section and explanation of major variances against the Annual Plan for the Group.

### Sources of operating funding

- General rates, UAGCs, rates penalties and targeted rates are closely aligned with the Annual Plan, the favourable variance is mainly due to settlement of rating and valuation objections being lower than expected.
- Subsidies and grants are favourable due to grants being received for electric trains earlier than expected.
- Interest and dividends from investments are ahead of budget due to higher cash balances held over most of the year and higher dividends received than anticipated.
- Local authorities fuel tax, fines, infringement fees and other receipts are ahead of budget due to increase in infrastructure growth charge revenue and increase in rental revenue.

### Applications of operating funding

- Payment to staff and suppliers are ahead of budget mainly due to staff increases in response to increased consent volumes, additional temporary staff to deliver IS projects, unbudgeted redundancy cost as a result of internal restructure and grants paid out for WERO whitewater rafting (\$20 million).

### Sources of capital funding

- Subsidies and grants are lower than budget due to reduced NZ Transport Agency co-investment as a result of less than budgeted spend on capital expenditure.
- Development and financial contributions are lower than budget due to a legislative change resulting in reduced development contributions revenue.
- Gross proceeds from sale of assets are lower than expected due to deferral of settlements.

### Applications of capital funding

- Total capital expenditure is below budget mainly due to project deferrals and reprioritisation of the budget relating to transport, water, stormwater and parks projects.
- Increase in reserves is below budget mainly due to fewer weathertightness claims than expected.

Certain items in the 2015 Annual Plan and Long-term Plan have been reclassified to ensure consistency with the actual reported numbers.

Further detailed variance commentary can be found in the themes and groups of activities section.



## Auckland Council Group consolidated – Funding Impact Statement

For the year ended 30 June 2015

| \$million   | Actual       | Annual Plan  | Long-term Plan | Actual       | Annual Plan  |
|---|--------------|--------------|----------------|--------------|--------------|
|   | 2015         | 2015         | 2015           | 2014         | 2014         |
| <b>Sources of operating funding:</b>                                    |              |              |                |              |              |
| General rates, UAGCs <sup>(1)</sup> , rates penalties                   | 1,350        | 1,344        | 1,417          | 1,338        | 1,339        |
| Targeted rates  | 106          | 107          | 109            | 98           | 98           |
| Subsidies and grants for operating purposes                             | 284          | 242          | 225            | 235          | 237          |
| Fees and charges  | 1,032        | 1,041        | 1,069          | 1,118        | 1,139        |
| Interest and dividends from investments                                 | 77           | 47           | 39             | 178          | 46           |
| Local authorities fuel tax, fines, infringement fees and other receipts | 227          | 195          | 256            | 73           | 57           |
| <b>Total operating funding</b>  | <b>3,076</b> | <b>2,976</b> | <b>3,115</b>   | <b>3,040</b> | <b>2,916</b> |
| <b>Applications of operating funding:</b>                               |              |              |                |              |              |
| Payment to staff and suppliers  | 2,193        | 2,139        | 2,177          | 2,061        | 2,121        |
| Finance costs   | 406          | 394          | 437            | 354          | 353          |
| Other operating funding applications                                    | 8            | 11           | 30             | 21           | 37           |
| <b>Total applications of operating funding</b>                          | <b>2,607</b> | <b>2,544</b> | <b>2,644</b>   | <b>2,436</b> | <b>2,511</b> |
| <b>Surplus (deficit) of operating funding</b>                           | <b>472</b>   | <b>433</b>   | <b>473</b>     | <b>604</b>   | <b>405</b>   |
| <b>Sources of capital funding:</b>                                      |              |              |                |              |              |
| Subsidies and grants for capital expenditure                            | 139          | 184          | 251            | 175          | 190          |
| Development and financial contributions                                 | 108          | 120          | 156            | 66           | 43           |
| Increase (decrease) in debt   | 844          | 941          | 808            | 753          | 1,022        |
| Gross proceeds from sale of assets                                      | 48           | 77           | 52             | 17           | 58           |
| Lump sum contributions  | -            | -            | -              | -            | -            |
| Other dedicated capital funding   | -            | -            | -              | -            | -            |
| <b>Total sources of capital funding</b>                                 | <b>1,139</b> | <b>1,322</b> | <b>1,267</b>   | <b>1,011</b> | <b>1,313</b> |
| <b>Applications of capital funding:</b>                                 |              |              |                |              |              |
| Capital expenditure:  |              |              |                |              |              |
| - to meet additional demand   | 336          | 444          | 342            | 299          | 388          |
| - to improve the level of service                                       | 762          | 706          | 840            | 763          | 716          |
| - to replace existing assets  | 448          | 525          | 492            | 491          | 512          |
| Increase (decrease) in reserves   | 47           | 70           | 58             | 62           | 102          |
| Increase (decrease) in investments                                      | 18           | 10           | 8              | -            | -            |
| <b>Total applications of capital funding</b>                            | <b>1,611</b> | <b>1,755</b> | <b>1,740</b>   | <b>1,615</b> | <b>1,718</b> |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(472)</b> | <b>(433)</b> | <b>(473)</b>   | <b>(604)</b> | <b>(405)</b> |
| <b>Funding balance</b>  | <b>-</b>     | <b>-</b>     | <b>-</b>       | <b>-</b>     | <b>-</b>     |

1. UAGC: Uniform Annual General Charge



Tāmaki Herenga Waka - Polynesian Voyaging Society waka arrivals



# Themes and groups of activities

## Introduction

This section provides financial and non-financial performance information for the 12 months from 1 July 2014 to 30 June 2015. It describes the council's performance against the Annual Plan 2014/2015. The information follows the format of the Annual Plan and presents performance information based on our service delivery across the 12 themes and 35 groups of activities.
















The 12 themes delivered by the council are:

- Community
- Lifestyle and culture
- Economic development
- Planning
- Built and natural environment
- Solid waste
- Water supply and wastewater
- Stormwater
- Transport
- Commercial and investment
- Governance
- Corporate support.



## How to read this section

For each theme the following information is presented:

| Sections  | Purpose   |   |   |   |              |           |   |   |   |   |   |
|---|---|---|---|---|--------------|-----------|---|---|---|---|---|
| <b>Introduction</b>   | Introduction to the theme and the groups of activities within that theme.   |   |   |   |              |           |   |   |   |   |   |
| <b>Summary of non-financial performance measures</b>                              | <p>Snapshot of the non-financial performance measure results for each group of activities, compared to the targets set in the Annual Plan and prior year results.</p> <p>The following symbols are used to summarise the results:</p> <table border="1"> <thead> <tr> <th>Achieved</th> <th>Substantially achieved</th> <th>Not achieved but progress made</th> <th>Not achieved</th> <th>No result</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | Achieved  | Substantially achieved  | Not achieved but progress made  | Not achieved | No result |  |  |  |  |  |
| Achieved  | Substantially achieved  | Not achieved but progress made  | Not achieved  | No result   |              |           |   |   |   |   |   |
|  |    |  |  |  |              |           |   |   |   |   |   |
| <b>What we do</b>   | Introduction to the individual group of activities.   |   |   |   |              |           |   |   |   |   |   |
| <b>What we spent</b>  | Summarised funding impact statement against the Annual Plan.<br>The full funding impact statement is available at the end of the theme.   |   |   |   |              |           |   |   |   |   |   |
| <b>What we delivered</b>  | Activities delivered under the individual group of activities.<br>Key highlights and achievements over the year.  |   |   |   |              |           |   |   |   |   |   |
| <b>How we performed</b>   | Evaluation of levels of service performance information.<br>Detailed performance measure results against targets set in the Annual Plan and prior year results.   |   |   |   |              |           |   |   |   |   |   |
| <b>Funding Impact Statement</b>   | Full funding impact statement for each group of activities, including variance commentary.  |   |   |   |              |           |   |   |   |   |   |



# 1. Theme: Te hāpori Community



Opening of the new Devonport Library

## Introduction






Community activities help to create a strong, inclusive and equitable society through involvement in recreation, leisure, arts and culture, heritage, volunteering and community groups. Strong communities are more resilient; people feel a sense of belonging to their neighbourhood and take pride in Auckland. The more we can meet the community's needs, the more Auckland becomes a better place to live.

Within this theme we deliver:

- regional library services
- local library services
- regional community services
- local community services
- emergency management
- cemeteries and crematoria.

Within the community portfolio, we manage a number of assets including 55 libraries with collection material worth \$13.1 million, 62 community houses/centres, 1500 housing units for eligible older persons, 13 rural fire stations and 44 cemeteries.

### Summary of non-financial performance measures

| Group of activities             |  |  |  |  |  | Total measures |
|---------------------------------|---|---|---|---|---|----------------|
| 1.1 Regional library services   | 3   | 0   | 0   | 3   | 0   | 6              |
| 1.2 Local library services      | 2   | 0   | 0   | 1   | 0   | 3              |
| 1.3 Regional community services | 9   | 0   | 0   | 1   | 0   | 10             |
| 1.4 Local community services    | 1   | 0   | 2   | 3   | 0   | 6              |
| 1.5 Emergency management        | 2   | 0   | 0   | 4   | 0   | 6              |
| 1.6 Cemeteries and crematoria   | 2   | 0   | 0   | 1   | 0   | 3              |
| <b>Totals</b>                   | <b>19</b>   | <b>0</b>  | <b>2</b>  | <b>13</b>   | <b>0</b>  | <b>34</b>      |



## Commentary

### 1.1 Regional library services

#### What we do

We deliver regional library services providing access to learning, information and leisure resources, and management of the heritage collections. We develop strategies and policies for the library network, including the need and location for new libraries, collection and library digital service policy and practice, service standards, and library exhibitions, programmes and events.

#### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 43          | 43               |
| Total applications of operating funding | 30          | 33               |
| Surplus (deficit) of operating funding  | 13          | 10               |
| Total applications of capital funding   | 17          | 19               |

\* See table 1.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- library collection management
- regional and corporate library management.

Key achievements include:

- Launch of the Auckland Libraries app across multiple app stores to give customers mobile-friendly access to the catalogue, eCollections, library social media sites, and locations and hours. The app was downloaded over 19,000 times.
- The library management system software was upgraded from Millennium to Sierra, enabling improvements and efficiencies, and enhancing the customer experience.
- Upgraded the circulation management technology, renewing detection gates and components of the customer self-service kiosks in southern and northern libraries to

ensure reliable operation and alignment with other Auckland libraries.







- We improved our customer WiFi experience to be more responsive and easier to use, and where available we have moved libraries to faster broadband connections, increasing speeds by three to 10 times.
- We provided valuable access to the electoral process for many Aucklanders by assisting with voter registration and hosting advance voting stations in 17 libraries across Auckland in the lead-up to the general election.
- Almost 10,000 children participated in the Kia Māia te Whai-Dare to Explore summer reading programme, with 99 per cent of parents and caregivers agreeing their children's reading ability had been maintained or improved over December and January. We offered the programme in te reo for the first time and formed new partnerships with kura kaupapa.
- Our eCollection (eBooks, eAudiobooks and eMagazines) continued to grow in both size and popularity. We added over 250 eMagazine titles, including New Zealand content, to the Zinio collection alone. The number of eCollection issues increased by over 80 per cent from last year.
- Launching Te Kauhanganui, Auckland Libraries' Māori Responsiveness Plan. This three-year action plan lays the foundation for Auckland Libraries to meet our obligation to Māori as mana whenua and customers. It focuses on valuing the Māori world and te reo Māori.
- Trialled a series of pop-up libraries at iconic beaches around the region over the summer holidays to connect to new customers. Over 1500 customers visited the bus and took part in the storytimes, digital and WiFi sessions, and Dare to Explore activities.



- We supported local and national efforts to commemorate the WWI centenary including extensive digitisation of unique resources such as the RSA journals and creation of the 'Our boys, your stories' website, a resource for Auckland's families and communities to tell their stories and share their WWI memorabilia. The research centres supported related exhibitions and many individual researchers.
- Delivery of a diverse range of regional programmes and events through the year, including Tongan language week, comic book month, Diwali, Pride festival, Waitangi Day, Pasifika, music month, Heritage Festival, Auckland Anniversary, Samoan language week, Matariki and Lunar New Year.

We partially met our level of service to provide access to a wide range of library and information services relevant to community learning needs (three performance measure targets achieved out of six). Libraries offer 3.4 million physical collection items, plus nearly 200,000 eCollection items, to Aucklanders who borrowed 15.9 million physical items this year. We did not meet the target for number of collection items per capita and collection issues per capita, seeing instead a decrease compared to last year; although issues of eCollections increased by 81 per cent, reflecting changing customer preferences. Libraries are meeting this change by investing in increased awareness of the digital library and improved systems for searching and borrowing eCollection items. WiFi usage in libraries increased by 74 per cent from last year to 3.5 million sessions and visits to our website rose by four per cent to 7.3 million visits.

### How we performed

| Level of service   | Performance measure  | Status   | 2015 actual         | 2015 target | 2014 actual |
|--|--|--|---------------------|-------------|-------------|
| Provide access to a wide range of information relevant to community learning needs | Percentage of customers satisfied with content and condition of collections  |  | 88%                 | 85%         | 88%         |
|  | The number of lending and reference collection items available per capita  |  | 2.23 <sup>(1)</sup> | 2.8         | 2.3         |
|  | Percentage of customers satisfied with the services available on library computers, including databases and catalogues |  | 75% <sup>(2)</sup>  | 80%         | 78%         |
|  | Number of collection items borrowed/ issued per capita   |  | 10.4 <sup>(3)</sup> | 12          | 10.6        |
|  | Number of new collection items purchased annually per capita   |  | 0.38                | 0.30        | 0.4         |
|  | Number of people in reading and information skill programmes per capita  |  | 0.33                | 0.30        | 0.3         |

#### Notes:

1. Auckland's population growth was greater than the growth of the collection. We purchased slightly more collections items than last year but also had a particular focus on removing books in poor condition and those no longer relevant.
2. Satisfaction with library computers has decreased year on year due to increasingly aged technology and a website that no longer meets customers' needs. Both are being replaced during 2015/2016 and it is expected that satisfaction will improve as a result.
3. Customers borrowed 15.9 million items, a decrease of one per cent compared to last year. Although there was a decrease in the number of issues for physical items, the number of issues of eCollection items increased. We are aware of changes in customer preferences towards more digital services and will continue promoting these.



## 1.2 Local library services

### What we do

We manage and operate one central library, 54 local community libraries and four mobile libraries including lending, reading, learning programmes, events and expert assistance within local libraries and the delivery of approved new libraries and major upgrades. Local boards oversee the expenditure of local library capital and operational budgets in their areas.

### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 58          | 57               |
| Total applications of operating funding | 58          | 59               |
| Surplus (deficit) of operating funding  | 0           | (2)              |
| Total applications of capital funding   | 22          | 27               |

\* See table 1.2 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered this activity:

- local library facilities and services.

Key achievements include:




- We opened four new library buildings:
  - Waiheke Pātaka Kōrero–Waiheke Library
  - Rānui Pātaka Kōrero–Rānui Library
  - Te Atatū Pātaka Kōrero–Te Atatū Library and Community Centre
  - Te Pātaka Kōrero o Te Hau Kapua–Devonport Library.

The new libraries were popular destinations and saw significant growth in usage compared to the libraries they replaced. Māori artwork integrated into the libraries included carving by mana whenua carvers Ngā Whao Tapu o Tāmaki Makaurau in Devonport Library and the pou whenua outside Waiheke Library.

- Our replacement library at Ōtāhuhu in the recreation precinct opened in August 2015.
- Planning was completed for the Westgate Library as a multi-purpose facility, combining the library with a community facility and adjacent mall redevelopment.
- We refurbished Takapuna and Papatoetoe libraries. The layouts are significantly improved, with a brighter, more open feel and smarter, more modern looks.
- At the New Zealand Property Council Awards, Devonport Library won an Excellence Award and an Award of Merit for sustainability. Devonport, Te Atatū and Waiheke libraries were all shortlisted in the education and arts category. Waiheke Library was also shortlisted for the New Zealand Institute of Architects Awards.
- Makerspaces are now available at Panmure, Clendon and Central City libraries. A makerspace is where people can create, innovate and collaborate. All makerspaces have microphones and computers with open source software, enabling everyone to record music, edit photos and use other digital tools. The Central City Library also offers 3D printers. Mobile and pop-up makerspaces also take place at other sites.
- We continue delivering literacy and information skill programmes to a growing number of Aucklanders, with participants up 10 per cent on last year.

### How we performed

Our level of service to provide safe, welcoming and accessible library facilities was partially met (two performance measure targets achieved out of three). Overall satisfaction with services provided has remained very high at 91 per cent and the floor space per capita has improved compared to last year due to four new libraries opening. While the number of physical visits declined, we saw a surge of digital visits to our website.

| Level of service  | Performance measure   | Status   | 2015 actual         | 2015 target | 2014 actual |
|---|---|--|---------------------|-------------|-------------|
| Provide safe, welcoming, and accessible library facilities for customers to access library services | Percentage of customers satisfied with overall services provided by libraries |  | 91%                 | 90%         | 91%         |
|   | Average number of library visits per capita                                   |  | 8.32 <sup>(1)</sup> | 10          | 8.5         |
|   | Total library building floor space per 1,000 residents (m <sup>2</sup> )      |  | 41.7                | 40.3        | 41.1        |

**Note:**

- We did not meet the target for number of library visits per capita as more people access the library online with our digital library offer, reflecting changing lifestyles. There may be other drivers e.g. competition for time, temporary closures, lower cost of home broadband, etc, but we have no means of measuring their impact. Digital visits increased by four per cent and combined physical and digital visits increased slightly to 13.1 visits per capita.

### 1.3 Regional community services

#### What we do

We deliver regional community services covering regional funding and grants; programmes, advice and information services; policies on alcohol control, commercial sex and gambling venues; and community safety.

#### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 37          | 37               |
| Total applications of operating funding | 38          | 37               |
| Surplus (deficit) of operating funding  | (1)         | 0                |
| Total applications of capital funding   | 1           | 1                |

\* See table 1.3 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- community development policy
- regional community development initiatives
- regional community safety programmes
- regional social housing.

Key achievements include:

- Two thousand young people attended the third employment summit, JobFest, in February at the Manukau Institute of Technology. Youth Connections staff organised the event, brokering with partners including ATEED, Auckland Transport and the Ministry of Social Development, to bring employers and young jobseekers together. We had 43 major employers attend. Over 400 young people were interviewed with around 100 gaining employment. The success of the day exceeded expectations.
- Various initiatives were developed from the Haere Whakamua project to support iwi and other Māori social enterprise. A contract for community development was formed between Ruapōtaka Marae and the business school at the University of Auckland. Work continued with Makaurau Marae to investigate economic development opportunities and small local enterprise initiatives in conjunction with The Southern Initiative.
- A new group called Te Ohu Mana Rangatahi was established to increase cultural connectivity of rangatahi in Tāmaki Makaurau and to help develop leadership. It is supported by central government agencies, mana whenua and mataawaka.



The group uses tikanga Māori to work with other agencies to improve outcomes for young Māori in Auckland. The council will continue to engage with this group as part of its priority to put children and young people first in everything we do.

- In May 2015, 320 young people and their whānau, youth workers and organisations with special guests celebrated the second I Am Auckland Awards. Designed and delivered by the Youth Advisory Panel, 23 awards were presented.
- We won the 2015 New Zealand Sign Language Accessible Service Award which recognises the commitment we have shown to deaf Aucklanders. For example, the Proposed Auckland Unitary Plan consultation enabled deaf people to submit via online video translation.
- The Sustainable South Initiative launched the concept of Garden to Table and Back at the Auckland Botanic Gardens in September. Over 500 people participated in the activities and workshops on waste reduction, composting and gardening.
- We helped complete a research project designed to generate a deeper understanding of rough sleeping in central Auckland. The widely distributed report, called Insights, has resulted in new agencies collaborating to workshop and tackle particular barriers for rough sleepers such as access to, and storage of, identification documents.
- A new Auckland-wide Community Grants Policy was adopted, establishing six new regional grants programmes and 21 local grants programmes. The policy will make it easier for community groups to access financial assistance to deliver events, services and activities that benefit our diverse communities.
- New guidelines were developed for naming and renaming roads across Auckland to provide consistent process and clear advice for elected members, council staff, developers and communities of interest.

- A Local Alcohol Policy was developed as part of our commitment to reducing alcohol-related harm in the community. A Provisional Local Alcohol Policy was adopted by the council in May 2015. This is now subject to a legislatively required appeals process and will be enacted once any appeals have been resolved.
- The rental standardisation for housing for older persons was adopted as part of the Long-term Plan 2015-2025. Rents will be charged at a rate of 30 per cent of tenants' pre-tax income across all properties. For existing tenants, the application will see an increase of no more than \$10 per annum until the 30 per cent is reached.











### How we performed

We met nine out of 10 targets for our performance measures, broadly achieving our three levels of service for supporting community well-being and safety.

A new empowered communities approach has been developed to support more community-led development and will be implemented from October 2015. This is expected to promote inclusion and remove barriers to opportunity and participation.

Consultation on changes to tenant rental fees in the housing for the elderly units created uncertainty during the year, which contributed to the downward movement in tenant satisfaction in the survey undertaken. The survey also indicated the ground maintenance and service provided by staff are key satisfaction drivers in need of improvement. We will further investigate these lessons and introduce changes in the new reporting year.



| Level of service   | Performance measure   | Status   | 2015 actual        | 2015 target | 2014 actual |
|--|---|--|--------------------|-------------|-------------|
| Provide equitable and sustainable community development policies, resources and programmes that support community well-being | Percentage of customers satisfied with community development programmes                             |    | 63% <sup>(1)</sup> | 60%         | 58%         |
|  | Percentage of Māori customers satisfied with community development programmes                       |    | 74% <sup>(2)</sup> | 60%         | 67%         |
|  | Number of community development programmes provided   |    | 28                 | 26          | 28          |
|  | Percentage of residents satisfied with Citizens Advice Bureau services                              |    | 85%                | 80%         | 85%         |
|  | Number of community development programmes that specifically relate to Māori                        |    | 17                 | 1           | 9           |
| Improve community safety through delivery of programmes and initiatives with partner organisations and the community         | Number of volunteers actively involved in community patrolling                                      |    | 1,202              | 500         | 900         |
|  | Percentage of all assets that are graffiti free across the city                                     |    | 92%                | 85%         | 94%         |
|  | Percentage of graffiti removal requests completed within 24 hours of reporting                      |    | 100%               | 90%         | 100%        |
| Provide accessible and affordable housing to eligible people within the community  | Percentage of tenants satisfied with provision and management of housing facilities for the elderly |   | 64% <sup>(3)</sup> | 80%         | 75%         |
|  | Percentage occupancy rate of housing facilities for the elderly                                     |  | 98%                | 95%         | 98%         |

**Notes:**

1. There was a significant improvement in customer satisfaction, rising from 43 per cent in 2012/2013 to 63 per cent in 2014/2015. The new empowered communities approach is expected to enable a more effective response to community needs.
2. The target was exceeded with a seven per cent increase in Māori satisfaction. Although this was a small sample size, relationships are strengthening between our community development and arts and culture units, and mana whenua and mataawaka.
3. Fee changes have contributed to the downward movement in tenant satisfaction. Some issues have also been highlighted and we will work on addressing them in the new reporting year.



## 1.4 Local community services

### What we do

We support community-based projects, including programmes within community facilities, funding, and safety initiatives and programmes.

### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 31          | 29               |
| Total applications of operating funding | 31          | 30               |
| Surplus (deficit) of operating funding  | 0           | (1)              |
| Total applications of capital funding   | 8           | 12               |

\* See table 1.4 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered these activities:

- local community development initiatives
- local community facilities.

Key achievements include:

- Under The Southern Initiative, we supported the Cook Islands community in sharing knowledge and resources. The groups will work together to build capacity, capability, innovation, skills, employment and prosperity for the community which now totals 21,441 in the southern area.
- The Papakura Whānau Fun Day was held at the Papakura Marae in September and attended by over 700 whānau. The event included local hip-hop and reggae performances, kapa haka and various community-run stalls. Community well-being was the focus of the day, which included raising awareness of family violence and reducing harm from gambling.
- The Henderson Massey Local Board coordinated a safety plan with the community in response to the fatalities that in Henderson town centre. We worked closely with their community reference

group, who will lead the delivery of six projects from July 2015.

- Eight schools took part in the Kelston Fruit Trees in Schools project, planting hundreds of trees in schools in Kelston and Fruitvale. It was delivered in collaboration with Kelston Community Trust and Kelston Community Hub.
- Opening West Harbour and Glendene community hubs. These local facilities will provide relevant programmes, activities and services for local residents within their communities.
- The new Stillwater Hall was opened. This is a purpose-built facility to serve the needs of the community into the future, accounting for anticipated growth. Through an agreement with the council, the hall will be managed by the Stillwater Residents and Ratepayers Association.
- Preparation of a Community Facilities Network Plan, to ensure our communities will have access to high-quality places to connect, socialise, learn and participate as Auckland grows over the next 20 years. The plan covers libraries, arts facilities, pools and leisure centres, community centres and venues for hire.
- Helping local boards better understand their community needs. We researched community issues, gaps, resources and opportunities within particular areas of Auckland, to help local boards make good decisions about where and how to focus their investment. This year's focus areas included Three Kings, Tāmaki and Manurewa, and the needs of young people in Devonport-Takapuna, Kaipātiki and Upper Harbour.
- Working with communities to plan, design and build new facilities, including small neighbourhood centres such as the community hubs in West Harbour and Glendene, and the new music and arts centre in Glen Innes called Te Oro. This name, gifted by local iwi Ngāti Paoa,

marks the realisation of a 20-year dream for the community. We also completed planning for new multi-purpose community centres/libraries to meet the needs of growing communities in Westgate and Ormiston/Flat Bush.

### How we performed







We did not meet two of our three levels of service and partially met the third one, with one target out of six achieved overall.

We improved on the satisfaction of community funding applicants as a result of improvements introduced and a new online funding process.

Satisfaction with community centres and houses was below target, at 77 per cent. The four per cent decline is attributed to an adverse reaction of some regular hirers to the new fees and charges introduced in July 2014.

Despite the small decline in use of community centres and halls based on booking time, there was a four per cent increase in use based on visitor numbers, which indicates more visitors per booking. We had 4.8 million visits, equivalent to three visits each year per Auckland resident. This excludes sports clubs, art and crafts groups, interest groups, early childhood educators and healthcare providers which lease facilities for extended periods of time.

Residents' perception of safety in their neighbourhoods improved for the fourth year in a row and we will continue working on crime prevention and partnering with local community groups.

| Level of service   | Performance measure   | Status  | 2015 actual        | 2015 target | 2014 actual |
|--|---|---|--------------------|-------------|-------------|
| Provide local community development resources, funds and programmes that build community well-being                  | Percentage of community funding applicants satisfied with information, assistance and advice provided             |  | 69% <sup>(1)</sup> | 75%         | 66%         |
|  | Percentage of community funding/grant recipients meeting grant obligations  |  | 84% <sup>(2)</sup> | 90%         | 98%         |
| Provide community halls, centres and houses that meet the recreational and social needs of the local community       | Percentage of users satisfied with community centres and community houses   |  | 77% <sup>(3)</sup> | 80%         | 81%         |
|  | Percentage of available time community centres and halls are used (actual hours used compared to hours available) |  | 37% <sup>(4)</sup> | 45%         | 39%         |
| Improve community safety through delivery of programmes and initiatives with partner organisations and the community | Percentage of respondents who perceive that their neighbourhood is reasonably safe in the daytime                 |  | 87%                | 85%         | 85%         |
|  | Percentage of respondents who perceive that their neighbourhood is reasonably safe at night time                  |  | 43% <sup>(5)</sup> | 55%         | 40%         |

### Notes:

1. All community grant funding applications for 2014/2015 were managed online and customer satisfaction on average across all local boards improved by three per cent. This follows an eight per cent increase in satisfaction in 2013/2014 and demonstrates a positive transition to an online funding process. The new grants policy was adopted on 1 July 2015 and will be managed by the current online system so that grants will be awarded consistently across the council.
2. Accountability processes have been managed online from June 2014 and this may be affecting the number of recipients meeting grant applications. The new community grants hub will improve processes to complement the online system. From July 2015, the new grants policy changes accountability requirements, for example lower levels of accountability for small amounts of funding and higher levels for larger amounts of funding.



3. Changes to fees and charges have been a key contributor to the lower satisfaction in hirers using our facilities.
4. Use is down two per cent since last year. This can be attributed to a continuation in improved business practices including the implementation of an effective cancellation process, improved booking systems and management of internal bookings, which have resulted in more accurate use being recorded for community centres and venues for hire. We have a number of business improvement initiatives to increase use, such as our new online booking system, increased web presence and more personal interaction. We are also planning on increasing awareness of the services on offer.
5. In order to continue improving on safety, we will continue to develop innovative approaches, mainly through the strengthening of neighbourliness, the implementation of Crime Prevention through Environmental Design (CPTED) principles and partnerships with local community groups.

## 1.5 Emergency management

### What we do

We build a resilient Auckland together to reduce the likelihood and consequence of emergencies to our communities.

### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 7           | 7                |
| Total applications of operating funding | 7           | 7                |
| Surplus (deficit) of operating funding  | 0           | 0                |
| Total applications of capital funding   | 1           | 1                |

\* See table 1.5 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered these activities:

- emergency management and preparedness
- rural fire services.

Key achievements include:

- Fire appliances were refurbished to ensure Volunteer Rural Fire Force response capability.
- Remote automatic weather stations were relocated and recalibrated to comply with national standards and operational capability.
- Under the Evacuation Plan published in 2014 to provide a framework for any large-scale evacuation in Auckland we are working with our stakeholders to produce

an Operational Evacuation Plan by July 2017.

- Development of the first seven Local Board Hazard Guides from the current three-year programme. These will be delivered to communities through the Know your hazards campaign in 2015/2016.
- We continued to use social media to deliver information to the public. During tropical cyclone Pam 970,000 people accessed our posts.
- Invested in our public alerting systems to advise the public and minimise the effect of emergency events on Auckland. We enhanced and expanded both our options and geographical range to warn and communicate with communities via a new public alerting speaker mounted on the Westpac helicopter.
- Responded to emergency events including the Penrose power outage and the Ministry for Primary Industries-led response to the Queensland fruit fly incursion.
- Maintained a competent Rural Fire Service to reduce the likelihood and consequence of wildfire to the rural communities of Auckland.
- Developed and implemented a user-friendly fire permit application and database aligned to legislative reporting requirements.



- Supported national and international wildfire deployments in Arthur's Pass, Marlborough, Kaipara and Victoria Australia.







### How we performed

We met one of our three levels of service, relating to emergency management and rural fire capability. We exceeded both rural fire levels of service performance measures in the annual plan, with the support of 31,500 volunteer hours from the 10 Volunteer Rural Fire Forces of the Auckland Council.

However, we did not meet our two levels of service to ensure readiness and to support

resilient communities. The results from the annual Civil Defence and Emergency Management survey will inform our planning for community resilience and preparedness for the new reporting year. Overall results show that Aucklanders as individuals are not well prepared for a potential emergency. Together with the Ministry of Civil Defence and Emergency Management, we will continue engaging with residents via advertising campaigns and other educational initiatives.

We need to increase our focus on working with local communities in developing local response plans.

| Level of service  | Performance measure  | Status  | 2015 actual        | 2015 target | 2014 actual |
|---|--|---|--------------------|-------------|-------------|
| Ensure readiness to respond effectively to emergency civil defence situations and hazards                     | Overall score achieved using the CDEM capability assessment tool   |    | 75% <sup>(1)</sup> | 80%         | -           |
| Provide education, support and training to develop a resilient community                                      | Percentage of community fully prepared for an emergency  |  | 11% <sup>(2)</sup> | 18%         | -           |
|   | Percentage of community prepared at home for an emergency  |  | 21% <sup>(2)</sup> | 27%         | -           |
|   | Number of local community emergency management projects completed  |  | 3 <sup>(3)</sup>   | 14          | 11          |
| Provide emergency management and rural fire capability to manage fire and emergencies quickly and effectively | Percentage of incidents requesting attendance by New Zealand Fire Service responded to within 10 minutes |  | 88%                | 85%         | 90%         |
|   | Percentage of rural fire fighters who meet national training standards                                   |  | 91%                | 90%         | 91%         |

### Notes:

- We achieved an overall score of 75 per cent using the Ministry of Civil Defence and Emergency Management's capability assessment tool which is scored every four years. While this is an improvement from 67 per cent in 2011, it is still short of our target of 80 per cent. Our efforts will continue to focus on working to improve this overall score through the revision of our group plan with an increased emphasis on a community engagement approach.
- The results provided are the latest from the Ministry of Civil Defence and Emergency Management annual campaign monitoring research survey done in June 2014. Results show Aucklanders as individuals are not well prepared. Together with the ministry, we are continuing the national public education programme. This includes the Get Ready Get Thru campaign, What's the Plan Stan? schools programme, yellow pages advertising, and regional and local events and promotions.
- We reviewed, maintained and created new community response plans in collaboration with our communities with three completed this year for the city centre, Great Barrier and the Greater East Tamaki Business Association. The existing 2011 Omaha Beach plan was reviewed and a further three plans were developed but are yet to be formally adopted. We will increase our focus on the delivery of the remaining plans together with the review and adoption of the developed ones.



## 1.6 Cemeteries and crematoria

### What we do

We provide cemeteries, crematoria, memorial gardens and records. We facilitated 1583 burials, 898 ash interments and 2852 cremations across our network in the past year.

### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 7           | 7                |
| Total applications of operating funding | 7           | 7                |
| Surplus (deficit) of operating funding  | 0           | 0                |
| Total applications of capital funding   | 2           | 3                |

\* See table 1.6 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered these activities:

- cemeteries and crematoria.

Key achievements include:

- Adoption of the Waikumete Cemetery Reserve Management Plan.
- Completion of the Western Lawn development at Manukau Memorial Gardens.
- Implementation of our regional cemeteries and crematoria bylaw.
- Development of a Guide to the Repair and Conservation of Monuments for Symonds Street Cemetery and other historic cemeteries.

### How we performed

Our level of service was partially met, with two performance measure targets achieved out of three. We exceeded our measure target for percentage of visitor standards achieved and have capacity to meet future cemetery and crematoria demand for at least 65 years. We are continuing work on implementing the improvements identified for the customer satisfaction measure in areas identified, particularly at Waikumete Cemetery.

| Level of service  | Performance measure  | Status | 2015 actual        | 2015 target        | 2014 actual |
|---|--|--------|--------------------|--------------------|-------------|
| Maintain cemeteries, memorial gardens and records for families, friends and visitors to remember their loved ones | Percentage of customers satisfied with the cemeteries and memorial gardens overall |        | 75%                | 90% <sup>(1)</sup> | 77%         |
|   | Percentage of visitor service standards achieved                                   |        | 99% <sup>(2)</sup> | 85%                | -           |
|   | Capacity of cemeteries and crematoria to meet current and projected demand (years) |        | 5 <sup>(3)</sup>   | 5                  | 5           |

### Notes:

- Target has been reviewed for the next long-term plan and set at 80 per cent. Work is in progress to improve and increase customer satisfaction. Areas of focus will include signage, directions and maps and improving the appearance of the grounds, particularly in older areas of cemeteries.
- Visitor service standards were not established until December 2014, therefore results are based on six months of data from January to June 2015.
- The measure of capacity to meet demand refers to the cemetery land already developed into plots available for immediate use. Five years' worth of burial plots equates to approximately 8000 plots across the region at current burial rates. Current capacity of crematoria is 10,900 cremations per year. This provides sufficient capacity to meet demand for at least 65 years.

## Funding Impact Statements

For the year ended 30 June 2015

### 1.1 Community – Regional library services

| \$ million  | Notes      | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|------------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |            |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |            | 41             | 40                     | 34                        | 33                        |
| Targeted rates  |            | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |            | -              | -                      | -                         | -                         |
| Fees and charges  |            | 1              | 3                      | 2                         | 3                         |
| Internal charges and overheads recovered                                |            | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |            | 1              | -                      | 2                         | -                         |
| <b>Total operating funding</b>  |            | <b>43</b>      | <b>43</b>              | <b>38</b>                 | <b>36</b>                 |
| <b>Applications of operating funding:</b>                               |            |                |                        |                           |                           |
| Payment to staff and suppliers  | 3          | 20             | 23                     | 22                        | 21                        |
| Finance costs   |            | 1              | 1                      | 1                         | 1                         |
| Internal charges and overheads applied                                  |            | 9              | 9                      | 7                         | 6                         |
| Other operating funding applications                                    |            | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | <b>1</b>   | <b>30</b>      | <b>33</b>              | <b>30</b>                 | <b>28</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |            | <b>13</b>      | <b>10</b>              | <b>8</b>                  | <b>8</b>                  |
| <b>Sources of capital funding:</b>                                      |            |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |            | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |            | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |            | 4              | 9                      | 10                        | 10                        |
| Gross proceeds from sale of assets                                      |            | -              | -                      | -                         | -                         |
| Lump sum contributions  |            | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |            | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |            | <b>4</b>       | <b>9</b>               | <b>10</b>                 | <b>10</b>                 |
| <b>Applications of capital funding:</b>                                 |            |                |                        |                           |                           |
| Capital expenditure:  |            |                |                        |                           |                           |
| - to meet additional demand   |            | -              | -                      | -                         | -                         |
| - to improve the level of service                                       |            | -              | -                      | -                         | -                         |
| - to replace existing assets  |            | 17             | 19                     | 18                        | 18                        |
| Increase (decrease) in reserves   |            | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |            | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | <b>2,4</b> | <b>17</b>      | <b>19</b>              | <b>18</b>                 | <b>18</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |            | <b>(13)</b>    | <b>(10)</b>            | <b>(8)</b>                | <b>(8)</b>                |
| <b>Funding balance</b>  |            | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is primarily due to a reallocation of efficiency targets and corporate overhead costs.



2. Application of capital funding – increase is primarily due to deferral from 2013/2014 of the Library Technology project.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Payment to staff and suppliers below budget due to number of vacancies across the department.
4. Capital expenditure below budget because several components of the original capital expenditure budget were subsequently reclassified as operating expenditure and charged against computer software.



## Funding Impact Statements

For the year ended 30 June 2015

### 1.2 Community – Local library services

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 57             | 56                     | 55                        | 53                        |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | 1              | 1                      | 1                         | 1                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>58</b>      | <b>57</b>              | <b>56</b>                 | <b>54</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 40             | 41                     | 40                        | 40                        |
| Finance costs   |       | 4              | 4                      | 4                         | 3                         |
| Internal charges and overheads applied                                  |       | 14             | 14                     | 13                        | 13                        |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          |       | <b>58</b>      | <b>59</b>              | <b>57</b>                 | <b>56</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>-</b>       | <b>(2)</b>             | <b>(1)</b>                | <b>(2)</b>                |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | 2              | 2                      | 2                         | 1                         |
| Increase (decrease) in debt   |       | 20             | 27                     | 18                        | 25                        |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>22</b>      | <b>29</b>              | <b>20</b>                 | <b>26</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 8              | 14                     | 7                         | 13                        |
| - to improve the level of service                                       |       | 3              | 3                      | -                         | 4                         |
| - to replace existing assets  |       | 11             | 10                     | 12                        | 7                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 1,2   | <b>22</b>      | <b>27</b>              | <b>19</b>                 | <b>24</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>-</b>       | <b>2</b>               | <b>1</b>                  | <b>2</b>                  |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |



Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of capital funding – increase is due to deferral from 2013/2014 of the Te Atatū Peninsula, Waiheke, Massey North Library projects and Ranui Library projects, offset in part by deferral of the Flatbush Library Furniture and Fittings project to 2016/2017.

Variance explanation Actual 2015 to Annual Plan 2015:

2. Capital expenditure was below budget mainly due to Westgate (Massey North) library project being deferred to 2017 as discussions continued on the scope of the project.

## Funding Impact Statements

For the year ended 30 June 2015

### 1.3 Community – Regional community services

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 29             | 29                     | 41                        | 40                        |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | 1              | 1                      | 2                         | 2                         |
| Fees and charges  |       | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 7              | 7                      | 7                         | 7                         |
| <b>Total operating funding</b>  |       | <b>37</b>      | <b>37</b>              | <b>50</b>                 | <b>49</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 31             | 29                     | 39                        | 38                        |
| Finance costs   |       | -              | -                      | 1                         | 1                         |
| Internal charges and overheads applied                                  |       | 7              | 8                      | 10                        | 9                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>38</b>      | <b>37</b>              | <b>50</b>                 | <b>48</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>(1)</b>     | <b>-</b>               | <b>-</b>                  | <b>1</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | 9                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 2              | 1                      | 8                         | 5                         |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>2</b>       | <b>1</b>               | <b>17</b>                 | <b>5</b>                  |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | -              | -                      | -                         | -                         |
| - to improve the level of service                                       |       | -              | -                      | -                         | -                         |
| - to replace existing assets  | 2     | 1              | 1                      | 17                        | 6                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            |       | <b>1</b>       | <b>1</b>               | <b>17</b>                 | <b>6</b>                  |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>1</b>       | <b>-</b>               | <b>-</b>                  | <b>(1)</b>                |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |



Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – decrease is primarily due to the reallocation of efficiency targets, staff costs and corporate overhead costs, as well as the reallocation of costs from regional activities to local activities.
2. Application of capital funding – decrease is primarily due to the Wilshire Village Redevelopment project deferring to 2015/2016.



## Funding Impact Statements

For the year ended 30 June 2015

### 1.4 Local community services

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 22             | 22                     | 16                        | 15                        |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | 4              | 2                      | 2                         | 2                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 5              | 5                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>31</b>      | <b>29</b>              | <b>18</b>                 | <b>17</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 24             | 23                     | 15                        | 14                        |
| Finance costs   |       | 2              | 2                      | 2                         | 1                         |
| Internal charges and overheads applied                                  |       | 5              | 5                      | 2                         | 2                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>31</b>      | <b>30</b>              | <b>19</b>                 | <b>17</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>-</b>       | <b>(1)</b>             | <b>(1)</b>                | <b>-</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | 1                      | -                         | -                         |
| Development and financial contributions                                 |       | 1              | 1                      | 1                         | 1                         |
| Increase (decrease) in debt   |       | 7              | 11                     | 10                        | 11                        |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>8</b>       | <b>13</b>              | <b>11</b>                 | <b>12</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 2              | 1                      | 5                         | 5                         |
| - to improve the level of service                                       |       | 2              | 4                      | 1                         | 2                         |
| - to replace existing assets  |       | 4              | 7                      | 4                         | 5                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2,3   | <b>8</b>       | <b>12</b>              | <b>10</b>                 | <b>12</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>-</b>       | <b>1</b>               | <b>1</b>                  | <b>-</b>                  |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |



Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is primarily due to the reallocation of staff costs and corporate overhead costs, as well as the reallocation of costs from regional activities to local activities.
2. Application of capital funding – increase is due to the addition of the Warkworth Town Hall and the Pioneer Women's and Ellen Melville Hall projects.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Capital expenditure was \$4 million below budget mostly due to Town Hall Upgrade (Warkworth) \$1.9 million, which has been delayed due to timing issue of developing options and getting these reviewed and approved by Rodney Local Board; and \$1.8 million on Redevelopment (Pioneer Women's and Ellen Melville Hall) – as the project was part of the Fryberg Square, the redevelopment of the hall was moved to 2016.

## Funding Impact Statements

For the year ended 30 June 2015

### 1.5 Emergency management

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 7              | 7                      | 7                         | 7                         |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>7</b>       | <b>7</b>               | <b>7</b>                  | <b>7</b>                  |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 5              | 5                      | 5                         | 5                         |
| Finance costs   |       | -              | -                      | -                         | -                         |
| Internal charges and overheads applied                                  |       | 2              | 2                      | 2                         | 2                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          |       | <b>7</b>       | <b>7</b>               | <b>7</b>                  | <b>7</b>                  |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 1              | 1                      | 1                         | 1                         |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>1</b>       | <b>1</b>               | <b>1</b>                  | <b>1</b>                  |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | -              | -                      | -                         | -                         |
| - to improve the level of service                                       |       | -              | -                      | -                         | -                         |
| - to replace existing assets  |       | 1              | 1                      | 1                         | 1                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            |       | <b>1</b>       | <b>1</b>               | <b>1</b>                  | <b>1</b>                  |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |



## Funding Impact Statements

For the year ended 30 June 2015

### 1.6 Cemeteries and crematoria

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | (1)            | (1)                    | (1)                       | (2)                       |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | 8              | 8                      | 8                         | 8                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>7</b>       | <b>7</b>               | <b>7</b>                  | <b>6</b>                  |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 5              | 5                      | 5                         | 4                         |
| Finance costs   |       | 1              | 1                      | 1                         | 1                         |
| Internal charges and overheads applied                                  |       | 1              | 1                      | 1                         | 1                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          |       | <b>7</b>       | <b>7</b>               | <b>7</b>                  | <b>6</b>                  |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 2              | 3                      | 2                         | 2                         |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>2</b>       | <b>3</b>               | <b>2</b>                  | <b>2</b>                  |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | -              | -                      | -                         | -                         |
| - to improve the level of service                                       |       | 1              | 1                      | 1                         | 1                         |
| - to replace existing assets  |       | 1              | 2                      | 1                         | 1                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 1     | <b>2</b>       | <b>3</b>               | <b>2</b>                  | <b>2</b>                  |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of capital funding – increase is due to deferral of the Sexton House Conversion (Waikumete cemetery) project and Region Wide Cemetery and Crematorium renewals from 2013/2014.







## 2. Theme: Te āhua nohoanga Lifestyle and culture



Matakana playspace opening

## Introduction






Our lifestyle and culture activities provide Aucklanders and visitors with high-quality arts, culture and recreation opportunities ranging from arts programmes and parks, to galleries and museums. We invest in facilities to attract world-class events to Auckland, and partner with arts and recreation organisations.

Within this theme, we deliver:

- regional arts, culture and events services
- local arts, culture and events services
- regional events facilities
- regional parks services
- local parks services
- regional recreation services
- local recreation services
- regional collections and amenities.

Within the lifestyle and culture portfolio, we manage a number of assets including 26 regional parks, over 3000 local parks, 241 sports parks, 14 ancestral mountains (co-governed with the Tāmaki Collective, as part of the Maunga Authority), 43 recreational/aquatic facilities, 40 art facilities, regional events facilities (North Shore Events Centre, Vodafone Events Centre, The Trusts Stadium), Regional Facilities Auckland venues (includes The Civic, Auckland Town Hall, Aotea Square, Aotea Centre, Bruce Mason Centre, ANZ Viaduct Events Centre, Mt Smart, Western Springs, QBE Stadium), various regional amenities and museums (including Auckland War Memorial Museum, MOTAT, Stardome and New Zealand Maritime Museum, which receive funding directly from the council under specific legislation), Auckland Art Gallery Toi o Tāmaki and Auckland Zoo.

## Summary of non-financial performance measures

| Group of activities                            |  |  |  |  |  | Total measures |
|--|---|---|---|---|---|----------------|
| 2.1 Regional arts, culture and events services | 3   | 1   | 0   | 4   | 0   | 8              |
| 2.2 Local arts, culture and events services    | 6   | 0   | 0   | 1   | 0   | 7              |
| 2.3 Regional events facilities                 | 4   | 0   | 0   | 0   | 0   | 4              |
| 2.4 Regional parks services                    | 7   | 0   | 3   | 1   | 2   | 13             |
| 2.5 Local parks services                       | 1   | 2   | 0   | 2   | 0   | 5              |
| 2.6 Regional recreation services               | 0   | 0   | 1   | 0   | 0   | 1              |
| 2.7 Local recreation services                  | 1   | 0   | 0   | 3   | 0   | 4              |
| 2.8 Regional collections and amenities         | 8   | 0   | 0   | 2   | 0   | 10             |
| <b>Totals</b>                                  | <b>30</b>   | <b>3</b>  | <b>4</b>  | <b>13</b>   | <b>2</b>  | <b>52</b>      |



## Commentary

### 2.1 Regional arts, culture and events

#### What we do

We deliver regional programmes including art in public places, festivals, events and facilities.

#### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 13          | 13               |
| Total applications of operating funding | 15          | 17               |
| Surplus (deficit) of operating funding  | (2)         | (4)              |
| Total applications of capital funding   | 1           | 3                |

\* See table 2.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- arts, culture and events policy
- regional arts and culture initiatives
- regional events.

A number of milestone events were delivered this year.

- The 175th Auckland anniversary celebrations in January were attended by over 80,000 people. Major highlights included a multimedia show in Shed 10 depicting stories of Auckland, large-scale early Auckland prints on containers on Quay Street, a free concert on the stern of HMNZS Otago, a large fireworks display and associated events such as the Seafood Festival, Buskers' Festival and SeePort Festival.
- We commemorated Anzac Day and the Gallipoli centenary with the largest dawn service in New Zealand at the cenotaph in Auckland Domain. Audiences more than doubled from previous years with approximately 38,000 in attendance and 111,000 viewers from Māori TV. For the first time, the council offered two sign language interpreters and audio

description for blind and sight impaired people. Seventeen people used audio including a 90-year-old who had never attended a dawn service before.

- Matariki Festival delivered a month-long programme of engaging activity for Aucklanders, including taking theatre and music staging on the road as part of Matariki on the Move. Key signature events such as the Dawn Karakia, Manu Aute Kite Day and the 2degrees Kapa Haka Super 12s drew crowds keen for authentic creative experiences, with the Kapa Haka event filling the Cloud on Auckland's waterfront. The free event celebrated creativity and humour in contemporary Kapa Haka and attracted strong media support, including the NZ Herald, Māori TV and TV One. The festival presents more than 100 events.
- In June, we inaugurated the permanent artwork display of contemporary Chinese artist Jin Jiangbo, Rules of Nature, at the New Zealand Chinese Bookstore in Dominion Road. This interactive work allowed Aucklanders to insert their silhouette into a traditional Chinese ink-wash landscape. The work is only the second digital work in Auckland's public art collection and is one of an increasing number that feature light as a medium.









#### How we performed

We partially met our two levels of service, achieving three out of eight measures and substantially achieving a fourth.

Although satisfaction remains fairly high, we did not meet our targeted level and will try to develop improvements in future event and festival delivery.

Poor weather at key events and activities contributed to lower participation and attendance than the prior year and target.



| Level of service  | Performance measure   | Status   | 2015 actual          | 2015 target | 2014 actual       |
|---|---|--|----------------------|-------------|-------------------|
| Deliver, facilitate and fund diverse and high-quality arts and cultural programmes and activities         | Percentage of participants satisfied with regional arts activities                            |  | 76% <sup>(1)</sup>   | 85%         | 85%               |
|   | Number of regional arts and cultural activities delivered or funded by council                |  | 1,662 <sup>(2)</sup> | 1,000       | 2,439             |
|   | Number of participants in arts and cultural activities provided by council per 1000 residents |  | 84 <sup>(3)</sup>    | 100         | 131               |
|   | Number of public art partnerships   |  | 20                   | 12          | 13                |
| Deliver and facilitate regional events targeted to attract regional, national and international attendees | Percentage of attendees satisfied with council delivered regional events overall              |  | 86% <sup>(4)</sup>   | 85%         | 93%               |
|   | Number of attendees at council delivered regional events per 1000 residents                   |  | 34 <sup>(5)</sup>    | 36          | 37 <sup>(6)</sup> |
|   | Number of events permitted in Auckland  |  | 2078                 | 2,100       | 1,950             |
|   | Percentage of Māori participating in council delivered regional events                        |  | 5% <sup>(7)</sup>    | 11%         | 10%               |

**Notes:**

1. Result is down nine per cent from previous year, though remains fairly high overall. Final result of 76 per cent satisfaction comes from Schools' Trash 2 Fashion (95 per cent), Matariki Festival (86 per cent), Southside Arts Festival (68 per cent), Waitangi Day Celebrations (60 per cent) and Stand Up Stand Out (58 per cent). The arts and culture unit reviews the individual survey results to develop improvements in future event and festival delivery.
2. The number of regional activities delivered or funded by the council has decreased since last year due to the cessation of funding agreements with The Auckland Performing Arts Centre (TAPAC) (355 activities in 2013/2014) and the Mika Haka Foundation (196 activities in 2013/2014), as well as the shift of Corban Estate Arts Centre's funding agreement from regional to local activities (517 activities in 2013/2014).
3. Target has been missed and overall participant figures in regional activities are down from 207,963 in 2013/2014 to 128,793 in 2014/2015. This decrease can be largely attributed to:
  - the end of funding agreements with TAPAC (10,419 participants in 2013/2014) and the Mika Haka Foundation (7100 participants in 2013/2014)
  - the shift of Corban Estate Arts Centre's funding agreement from regional to local in 2014/2015 (39,113 participants in 2013/2014)
  - poor weather contributing to a decrease of 15,000 participants at this year's Waitangi Day Family Celebrations at Barry Curtis Park (from 22,000 in 2013/2014 to 7000 in 2014/2015).
4. This measure surveys satisfaction at the Auckland International Cultural Festival and a sample of 12 events from the Music and Movies in Parks programmes. The result this year is lower than last year but still exceeds the high target of 85 per cent satisfaction. Some of this change may be attributed to the different events selected for surveying each year. Results and feedback from the surveys are reviewed and inform future event planning.
5. This measure shows a small decrease compared to last year due primarily to bad weather at the Auckland International Cultural Festival and lower numbers at citizenship ceremonies. Regional budgets support a limited number of events and to achieve the target level would require increased event delivery budgets.
6. This measure was previously reported as the total number of attendees (57,109), but number of attendees per 1000 residents has been deemed as more meaningful.
7. This measure indicates the proportion of attendance of Māori at delivered regional events compared to the level of representation in the regional population (10.7 per cent, Census 2013). The result is estimated based on the reported ethnicity of respondents to event surveys. The low result for 2015 indicates lower representation of Māori at the sample of events surveyed.



## 2.2 Local arts, culture and events services

### What we do

We support local art facilities, delivering programmes and grants.

### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 21          | 21               |
| Total applications of operating funding | 20          | 21               |
| Surplus (deficit) of operating funding  | 1           | 0                |
| Total applications of capital funding   | 12          | 13               |

\* See table 2.2 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered these activities:

- local arts and culture facilities
- local arts and culture initiatives
- local events.

Key achievements include:








- The opening of new and refurbished arts facilities, including the \$19 million redevelopment of Titirangi's Lopdell Precinct, which delivered the seismic upgrade and heritage restoration of Lopdell House as well as the construction of Te Uru Waitākere Contemporary Gallery. The development won two awards at the Auckland Architects Awards 2015 with Te Uru short-listed in the World Architecture Festival. The precinct's opening in November 2014 attracted over 3000 people.
- The opening of Te Oro, a multi-purpose music and arts centre for youth, in Glen Innes. The centre is a realisation of 20-year dream by the Glen Innes community for a place where local talent and creativity is developed, supported and celebrated. The May opening marked the launch of a

series of integrated public artworks, which feature local artists in the design and fabrication of the building itself, as well as six sound artworks by mana whenua and the local community, overseen by talented composer Anonymouz, which surround the building.

- Launch of 2015 Pop projects series across the Waitematā Local Board area in May, driven by the idea of presenting the city in a new way, using creativity and innovation to connect people to places and each other. Pop Foolery was a series of pop-up theatre performances in the inner-city suburbs by White Face Crew. Word Pop was a large-scale typographic paste-up installations by Ladi6, Ant Sang, Renee Liang, Grace Taylor, Robert Sullivan, Lorde, Tiny Ruins and Tiki Taane. Pop Plinths featured concrete plinths with instructional plaques. Pop Ping Pong had unique sound-activated ping pong tables. Pop Percussion featured distinctive percussion stations. All works were custom designed, installed in public spaces and available for public interaction.
- Launch of the Billy Apple Compass by the Albert-Eden Local Board, an innovative web-based application that guides discovery and sharing of the renowned artist's commissioned public artworks in the area.

### How we performed

We substantially met our three levels of service, achieving six out of seven measures. The community seems largely satisfied with the local arts events delivered during the year and the facilities available. Surveys indicate a lower satisfaction level with local events, in particular with Christmas celebrations. Feedback from the surveys will inform future event planning.

| Level of service  | Performance measure   | Status   | 2015 actual        | 2015 target | 2014 actual |
|---|---|--|--------------------|-------------|-------------|
| Provide opportunities and facilities for the community to experience and enjoy the arts | Percentage of visitors satisfied with council delivered or funded arts facilities             |  | 90%                | 85%         | 91%         |
|   | Number of visits to local arts facilities per 1000 residents                                  |  | 1026               | 811         | 910         |
|   | Number of participants in local arts activities per 1000 residents                            |  | 264                | 104         | 210         |
|   | Percentage of participants satisfied with local arts activities                               |  | 92%                | 85%         | 93%         |
| Deliver, facilitate and fund diverse and high-quality arts and cultural programmes      | Number of local arts and culture activities that contribute to Māori outcomes                 |  | 423 <sup>(1)</sup> | 107         | 431         |
| Deliver and facilitate events that meet local community needs                           | Percentage of attendees satisfied with council provided local events overall                  |  | 78% <sup>(2)</sup> | 85%         | 83%         |
|   | Estimated number of attendees at council delivered and funded local events per 1000 residents |  | 777 <sup>(3)</sup> | 347         | 615         |

**Note:**

1. Local arts and culture activities are typically delivered by funded community partners. Encouragement from the council to contribute to Māori outcomes has resulted in higher than anticipated results.
2. A surveyed event is not normally assessed again in the following year. A contributor to this decline has been surveys across a range of Christmas events this year, a number of which received low satisfaction scores. This has highlighted issues in terms of meeting community expectations for these celebrations in a number of cases. Feedback from the surveys will inform future event planning.
3. Events funded by local boards are generally free events held in open public spaces. Estimation of attendances is particularly difficult in these situations and more so the longer the duration of the event. Reliance is placed on attendance numbers reported by event organisers. There may be significant differences in numbers reported each year depending on decisions regarding overall level of funding allocated and the number and nature of events to which this is provided.

## 2.3 Regional events facilities

### What we do

We contribute to providing high-quality performing arts, cultural, heritage, leisure, entertainment, sporting and conference facilities that reinforce Auckland's national and international reputation as an exciting events destination.

1. Applications of operating funding higher than budget due to grants paid out more than budget.
2. Capital funding mainly because Aotea Centre/Precinct was deferred to 2016 due to delays.

\* See table 2.3 for the full funding impact statement and the variance commentary for this group of activities.

### What we spent

| Funding Impact Statement Summary (\$M)*                | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                                | 62          | 58               |
| Total applications of operating funding <sup>(1)</sup> | 69          | 50               |
| Surplus (deficit) of operating funding                 | (7)         | 8                |
| Total applications of capital funding <sup>(2)</sup>   | 14          | 40               |

### What we delivered

We delivered these activities:

- regional event facility and stadium support
- stadium management
- Auckland Live and Conventions
- ANZ Viaduct Events centre management.



Key achievements include:

- Used our expertise in performing arts, conferences and events across all Regional Facilities Auckland (RFA) venues: 232,000 people attended a summer 2014/2015 line-up of major concerts, contributing \$10.3 million to our economy. These included sellout performances by the Eagles and the Foo Fighters.
- Auckland Live secured a diverse and innovative range of world-class concerts and shows including family friendly musicals The Sound of Music and Annie.
- Over 140,000 people attended events at the ANZ Viaduct Events Centre, such as the Auckland on Water Boat Show, Volvo

Ocean Race Auckland stopover, New Zealand Fashion Week, IRONMAN 70.3 and the Auckland Seafood Festival.

- Sporting events includes Auckland Blues games, ITM Cup games and FIFA U-20 World Cup New Zealand 2015, and the start of the NRL season at Mt Smart Stadium.

#### How we performed

RFA exceeded its performance targets. A highlight of the year was the successful integration of QBE North Harbour Stadium and Bruce Mason Centre leading to increased event activity and improved financial performance.

| Level of service                                  | Performance measure  | Status | 2015 actual              | 2015 target | 2014 actual              |
|---|--|--------|--------------------------|-------------|--------------------------|
| Provide fit for purpose regional event facilities | Total number of attendances at regional event facilities (North Shore Events Centre, Vodafone Events Centre, The Trusts Stadium)   |        | 1,629,308 <sup>(1)</sup> | 1,500,000   | 1,759,621 <sup>(2)</sup> |
|   | Total number of event days (or days open) held at regional event facilities (North Shore Events Centre, Vodafone Events Centre, The Trusts Stadium)  |        | 1,074                    | 1,000       | 961 <sup>(2)</sup>       |
|   | Total number of attendances at regional event facilities at RFA facilities (includes The Civic, Auckland Town Hall, Aotea Square, Aotea Centre, ANZ Viaduct Events Centre, Mt Smart, Western Springs, QBE Stadium (previously known as North Harbour Stadium), Bruce Mason Centre) |        | 1,923,495 <sup>(1)</sup> | 1,225,000   | 1,888,312 <sup>(2)</sup> |
|   | Total number of event days held at RFA Facilities (includes The Civic, Auckland Town Hall, Aotea Square, Aotea Centre, ANZ Viaduct Events Centre, Mt Smart, Western Springs, QBE Stadium (previously known as North Harbour Stadium), Bruce Mason Centre)                          |        | 4,596                    | 2,455       | 3,487 <sup>(2)</sup>     |

#### Note:

1. The measure includes non-ticketed events, in which cases estimates were used to calculate results.
2. Prior year actuals have been restated, as Bruce Mason Centre and QBE Stadium moved from regional event facilities to RFA facilities. Small variances have been corrected to ensure consistency with the RFA annual report.



## 2.4 Regional parks services

### What we do

We acquire parks, manage regional parks, the Auckland Botanic Gardens and co-govern tūpuna maunga-ancestral mountains with mana whenua. We offer a range of opportunities for Aucklanders to interact with these landscapes through events, educational activities, trails and baches. We also protect the cultural and natural values of these areas.

### What we spent

| Funding Impact Statement Summary (\$ million)*       | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 30          | 30               |
| Total applications of operating funding              | 43          | 41               |
| Surplus (deficit) of operating funding               | (13)        | (11)             |
| Total applications of capital funding <sup>(1)</sup> | 39          | 68               |

1. Capital expenditure below budget due to delays in getting capital works projects delivered this year and is behind in delivering the renewals works programme.

\* See table 2.4 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered these activities:

- botanic gardens
- farms
- parks policy and acquisition
- regional parks
- ancestral mountains.

Key achievements for regional parks and farms include:

- Visitor numbers for regional parks show just under six million visitors in 2014/2015 with 97 per cent of visitors satisfied with the quality of their visit.
- Several strategic acquisitions that enhance regional parkland were made to Waitākere Ranges Regional Park at Piha and Karekare (80 hectares), Mahurangi Regional Park (20 hectares) and Te Rau Puriri (78 hectares). A further 200 hectares was added to Te Arai Regional Park resulting from approval for development of

adjoining land and an 18-hectare heritage protection zone added to Long Bay Regional Park.

- A programme of regional park development projects was completed including baches at Waitawa and Atiu Creek regional parks. An additional four kilometres of mountain bike trails were developed at Waitawa Regional Park.
- A successful year for the farming operation with good returns for meat and wool sales. Farming operations commenced in May 2015 at Te Muri Regional Park following purchase of cattle and the transfer of ewes from other parks. Lonely Planet rates our 16km Coast to Coast walkway as the 'tenth most wonderful workout around the globe'.
- Tawharanui Regional Park, Albert Park and Whangateau Holiday Park won 2015 Trip Advisor certificates of excellence for their natural beauty, tranquility, quality of facilities, and activities such as camping and kayaking. The awards are based on reviews and opinions posted on Trip Advisor's online review forum.

Key achievements for botanic gardens include:

- Research into establishing sustainable meadows as alternatives to turf. This is being done in association with the University of Auckland and is based on the wildflower meadow at Waikumete Cemetery. The Friends of Auckland Botanic Gardens contributed \$15,000 towards the project.
- Formed a research partnership with the Manukau Beautification Charitable Trust and the Manukau Institute of Technology to trial methods of improving soil health to ensure healthy, nutritious edible plants.
- The gardens teamed with Manukau Beautification Charitable Trust to deliver the annual Eye on Nature event in late March. Over 1300 children from 48 schools across south Auckland



participated in activities based on the theme of Adaptation.

- More than 9000 students participated in Learning Through Experience programmes during the year, up six per cent on last year.
- The nursery produced 60,659 native plants for revegetation programmes in our regional parks.

Key achievements for ancestral mountains include:

- The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 came into effect on 1 August 2014. As part of this settlement, 14 maunga (ancestral mountains) are now co-governed by the Tūpuna Maunga o Tāmaki Makaurau Authority (Maunga Authority). The Maunga Authority is made up of representatives from the Tāmaki Collective and Auckland Council and was established in September 2014.
- The draft Tūpuna Maunga Operational Plan 2014/2015 was adopted at the inaugural meeting of the Maunga Authority in September 2014. The interim operational plan outlined funding requirements, capital and operational projects, maintenance works, service level commitments cultural and educational

activities and programmes planned for the year. The Tūpuna Maunga Operational Plan 2015/2016 was adopted as of 1 July 2015.

- We developed a strong effective working relationship with the Maunga Authority and mana whenua and established the Maunga Authority values to provide context and direction for decision-making.








### How we performed

We broadly met our levels of service for planning and developing Auckland's open space network (two out of three targets achieved) and for the management of the botanic gardens (three out of four targets achieved).

We did not meet two of our levels of service relating to the upkeep of the ancestral mountains and regional parks, though there were improvements in both areas since last year.

Management of the ancestral mountains is now shared with the Tāmaki Collective, through the Maunga Authority. Satisfaction levels with the quality of care of the volcanic features will be reviewed with all the other measures as part of ongoing discussions. Satisfaction with our regional parks remains high and volunteer participation levels are increasing every year.

| Level of service  | Performance measure  | Status | 2015 actual        | 2015 target      | 2014 actual |
|---|--|--------|--------------------|------------------|-------------|
| Develop a consistent and robust approach to planning, managing and developing Auckland's open space network | Percentage of residents satisfied with the provision (location and distribution) of regional parks |        | 81%                | 75%              | 83%         |
|   | Number of hectares of regional park per 1000 residents   |        | 26.6               | 30               | 26.4        |
|   | Number of arrangements with Māori that provide for kaitiaki management of ancestral lands          |        | 29                 | 2                | 22          |
| Protect and conserve the values and features of Auckland's volcanic heritage                                | Percentage of public satisfied with the quality of care of the volcanic features                   |        | 58% <sup>(1)</sup> | 75%              | 64%         |
|   | Percentage of mana whenua satisfied with the quality of care of the volcanic features              |        | - <sup>(2)</sup>   | 75%              | 0%          |
|   | Percentage of volcanic landscape maintenance standards achieved based on contract requirements     |        | 99% <sup>(3)</sup> | Greater than 98% | 97%         |

| Level of service   | Performance measure   | Status   | 2015 actual           | 2015 target | 2014 actual |
|--|---|--|-----------------------|-------------|-------------|
| Manage the Auckland Botanic Gardens as a place for recreation and to sustain the botanical heritage of Auckland                  | Percentage of visitors satisfied with the overall quality of their visit to the Botanic Gardens |  | 100%                  | 95%         | 96%         |
|  | Number of participants in Botanic Gardens education programmes                                  |  | 9,533                 | 8,000       | 8,610       |
|  | Number of New Zealand native plants grown for revegetation programmes in the Botanic Gardens    |  | 60,659                | 60,000      | 65,000      |
|  | Percentage of visitor service standards achieved  |  | - (4)                 | 95%         | 91%         |
| Maintain the natural and cultural settings and representative range of regional parks for the use and enjoyment of the community | Percentage of park visitors satisfied with the overall quality of their visit                   |  | 97%                   | 90%         | 96%         |
|  | Percentage of public who have used a regional park in the last 12 months                        |  | 77%                   | 80%         | 76%         |
|  | Number of volunteer hours worked in regional parks each year                                    |  | 90,080 <sup>(5)</sup> | 92,000      | 79,013      |

**Notes:**

1. The percentage of public satisfied with the quality of care of the volcanic features measure will be reviewed with the rest of the volcanic cones measures as part of discussions with the Maunga Authority.
2. We will no longer report on the measure for percentage of mana whenua satisfied with the quality of care of the volcanic features, with the transfer of governance of the tūpuna maunga to the Maunga Authority.
3. The methodology for capturing the information relating to this measure has changed. Previously, it was based on a specific contract audit, whereas this year it was based on customer service reports which focus on the look of the park from a customer experience point of view.
4. This visitor service standards measure is no longer assessed or reported, as it has been replaced by other processes that measure visitor satisfaction with facilities and the standard of assets.
5. Although this target for volunteer hours was not achieved, significant progress was made towards it, and this trend is anticipated and planned to continue.

## 2.5 Local parks services

### What we do

We develop and maintain the local parks network to cater for community needs, with services ranging from coastal esplanades to neighbourhood parks with playgrounds, to sports parks with clubs and sports fields, and larger parks offering a range of cultural and natural features.

### What we spent

| Funding Impact Statement Summary (\$ million)*       | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 170         | 167              |
| Total applications of operating funding              | 147         | 147              |
| Surplus (deficit) of operating funding               | 23          | 20               |
| Total applications of capital funding <sup>(1)</sup> | 80          | 101              |

1. Capital expenditure below budget due to delays in getting the approved capital works programme for projects delivered this financial year.

\* See table 2.5 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered this activity:

- local parks.

Key achievements include:

- Green Flag awards for Olympic and Parrs parks, Taipari Strand and Sanders Reserve. The awards recognise excellence in management across a range of disciplines including the environment,



cultural/historical values, safety, marketing, sustainability and creating great places to play. This scheme is a benchmark national standard for parks and green spaces in the United Kingdom, but is also awarded internationally.

- Playing host to thousands of events across the region, including the Lantern and Pasifika Festivals; the Waiheke Festival, which now covers nine days and 46 walks and attracts more than 2000 bookings; and the Great Barrier Festival, delivered by Ngāti Rehua Ngāti Wai Ki Aotea with council staff guidance.
- We improved play opportunities in our parks in line with the Auckland Plan's focus on youth. New playgrounds can now be found at Algies Bay (north), Parrs Park and Blockhouse Bay Beach (west) and Myers Park (central).
- We opened part of the Ōnehunga Foreshore development with approximately 30,000 plants and 350 trees planted. The headlands and eight of the nine beaches are now complete. The rest of the development, including a pedestrian and cycle bridge over State Highway 20, is due to open in November 2015.
- The Victoria Wharf renewal project was completed. This historic wharf, built in 1925, had the platform replaced and piles reinforced in a \$6 million renewal project that took 18 months.
- In preparation for the Anzac Day 100th anniversary commemorations, projects were completed to enhance the War Memorial at Mt Roskill, upgrade the Silverdale War Memorial and do soft landscaping at the Browns Bay Memorial.
- Te Ara Hura, the 100km continuous walk around Waiheke, opened in November 2014. More than 200 marker posts were placed at junctions on the route to help people follow the trail, and a comprehensive walking map of the island was produced. This is one of the projects resulting from the newly adopted local board greenway plans.
- Partnerships forged or maintained over

2014/2015 include the Boroughs project, which was formally launched in October 2014. This is a partnership with SPARK and will result in a five new high-tech basketball courts designed to engage the 18-35 year old age group in street basketball to a level not yet seen in Auckland.

- The Auckland Teaching Gardens Trust was established with support from the Māngere–Ōtāhuhu Local Board. The trust manages the six teaching gardens which are part of the southern parks network and represent the constant maturing of the community.
- We increased playing capacity by lighting 15 sports fields at Glover Park, Rānui Domain, Prince Edward Park, Margaret Griffen Park, Ostend Domain, Grey Lynn Park, Walker Park, Becroft Park, Kaipātiki Park and Rautawhiri Park.
- We created 15 new sand carpet or sand slit fields at Crossfield Reserve, Mountfort Park, Ostend Domain, Albany Domain, Walter Massey Park, Swanson Park, Royal Reserve and Jellicoe Park.
- A new baseball diamond was built at McLeod Park.
- A new park disc golf (frisbee golf) course was installed at Henderson Park.
- Two new artificial turf fields were opened at Crum Park and Greville Reserve.
- The development of a Guide to the Repair and Conservation of Monuments was completed for Symonds Street Cemetery and other historic cemeteries and the WWI Heritage Trail. This is part of our effort to preserve and celebrate our cultural heritage.






#### **How we performed**

Our level of service to develop and maintain adequate local parks has only been partially met. Out of five performance measures, one target has been achieved and two substantially achieved. While playing capacity and maintenance standards have increased, residents' satisfaction levels are below our expectations.



We are in the process of investigating further these results to understand the drivers and

introduce improvements in the coming year.

| Level of service   | Performance measure  | Status   | 2015 actual        | 2015 target | 2014 actual |
|--|--|--|--------------------|-------------|-------------|
| Develop and maintain local park network to cater for community needs | Percentage of residents satisfied with the provision (location and distribution) of local parks and reserves |  | 69% <sup>(1)</sup> | 75%         | 72%         |
|  | Percentage of residents satisfied with the quality of parks, reserves, sports fields and beaches             |  | 72% <sup>(2)</sup> | 75%         | 74%         |
|  | Percentage of residents who visited a local park or reserve in last 12 months                                |  | 91%                | 85%         | 91%         |
|  | The playing capacity of sports fields (playing hours per week)   |  | 9,832              | 9,904       | 9,584       |
|  | Percentage of local parks and reserves maintenance standards achieved as per contractual requirements        |  | 97%                | 98%         | 97%         |

#### Notes:

1. The percentage of residents satisfied with the provision (location and distribution) of local parks and reserves was below target. This will need to be investigated in 2015/2016 year to understand drivers and implement improvements.
2. The percentage of residents satisfied with the quality of parks, reserves, sports fields and beaches was below target by three per cent. We will investigate the survey results and look for areas of improvement.

## 2.6 Regional recreation services

### What we do

We deliver policies, facilities and initiatives with a particular focus on children, young people and Māori.

### What we spent

| Funding Impact Statement Summary (\$ million)* | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                        | 14          | 15               |
| Total applications of operating funding        | 19          | 22               |
| Surplus (deficit) of operating funding         | (5)         | (7)              |
| Total applications of capital funding          | -           | -                |

\* See table 2.6 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered these activities:

- recreation policy
- regional recreational facilities
- regional recreational initiatives.

Key achievements include:

- Completion and opening of the Owen G. Glenn National Aquatic Centre at the National High Performance Centre at AUT Millennium in Mairangi Bay. This marked the culmination of a partnership between AUT/Millennium, Auckland Council, Sport New Zealand, High Performance Sport New Zealand and philanthropist Owen Glenn. The centre can now host international aquatics events, is a training base for swimming, water polo and other aquatic clubs, and has become a centre of innovation for ancillary sport science. Our contribution also provides community access rates and learn to swim education in perpetuity.
- We awarded 47 Facility Partnership Grants totaling \$5 million. Projects supported include:
  - The regional water sports centre at Highbrook which improves access to the Tāmaki River for waka ama and



- other paddling sports, including rowing, and supports increased numbers participating in water-based sport and recreation activities.
- The beach volleyball centre at Mairangi Bay, a bowling club conversion that created a hub for beach volleyball training, competition and social leagues.
  - The Ellerslie Sports Club to develop a multi-sport hub for football, cricket and other recreation activities at Michaels Avenue Reserve.
  - Avondale Intermediate School council/community pool partnership, improving pool plant heating and covering the pool to provide community access to a school pool in an area where demand exceeds provision for council-owned pools.
  - Two Ministry of Health Healthy Families New Zealand contracts with a total value of \$12.4 million were awarded to Auckland Council in partnership with Ngā Mana Whenua o Tāmaki Makaurau and Alliance


Health Plus to address obesity. The contracts run from 2014 to 2018.

- The Ministry of Education/Sport New Zealand and the council completed a schools survey to understand levels of community access to school sport and recreation assets, with 85 per cent of respondents indicating they had community access arrangements. This work will help the council, sport and recreation organisations and schools look at future partnership opportunities for joint asset development.

### How we performed

We improved on our level of service to provide the community and other agencies with advice and resources to assist in the development of sport and recreation initiatives and events, but did not meet our target.

Sport New Zealand's ActiveNZ 2014 survey results for Auckland will be available by December 2015 and will provide further insight for tactical and strategic approaches to increasing participation in sports.

| Level of service   | Performance measure  | Status   | 2015 actual        | 2015 target | 2014 actual |
|--|--|--|--------------------|-------------|-------------|
| Provide the community and other agencies with advice and resources to assist in the development of sport and recreation initiatives and events | Percentage of residents participating at least once per week in sport and recreation |  | 75% <sup>(1)</sup> | 80%         | 71%         |

### Note:

1. The percentage of Aucklanders participating in sport once per week is measured via the annual residents' survey. Improvement is against international trends in Australia, UK and USA, which have trended downward.

## 2.7 Local recreation services

### What we do

We promote local participation in recreation and sport. We aim to inspire Aucklanders to be more active and inspire children, young people and their whānau to achieve their potential.

### What we spent

| Funding Impact Statement Summary (\$ million)*       | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 59          | 58               |
| Total applications of operating funding              | 53          | 58               |
| Surplus (deficit) of operating funding               | 6           | -                |
| Total applications of capital funding <sup>(1)</sup> | 30          | 43               |

- Capital expenditure below budget due to delays in getting the approved capital works programme for projects delivered this financial year.

\* See table 2.7 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered these activities:

- local recreation facilities
- local recreation initiatives

Key achievements include:

- New Learn to Swim operations at Moana-nui-a-Kiwa Leisure Centre in Māngere and at Manurewa Leisure Centre were brought in-house.





- We completed significant customer-focused renovations at Moana-nui-a-Kiwa (outdoor splash pad), Glenfield (downstairs gym equipment and décor, and pool area renovation), West Wave (changing facilities and spin room) and Lloyd Elsmore (group fitness studio).
- As part of a partnership initiative, we won a Ministry of Health contract to deliver on the Healthy Families initiative across south Auckland.
- Cindy Stewart and Romina Veseli from West Wave won awards at the New Zealand Fitness Industry Awards. Cindy won the Community Excellence Award and Romina the Outstanding Club Support.

### How we performed

We did not meet our level of service to provide safe and accessible facilities and programmes that support recreation and leisure activities at the local level (one performance measure target achieved out of four).

Satisfaction levels are slightly lower than last year, although this could be attributed to a change in the methodology to measure our results.

Renovations and management handovers in some of our swimming pools have had an impact on the visits per capita results, but we anticipate that patronage numbers will recover solidly in the coming year.

| Level of service  | Performance measure   | Status   | 2015 actual         | 2015 target | 2014 actual |
|---|---|--|---------------------|-------------|-------------|
| Provide safe and accessible facilities and programmes that support recreation and leisure activities at a local level | Percentage of customers satisfied with swimming pool facilities and programmes overall                                |  | 76% <sup>(1)</sup>  | 85%         | 80%         |
|   | Percentage of customers satisfied with recreation centre facilities and programmes overall (excluding swimming pools) |  | 79% <sup>(1)</sup>  | 85%         | 81%         |
|   | Average number of visits to swimming pools per capita   |  | 2.77 <sup>(2)</sup> | 7           | 3.52        |
|   | Average number of visits to recreation facilities per capita (excluding swimming pools)                               |  | 3.08                | 3           | 2.79        |



### Notes:

1. Results are not comparable to previous year's results due to a methodology change. In previous years, results from centres with both aquatic and recreational facilities were credited to the swimming pool measure. This year, centres with both facilities will have two results, which are credited to their respective measures. Also, in previous years, the results represented the average of all scores. This year, the results represent the proportion of survey scores that were top three in the seven-point scale.
2. Although pools in the Hibiscus and Bays, Māngere-Ōtāhuhu, Ōtara-Papatoetoe, Papakura and Puketāpapa areas exceeded targeted visits per capita, a couple of key factors negatively affected the regional average. One factor was temporary closures for renovations and refurbishments in the Kaipātiki and Albert-Eden areas, both of which met visitor targets for the periods during which they were open. Disruptions to regular activities in the Henderson Massey and Howick areas were also a key factor, as these are the two largest areas. Pools in both of these areas had facility management handovers during the period, and patronage numbers are anticipated to recover solidly this year.

## 2.8 Regional collections and amenities

### What we do

We manage our cultural institutions, museums, galleries and zoo.

attendance of approximately 38,000 people.

- 148,995 digital poppies were laid on our Online Cenotaph.

### What we spent

| Funding Impact Statement Summary (\$ million)* | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                        | 100         | 101              |
| Total applications of operating funding        | 99          | 102              |
| Surplus (deficit) of operating funding         | 1           | (1)              |
| Total applications of capital funding          | 5           | 5                |

\* See table 2.8 for the full funding impact statement and the variance commentary for this group of activities.

Key achievements at Stardome include:

- The first Whanau Day for 500 preschool children from south Auckland.
- We ran education sessions for 13,302 children in lower decile schools.
- We welcomed 2820 community group visitors from The Southern Initiative programme.
- Hosting the opening event for the Auckland Council Matariki Festival.

### What we delivered

We delivered these activities:

- regional amenities and museums
- Auckland Art Gallery
- Auckland Zoo.

Key achievements at MOTAT include:

Key achievements at the Auckland War Memorial Museum include:

- A 14 per cent increase in Auckland resident adults and 16 per cent increase in children visiting over the year.
- The museum's outreach programme at Auckland Libraries reached 6449 people, more than double last year's figure.
- The museum and the council worked together as part of the WWI Centenary programme to host Auckland's Anzac Day Dawn Service 2015, with record-breaking

attendance of approximately 38,000 people.

- MOTAT launched its five-year strategy and associated structure. It will use its heritage collection and focus on Kiwi ingenuity, transport and technology in a creative, interactive and hands-on way to inspire visitors to become the innovators of tomorrow.
- Presenting Nau Mai Ki Te Mīhini–Welcome to the Machine. This exhibition won the award for most innovative use of te reo Māori in an exhibition, at the Museum Aotearoa Conference.
- Produced a development plan with the assistance of the late Sir Ian Athfield for MOTAT's buildings and associated infrastructure.



Key achievements at New Zealand Maritime Museum include:

- Hosted the Polynesian Voyaging Society and their canoes Hikianalia and Hokulea. Their education programme Malama Honua ran for public and school groups, sharing knowledge about traditional navigation and caring for our earth.
- Our staff volunteers finished a long-term project to catalogue 250,000 images from the landmark Bill Laxon Photograph Collection.
- Exhibited Messing About in Boats: Curiosities from the Collection, which was a finalist in the Museums Aotearoa Best Small Exhibitions category of their national awards.
- We promoted sailing, with our vessel Breeze taking trips to the Bay of Islands and participating in the annual Bay of Islands Tall Ships rally and the Mahurangi regatta. This programme achieved 13 sellout sailings.
- The museum received a Certificate of Excellence from Trip Advisor, and was rated at 4.5 out of 5 stars on their website. The museum is ranked in the top 20 of the 195 attractions listed in Auckland.

Key achievements at Auckland Art Gallery Toi o Tāmaki include:

- The gallery delivered a number of firsts this year. These included the first major presentation of international light-based art in New Zealand. The Light Show attracted the second highest number of visitors to the gallery in the last 30 years. Lego fans were let loose with Olafur Eliasson’s cubic structural evolution project.



- The gallery’s first international touring exhibition of 48 historical Māori artworks by the late 19th-century painter Gottfried Lindauer was widely acclaimed in Europe. The exhibition marked the first departure of these works from New Zealand shores since they were painted over 100 years ago. The exhibition opened in Berlin in November 2014 and closed in April 2015 with almost 144,000 visitors, a record for a temporary exhibit at Alte Nationalgalerie.

Key achievements at Auckland Zoo include:

- In June, the zoo welcomed an eight-year old Asian elephant named Anjalee as a companion for elephant Burma. The zoo worked in partnership with Sri Lanka’s Pinnawala Elephant Orphanage to provide a home for Anjalee.
- Other new arrivals include two South American capybaras imported from Australia. The births of giraffes, red pandas and otters increased the amount of wildlife on display.
- The zoo received endorsement as one of New Zealand’s elite tourist attractions with Qualmark certification and an Enviro Gold Award. Qualmark is Tourism New Zealand’s quality assurance organisation providing a trusted guide to travel experiences.

### How we performed

RFA achieved most of its performance targets for the year (eight out of 10). Attendances at the art gallery exhibitions exceeded targets, but poor weather affected attendances at the Auckland Zoo.

| Level of service  | Performance measure  | Status   | 2015 actual        | 2015 target | 2014 actual |
|---|--|--|--------------------|-------------|-------------|
| Provide an opportunity to learn and experience heritage and culture through museums | Percentage of visitors satisfied with their overall visit to museums |  | 92% <sup>(1)</sup> | 90%         | 92%         |
|   | Number of visitors to museums  |  | 1,376,191          | 1,340,000   | 1,300,319   |



| Level of service  | Performance measure  | Status | 2015 actual            | 2015 target | 2014 actual |
|---|--|--------|------------------------|-------------|-------------|
| Provide the opportunity to access, learn and experience visual arts   | Percentage of visitors satisfied with their visit overall to the Auckland Art Gallery Toi o Tāmaki |        | 94%                    | 88%         | 93%         |
|   | Number of visitors to the Auckland Art Gallery Toi o Tāmaki  |        | 533,556                | 460,000     | 423,227     |
|   | Number of participants in education and public programmes at Auckland Art Gallery Toi o Tāmaki     |        | 40,294                 | 40,000      | 22,764      |
| Provide memorable, inspirational, leisure and learning experiences with wildlife                              | Percentage of visitors satisfied with their overall visit to Auckland Zoo                          |        | 93%                    | 88%         | 95%         |
|   | Number of visitors to Auckland Zoo <sup>(1)</sup>  |        | 650,159 <sup>(2)</sup> | 680,000     | 717,642     |
| Support wildlife conservation in the Auckland region and in the wild  | Number of species at Auckland Zoo in conservation programmes                                       |        | 60                     | 50          | 49          |
| Deliver educational and interpretive programmes to increase understanding and encourage wildlife conservation | Percentage of participants satisfied their learning outcomes were achieved at the Auckland Zoo     |        | 99%                    | 90%         | 98%         |
|   | Number of participants in education programmes at the Auckland Zoo                                 |        | 46,321 <sup>(2)</sup>  | 50,000      | 60,292      |

**Notes:**

1. Satisfaction scores for individual facilities are as follows: Auckland War Memorial Museum 99 per cent, MOTAT 84 per cent, Stardome Planetarium 91 per cent and New Zealand Maritime Museum 93 per cent.
2. Adverse weather conditions affected zoo visits for the first half of the year, resulting in a slight reduction on previous years.

## Funding Impact Statement

For the year ended 30 June 2015

### 2.1 Regional arts, culture and events

| \$ million  | Notes    | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|----------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |          |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |          | 12             | 12                     | 16                        | 14                        |
| Targeted rates  |          | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |          | 1              | 1                      | 1                         | 1                         |
| Fees and charges  |          | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |          | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |          | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |          | <b>13</b>      | <b>13</b>              | <b>17</b>                 | <b>15</b>                 |
| <b>Applications of operating funding:</b>                               |          |                |                        |                           |                           |
| Payment to staff and suppliers  | 3        | 12             | 14                     | 17                        | 16                        |
| Finance costs   |          | 1              | 1                      | 1                         | 1                         |
| Internal charges and overheads applied                                  |          | 2              | 2                      | 2                         | 2                         |
| Other operating funding applications                                    |          | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | <b>1</b> | <b>15</b>      | <b>17</b>              | <b>20</b>                 | <b>19</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |          | <b>(2)</b>     | <b>(4)</b>             | <b>(3)</b>                | <b>(4)</b>                |
| <b>Sources of capital funding:</b>                                      |          |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |          | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |          | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |          | 3              | 7                      | 5                         | 7                         |
| Gross proceeds from sale of assets                                      |          | -              | -                      | -                         | -                         |
| Lump sum contributions  |          | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |          | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |          | <b>3</b>       | <b>7</b>               | <b>5</b>                  | <b>7</b>                  |
| <b>Applications of capital funding:</b>                                 |          |                |                        |                           |                           |
| Capital expenditure:  |          |                |                        |                           |                           |
| - to meet additional demand   |          | 1              | 2                      | -                         | -                         |
| - to improve the level of service                                       |          | -              | -                      | -                         | -                         |
| - to replace existing assets  |          | -              | 1                      | 2                         | 3                         |
| Increase (decrease) in reserves   |          | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |          | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | <b>2</b> | <b>1</b>       | <b>3</b>               | <b>2</b>                  | <b>3</b>                  |
| <b>Surplus (deficit) of capital funding</b>                             |          | <b>2</b>       | <b>4</b>               | <b>3</b>                  | <b>4</b>                  |
| <b>Funding balance</b>  |          | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – decrease is primarily due to the reallocation of staff and supplier costs from regional to local activities.



2. Application of capital funding – increase is due to deferrals from 2013/2014 across a range of art projects.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Payment to staff and suppliers was lower than budget due to delayed payment of grant to Auckland Theatre Company Limited; underspend will be carried forward into 2016.



## Funding Impact Statement

For the year ended 30 June 2015

### 2.2 Local arts, culture and events

| \$ million  | Notes | Actual     | Annual Plan | Long-term Plan | Long-term Plan |
|---|-------|------------|-------------|----------------|----------------|
|   |       | 2015       | 2015        | 2015           | 2014           |
| <b>Sources of operating funding:</b>                                    |       |            |             |                |                |
| General rates, UAGCs, rates penalties                                   |       | 20         | 20          | 15             | 13             |
| Targeted rates  |       | -          | -           | -              | -              |
| Subsidies and grants for operating purposes                             |       | -          | -           | -              | -              |
| Fees and charges  |       | 1          | 1           | 1              | 1              |
| Internal charges and overheads recovered                                |       | -          | -           | -              | -              |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -          | -           | -              | -              |
| <b>Total operating funding</b>  |       | <b>21</b>  | <b>21</b>   | <b>16</b>      | <b>14</b>      |
| <b>Applications of operating funding:</b>                               |       |            |             |                |                |
| Payment to staff and suppliers  |       | 14         | 15          | 12             | 11             |
| Finance costs   |       | 2          | 2           | 2              | 1              |
| Internal charges and overheads applied                                  |       | 4          | 4           | 2              | 2              |
| Other operating funding applications                                    |       | -          | -           | -              | -              |
| <b>Total applications of operating funding</b>                          | 1     | <b>20</b>  | <b>21</b>   | <b>16</b>      | <b>14</b>      |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>1</b>   | <b>-</b>    | <b>-</b>       | <b>-</b>       |
| <b>Sources of capital funding:</b>                                      |       |            |             |                |                |
| Subsidies and grants for capital expenditure                            |       | 1          | -           | -              | -              |
| Development and financial contributions                                 |       | -          | -           | -              | -              |
| Increase (decrease) in debt   |       | 10         | 13          | 5              | 15             |
| Gross proceeds from sale of assets                                      |       | -          | -           | -              | -              |
| Lump sum contributions  |       | -          | -           | -              | -              |
| Other dedicated capital funding   |       | -          | -           | -              | -              |
| <b>Total sources of capital funding</b>                                 |       | <b>11</b>  | <b>13</b>   | <b>5</b>       | <b>15</b>      |
| <b>Applications of capital funding:</b>                                 |       |            |             |                |                |
| Capital expenditure:  |       |            |             |                |                |
| - to meet additional demand   |       | 1          | -           | -              | -              |
| - to improve the level of service                                       |       | 10         | 12          | 4              | 8              |
| - to replace existing assets  |       | 1          | 1           | 1              | 7              |
| Increase (decrease) in reserves   |       | -          | -           | -              | -              |
| Increase (decrease) in investments                                      |       | -          | -           | -              | -              |
| <b>Total applications of capital funding</b>                            | 2,3   | <b>12</b>  | <b>13</b>   | <b>5</b>       | <b>15</b>      |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(1)</b> | <b>-</b>    | <b>-</b>       | <b>-</b>       |
| <b>Funding balance</b>  |       | <b>-</b>   | <b>-</b>    | <b>-</b>       | <b>-</b>       |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is primarily due to the reallocation of staff and supplier costs from regional to local activities.



2. Application of capital funding – increase is primarily deferral from 2013/2014 due to a delay in the final delivery of the Glen Innes Music and Arts Centre for Youth project and deferral from 2013/2014 of the Art Centre Redevelopment (Uxbridge) project.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Capital Expenditure was lower than budget due to deferral of Uxbridge Arts Centre to 2016 as a result of delays in obtaining executive approval.

## Funding Impact Statement

For the year ended 30 June 2015

### 2.3 Regional events facilities

| \$ million  | Notes      | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|------------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |            |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |            | 26             | 26                     | 24                        | 25                        |
| Targeted rates  |            | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |            | -              | -                      | -                         | -                         |
| Fees and charges  |            | 30             | 30                     | 34                        | 33                        |
| Internal charges and overheads recovered                                |            | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts | 3          | 6              | 2                      | 2                         | -                         |
| <b>Total operating funding</b>  |            | <b>62</b>      | <b>58</b>              | <b>60</b>                 | <b>58</b>                 |
| <b>Applications of operating funding:</b>                               |            |                |                        |                           |                           |
| Payment to staff and suppliers  | 4          | 52             | 34                     | 40                        | 39                        |
| Finance costs   |            | 8              | 7                      | 6                         | 5                         |
| Internal charges and overheads applied                                  |            | 9              | 9                      | 9                         | 8                         |
| Other operating funding applications                                    |            | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          |            | <b>69</b>      | <b>50</b>              | <b>55</b>                 | <b>52</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |            | <b>(7)</b>     | <b>8</b>               | <b>5</b>                  | <b>6</b>                  |
| <b>Sources of capital funding:</b>                                      |            |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |            | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |            | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |            | 7              | 12                     | 7                         | 9                         |
| Gross proceeds from sale of assets                                      | 5          | 14             | 20                     | -                         | -                         |
| Lump sum contributions  |            | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |            | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 | <b>1</b>   | <b>21</b>      | <b>32</b>              | <b>7</b>                  | <b>9</b>                  |
| <b>Applications of capital funding:</b>                                 |            |                |                        |                           |                           |
| Capital expenditure:  |            |                |                        |                           |                           |
| - to meet additional demand   |            | 3              | -                      | -                         | -                         |
| - to improve the level of service                                       |            | 3              | 3                      | -                         | 3                         |
| - to replace existing assets  |            | 8              | 17                     | 12                        | 12                        |
| Increase (decrease) in reserves   |            | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |            | -              | 20                     | -                         | -                         |
| <b>Total applications of capital funding</b>                            | <b>2,6</b> | <b>14</b>      | <b>40</b>              | <b>12</b>                 | <b>15</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |            | <b>7</b>       | <b>(8)</b>             | <b>(5)</b>                | <b>(6)</b>                |
| <b>Funding balance</b>  |            | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

- Sources of capital funding – increase is primarily due to the planned sale of the Vodafone Events Centre brought forward from 2015/2016.



2. Application of capital funding – increase is primarily made up of deferral from 2013/2014 of the Town Hall Acoustic Improvements project and the addition of the Weathertightness (Aotea Centre) project.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Local authorities' fuel tax, fines, infringement fees and other receipts above budget due to increased revenue streams through naming rights, exclusivity agreements and recognition of business units' share of stadiums concert revenue.
4. Payment to staff and suppliers above budget due to WERO whitewater park grant paid and increased overheads for maintenance requirements for ageing venues plus increased overhead to support the higher revenue.
5. Gross proceeds from sale of assets are lower than expected due to deferral of settlement in relation to Vodafone Event Centre.
6. Capital expenditure spend is below budget mainly due to Aotea Centre/Precinct deferred to 2016 due to planning delays.



## Funding Impact Statement

For the year ended 30 June 2015

### 2.4 Regional parks services

| \$ million  | Notes | Actual      | Annual Plan | Long-term Plan | Long-term Plan |
|---|-------|-------------|-------------|----------------|----------------|
|   |       | 2015        | 2015        | 2015           | 2014           |
| <b>Sources of operating funding:</b>                                    |       |             |             |                |                |
| General rates, UAGCs, rates penalties                                   |       | 27          | 27          | 24             | 23             |
| Targeted rates  |       | -           | -           | -              | -              |
| Subsidies and grants for operating purposes                             |       | -           | -           | -              | -              |
| Fees and charges  |       | 3           | 2           | 3              | 5              |
| Internal charges and overheads recovered                                |       | -           | -           | -              | -              |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -           | 1           | 2              | -              |
| <b>Total operating funding</b>  |       | <b>30</b>   | <b>30</b>   | <b>29</b>      | <b>28</b>      |
| <b>Applications of operating funding:</b>                               |       |             |             |                |                |
| Payment to staff and suppliers  |       | 24          | 22          | 19             | 19             |
| Finance costs   |       | 13          | 13          | 11             | 10             |
| Internal charges and overheads applied                                  |       | 6           | 6           | 6              | 6              |
| Other operating funding applications                                    |       | -           | -           | -              | -              |
| <b>Total applications of operating funding</b>                          | 1     | <b>43</b>   | <b>41</b>   | <b>36</b>      | <b>35</b>      |
| <b>Surplus (deficit) of operating funding</b>                           | 3     | <b>(13)</b> | <b>(11)</b> | <b>(7)</b>     | <b>(7)</b>     |
| <b>Sources of capital funding:</b>                                      |       |             |             |                |                |
| Subsidies and grants for capital expenditure                            |       | -           | -           | -              | -              |
| Development and financial contributions                                 |       | 37          | 38          | 51             | 29             |
| Increase (decrease) in debt   |       | 15          | 34          | (9)            | 35             |
| Gross proceeds from sale of assets                                      | 4     | -           | 7           | -              | -              |
| Lump sum contributions  |       | -           | -           | -              | -              |
| Other dedicated capital funding   |       | -           | -           | -              | -              |
| <b>Total sources of capital funding</b>                                 |       | <b>52</b>   | <b>79</b>   | <b>42</b>      | <b>64</b>      |
| <b>Applications of capital funding:</b>                                 |       |             |             |                |                |
| Capital expenditure:  |       |             |             |                |                |
| - to meet additional demand   |       | 27          | 40          | 22             | 45             |
| - to improve the level of service                                       |       | 9           | 24          | 9              | 7              |
| - to replace existing assets  |       | 3           | 4           | 4              | 5              |
| Increase (decrease) in reserves   |       | -           | -           | -              | -              |
| Increase (decrease) in investments                                      |       | -           | -           | -              | -              |
| <b>Total applications of capital funding</b>                            | 2,5   | <b>39</b>   | <b>68</b>   | <b>35</b>      | <b>57</b>      |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>13</b>   | <b>11</b>   | <b>7</b>       | <b>7</b>       |
| <b>Funding balance</b>  |       | <b>-</b>    | <b>-</b>    | <b>-</b>       | <b>-</b>       |



Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is primarily driven by the reallocation of staff and occupancy costs from local activities to regional activities and an increase in finance costs due to an increase in funding requirements.
2. Application of capital funding – increase is due to the inclusion of an increased budget to acquire additional land for parks. This is partially offset by the deferral of the Sports Field Capacity project to 2015/2016.
3. Deficits of operational funding are funded by the interest component of development and financial contributions, included under sources of capital funding.

Variance explanation Actual 2015 to Annual Plan 2015:

4. Gross proceeds from sale of assets below budget due to delays in sale of Merton Reserve, Donnelly Road and Morrin Road/Purchas Hill to offset the acquisition of Colin Maiden Park purchased last year. The revenue is entirely dependent on public consultation and negotiations with landowners.
5. Capital expenditure was \$29 million below budget due to:
  - Local park land acquisition was below budget \$12 million, out of the \$12 million underspend, \$9.3 million offsets an overspend carried forward from the prior year and the balance was deferred to 2016
  - Sports field replacement – land acquisition (Scott's Point) \$11 million lower budget due to the budget being deferred by financial planning to 2015, but the project did go ahead in 2014;
  - Development (Purchas Hill) \$1.3 million below budget due to timing – awaiting feedback from iwi consultation to make progress
  - Remaining variance is made up of other regional parks projects that had delays in getting capital works projects delivered this year and are also behind in delivering the renewals works programme.Capital expenditure is below budget, which resulted in a lower capital funding requirement.

## Funding Impact Statement

For the year ended 30 June 2015

### 2.5 Local parks services

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 168            | 167                    | 170                       | 156                       |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | -              | -                      | 1                         | 1                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 2              | -                      | 1                         | -                         |
| <b>Total operating funding</b>  |       | <b>170</b>     | <b>167</b>             | <b>172</b>                | <b>157</b>                |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 110            | 110                    | 113                       | 108                       |
| Finance costs   |       | 13             | 13                     | 14                        | 11                        |
| Internal charges and overheads applied                                  |       | 24             | 24                     | 21                        | 17                        |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>147</b>     | <b>147</b>             | <b>148</b>                | <b>136</b>                |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>23</b>      | <b>20</b>              | <b>24</b>                 | <b>21</b>                 |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | 1              | 1                      | -                         | 6                         |
| Development and financial contributions                                 | 3     | 7              | 12                     | 15                        | 9                         |
| Increase (decrease) in debt   |       | 49             | 68                     | 33                        | 69                        |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>57</b>      | <b>81</b>              | <b>48</b>                 | <b>84</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 32             | 39                     | 23                        | 46                        |
| - to improve the level of service                                       |       | 17             | 24                     | 19                        | 23                        |
| - to replace existing assets  |       | 29             | 34                     | 30                        | 36                        |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | 2              | 4                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2,4   | <b>80</b>      | <b>101</b>             | <b>72</b>                 | <b>105</b>                |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(23)</b>    | <b>(20)</b>            | <b>(24)</b>               | <b>(21)</b>               |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – decrease is primarily due to the reallocation of corporate overhead costs, partially offset by the reallocation of staff, occupancy and utility cost from local activities to regional activities.



2. Application of capital funding – increase is primarily due to deferrals from 2013/2014 for Devonport's Victoria Wharf, Onehunga Bay Foreshore Upgrade, Waiuku Sports Park, stage one of the Metropark Sports Field, Sports Field development (Michaels Avenue) and Extension to McLennon Park projects, as well as an acceleration in the delivery of additional sports field capacity.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Development and financial contributions below budget due to the Local Government Act 2002 Amendment Act 2014 coming into effect partway through the year that restricted what revenue could be recovered from developers.
4. Capital expenditure \$21 million lower than budget. Key projects driving this are:
  - Sports field capacity developments \$2.4 million which is mainly due to delay of Phyllis Reserve & Fowls projects due to iwi consultation and resource consents
  - Bridge (Wairau Stream) \$1.7 million was held up in the Long Term Funding Process and works will be completed in 2016
  - Remaining balance is made up of numerous local parks projects with less than a \$1 million variance mainly due to delays in getting the approved capital works programme for projects delivered this financial year.

Capital expenditure is below budget, which resulted in a lower capital funding requirement.



## Funding Impact Statement

For the year ended 30 June 2015

### 2.6 Regional recreation services

| \$ million  | Notes | Actual     | Annual Plan | Long-term Plan | Long-term Plan |
|---|-------|------------|-------------|----------------|----------------|
|   |       | 2015       | 2015        | 2015           | 2014           |
| <b>Sources of operating funding:</b>                                    |       |            |             |                |                |
| General rates, UAGCs, rates penalties                                   |       | 13         | 13          | 12             | 12             |
| Targeted rates  |       | -          | -           | -              | -              |
| Subsidies and grants for operating purposes                             |       | -          | -           | -              | -              |
| Fees and charges  |       | -          | -           | -              | 1              |
| Internal charges and overheads recovered                                |       | -          | -           | -              | -              |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 1          | 2           | 1              | -              |
| <b>Total operating funding</b>  |       | <b>14</b>  | <b>15</b>   | <b>13</b>      | <b>13</b>      |
| <b>Applications of operating funding:</b>                               |       |            |             |                |                |
| Payment to staff and suppliers  | 3     | 14         | 17          | 11             | 11             |
| Finance costs   |       | 1          | 1           | -              | -              |
| Internal charges and overheads applied                                  |       | 4          | 4           | 3              | 3              |
| Other operating funding applications                                    |       | -          | -           | -              | -              |
| <b>Total applications of operating funding</b>                          | 1     | <b>19</b>  | <b>22</b>   | <b>14</b>      | <b>14</b>      |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>(5)</b> | <b>(7)</b>  | <b>(1)</b>     | <b>(1)</b>     |
| <b>Sources of capital funding:</b>                                      |       |            |             |                |                |
| Subsidies and grants for capital expenditure                            |       | -          | -           | -              | -              |
| Development and financial contributions                                 |       | -          | -           | -              | -              |
| Increase (decrease) in debt   |       | 5          | 7           | 4              | 3              |
| Gross proceeds from sale of assets                                      |       | -          | -           | -              | -              |
| Lump sum contributions  |       | -          | -           | -              | -              |
| Other dedicated capital funding   |       | -          | -           | -              | -              |
| <b>Total sources of capital funding</b>                                 |       | <b>5</b>   | <b>7</b>    | <b>4</b>       | <b>3</b>       |
| <b>Applications of capital funding:</b>                                 |       |            |             |                |                |
| Capital expenditure:  |       |            |             |                |                |
| - to meet additional demand   |       | -          | -           | -              | -              |
| - to improve the level of service                                       |       | -          | -           | -              | -              |
| - to replace existing assets  |       | -          | -           | 3              | 2              |
| Increase (decrease) in reserves   |       | -          | -           | -              | -              |
| Increase (decrease) in investments                                      |       | -          | -           | -              | -              |
| <b>Total applications of capital funding</b>                            | 2     | <b>-</b>   | <b>-</b>    | <b>3</b>       | <b>2</b>       |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>5</b>   | <b>7</b>    | <b>1</b>       | <b>1</b>       |
| <b>Funding balance</b>  |       | <b>-</b>   | <b>-</b>    | <b>-</b>       | <b>-</b>       |

Variance explanation Annual Plan 2015 to LTP 2015:

- Application of operating funding – increase is primarily due to the reclassification of the Facility Partnership Funding Programme from capital to operating funding and the addition of a grant to support the establishment of the National Ocean Water Sports Centre.



2. Application of capital funding – decrease is due to the reclassification of the Facility Partnership Funding Program to operating funding as described above.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Payment to staff and suppliers are below budget due to deferral of National Ocean Water Sports Centre project to 2017 as part of the capex savings programme.

## Funding Impact Statement

For the year ended 30 June 2015

### 2.7 Local recreation services

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 30             | 30                     | 26                        | 22                        |
| Targeted rates  |       | 1              | 1                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | 3              | 3                      | 2                         | 2                         |
| Fees and charges  |       | 24             | 22                     | 31                        | 30                        |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 1              | 2                      | 1                         | -                         |
| <b>Total operating funding</b>  |       | <b>59</b>      | <b>58</b>              | <b>60</b>                 | <b>54</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  | 2     | 38             | 43                     | 41                        | 37                        |
| Finance costs   |       | 4              | 4                      | 6                         | 4                         |
| Internal charges and overheads applied                                  |       | 11             | 11                     | 13                        | 12                        |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          |       | <b>53</b>      | <b>58</b>              | <b>60</b>                 | <b>53</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>6</b>       | <b>-</b>               | <b>-</b>                  | <b>1</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | 3              | 3                      | 4                         | 2                         |
| Increase (decrease) in debt   |       | 21             | 40                     | 35                        | 33                        |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>24</b>      | <b>43</b>              | <b>39</b>                 | <b>35</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 10             | 15                     | 15                        | 13                        |
| - to improve the level of service                                       |       | 13             | 17                     | 19                        | 15                        |
| - to replace existing assets  |       | 7              | 11                     | 5                         | 8                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 1,3   | <b>30</b>      | <b>43</b>              | <b>39</b>                 | <b>36</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(6)</b>     | <b>-</b>               | <b>-</b>                  | <b>(1)</b>                |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

- Application of capital funding – increase is mainly due to deferral from 2013/2014 of the following projects: Recreation Te Rangi Hora (Henderson/Massey), Netball Complex Community and Events centre (Manurewa), Aquatic centre (Mt Albert), Swimming pool development (Ōtāhuhu) partially offset by the Whau Recreation Centre project deferral to 2015/2016.



Variance explanation Actual 2015 to Annual Plan 2015:

2. Payment to staff and suppliers below budget mainly due to change in the terms of contracts for leisure facilities resulting in lower payments.
3. Capital expenditure was below budget due to delays in getting capital works projects delivered this year:
  - Albany Pools \$4 million due to consenting and procurement issues
  - Recreational facilities building renewals and equipment renewals \$3 million started later than expected due to timing of the facilities planned maintenance closure
  - Mt Albert Aquatic centre \$3 million delayed due to the local board wanting to change some scope late in the design phase
  - Te Rangi Hiroa recreation centre \$2 million delayed due to discovery of asbestos contamination throughout the site.

Capital expenditure is below budget, which resulted in a lower capital funding requirement.



## Funding Impact Statement

For the year ended 30 June 2015

### 2.8 Regional collections and amenities

| \$ million  | Notes | Actual     | Annual     | Long-term  | Long-term  |
|---|-------|------------|------------|------------|------------|
|   |       | 2015       | Plan       | Plan       | Plan       |
|   |       | 2015       | 2015       | 2015       | 2014       |
| <b>Sources of operating funding:</b>                                    |       |            |            |            |            |
| General rates, UAGCs, rates penalties                                   |       | 85         | 86         | 78         | 76         |
| Targeted rates  |       | -          | -          | -          | -          |
| Subsidies and grants for operating purposes                             |       | 1          | 1          | 1          | 1          |
| Fees and charges  |       | 11         | 12         | 15         | 15         |
| Internal charges and overheads recovered                                |       | -          | -          | -          | -          |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 3          | 2          | 2          | -          |
| <b>Total operating funding</b>  |       | <b>100</b> | <b>101</b> | <b>96</b>  | <b>92</b>  |
| <b>Applications of operating funding:</b>                               |       |            |            |            |            |
| Payment to staff and suppliers  |       | 82         | 84         | 83         | 83         |
| Finance costs   |       | 4          | 4          | 3          | 2          |
| Internal charges and overheads applied                                  | 1     | 13         | 14         | 8          | 8          |
| Other operating funding applications                                    |       | -          | -          | -          | -          |
| <b>Total applications of operating funding</b>                          |       | <b>99</b>  | <b>102</b> | <b>94</b>  | <b>93</b>  |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>1</b>   | <b>(1)</b> | <b>2</b>   | <b>(1)</b> |
| <b>Sources of capital funding:</b>                                      |       |            |            |            |            |
| Subsidies and grants for capital expenditure                            |       | 1          | -          | -          | -          |
| Development and financial contributions                                 |       | -          | -          | -          | -          |
| Increase (decrease) in debt   |       | 3          | 6          | 2          | 5          |
| Gross proceeds from sale of assets                                      |       | -          | -          | -          | -          |
| Lump sum contributions  |       | -          | -          | -          | -          |
| Other dedicated capital funding   |       | -          | -          | -          | -          |
| <b>Total sources of capital funding</b>                                 |       | <b>4</b>   | <b>6</b>   | <b>2</b>   | <b>5</b>   |
| <b>Applications of capital funding:</b>                                 |       |            |            |            |            |
| Capital expenditure:  |       |            |            |            |            |
| - to meet additional demand   |       | -          | -          | -          | -          |
| - to improve the level of service                                       |       | 1          | 1          | 1          | 1          |
| - to replace existing assets  |       | 4          | 4          | 3          | 3          |
| Increase (decrease) in reserves   |       | -          | -          | -          | -          |
| Increase (decrease) in investments                                      |       | -          | -          | -          | -          |
| <b>Total applications of capital funding</b>                            | 2     | <b>5</b>   | <b>5</b>   | <b>4</b>   | <b>4</b>   |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(1)</b> | <b>1</b>   | <b>(2)</b> | <b>1</b>   |
| <b>Funding balance</b>  |       | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is driven by a reallocation of corporate overhead.
2. Application of capital funding – increase is primarily due to the increase in renewal programmes for Auckland Zoo.



### 3. Theme: Whakatoopu rawa Economic development



Britomart, Auckland CBD

## Introduction






We use our economic development activities to drive economic growth and development for Auckland which benefits Aucklanders and New Zealand's overall future prosperity.

Within this theme we deliver:

- regional economic strategy and initiatives
- local economic development
- tourism, major events and industry development
- waterfront development.

They are delivered through Auckland Council, Auckland Tourism, Events and Economic Development (ATEED) and Waterfront Auckland.

### Summary of non-financial performance measures

| Group of activities                                |  |  |  |  |  | Total measures |
|--|---|---|---|---|---|----------------|
| 3.1 Regional economic strategy and initiatives     | 3   | 0   | 0   | 3   | 0   | 6              |
| 3.2 Local economic development                     | 2   | 0   | 0   | 2   | 0   | 4              |
| 3.3 Tourism, major events and industry development | 9   | 1   | 0   | 0   | 1   | 11             |
| 3.4 Waterfront development                         | 4   | 0   | 0   | 1   | 0   | 5              |
| <b>Totals</b>                                      | <b>18</b>   | <b>1</b>  | <b>0</b>  | <b>6</b>  | <b>1</b>  | <b>26</b>      |



## Commentary

### 3.1 Regional economic strategy and initiatives

#### What we do

We develop Auckland as a business-friendly city, delivering transformational projects, fostering entrepreneurship and upskilling our workforce.

#### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 39          | 39               |
| Total applications of operating funding              | 21          | 25               |
| Surplus (deficit) of operating funding               | 18          | 14               |
| Total applications of capital funding <sup>(1)</sup> | 20          | 33               |

1. Capital expenditure projects lower than budget due to deferral of city transformation street projects.

\*See table 3.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- city transformation projects
- economic strategy and initiatives.

Key achievements include:

- We completed the majority of roads, services and stormwater infrastructure to support the new Westgate town centre development. We are constructing a new town square and streetscapes to align with opening of the new mall together with new open space areas helping set the tone for creation of places that are successful, enduring and attractive. Construction of a multi-purpose library and community centre is due to start in 2015/2016 with more open space development in the pipeline, both at Westgate and in the Hobsonville corridor.
- Upper Khartoum Place was re-opened in September revealing a view shaft from Lorne Street to Auckland Art Gallery and

strengthening the connection between the city's laneway circuit, Albert Park and the learning quarter. The Women's Suffrage Memorial was retained, the art gallery revealed, and safety and amenity enhanced.

- A new shared space in O'Connell Street was opened in September, delivering another attractive and character-filled link in the city's laneway circuit. This space provides for outdoor dining and activation, encourages pedestrian activity and reflects the unique character of the surrounds.
- Federal Street shared space opened for business, signalling completion of a successful public private partnership project and the transformation of the street into a pedestrian-friendly space for it to become an entertainment destination.
- Work is largely completed on the Flat Bush/Ormiston town centre stormwater ponds. This will enable the development of significant retail, residential and leisure activities in the town centre. A supermarket is under construction and due to open late 2015.
- Construction began on a streetscape upgrade of part of Mason Avenue, Ōtāhuhu, and a safe dedicated pedestrian route through the Mason Avenue public car park linking Station Road with the new recreation precinct on Mason Avenue.
- We began a tripartite economic alliance between the sister cities of Auckland, Guangzhou and Los Angeles in November 2014. The objective is to strengthen economic engagement between the three cities. In June 2015, a mayoral-led business delegation attended the inaugural Tripartite Economic Alliance Business Summit in Los Angeles, which opened doors to trade and investment opportunities for Auckland businesses with the sister cities.

- The first of two sites of the Great Barrier Island mobile voice and broadband project was built at Medlands in August 2014, expanding telecommunications coverage on the island. The second site at Ōkiwi in the north was been delayed by lease negotiations with the Department of Conservation and is due to be built in 2015/2016.
- We submitted a registration of interest in additional funding for broadband upgrades to central government, ensuring the needs of Auckland’s rural communities are represented in national funding programmes.

Key achievements from COMET include:

- A Youth Employability Passport and associated training programme with partners being trialled with 120 young people. The programme is designed to help young people secure and retain employment by building and attesting to the employability skills employers need.
- Two thousand young people attended the third employment summit, JobFest, in February at MIT Manukau Campus. Over 400 young people were interviewed for jobs with around 100 gaining employment.
- Secured an additional three years’ funding from SKYCITY Auckland Community Trust to continue the community-led financial literacy initiatives in Randwick Park, Manurewa and Tāmaki/Glen Innes.
- Established and led the Tāmaki Makaurau Education Forum, which has supported information sharing and collaboration on te reo Māori revitalisation and iwi education planning.

- Delivered 21 local board post-census education and skills snapshots plus separate snapshots for Auckland and for The Southern Initiative for use by the public. These provide easily accessible information on key characteristics such as early childhood education enrollments and student achievement, and assist local decision-making.
- Created the Auckland Science, Technology, Engineering and Mathematics (STEM) Alliance, and secured a contract with the Ministry of Business, Innovation and Employment to coordinate a science in society project in South Auckland.
- Co-led the Auckland Financial Literacy Practitioners and Programmes Network (AFLPP) with the Commission for Financial Literacy and Retirement Income, assisting providers of financial literacy programmes to share effective practice, learn from one another and encourage greater focus on developing financial literacy.
- Strategic Analyst Alison Sutton was awarded a Winston Churchill Memorial Trust Fellowship to observe how English and American communities are collaborating to increase literacy for adults and children.

### How we performed

We only partially met our two levels of service, with three performance measure targets achieved out of six.

However, we did meet our targets for facilitating business opportunities through international relationships and delivering our transformation and city centre masterplan projects on time and within budget.

| Level of service  | Performance measure   | Status   | 2015 actual        | 2015 target | 2014 actual |
|---|---|--|--------------------|-------------|-------------|
| Support economic development of the region and contribute to the national economy | Auckland's OECD economic performance rating   |  | 74 <sup>(1)</sup>  | 69          | 74          |
|   | Percentage of Auckland Economic Development Strategy KPIs that are met or improving |  | 74% <sup>(2)</sup> | 78%         | 74%         |





| Level of service  | Performance measure  | Status | 2015 actual        | 2015 target | 2014 actual |
|---|--|--------|--------------------|-------------|-------------|
|   | Number of business opportunities facilitated through international relationships                     |        | 60                 | 60          | 60          |
|   | Number of economic initiatives with Māori  |        | 17                 | 16          | 31          |
| Implement strategies for enhancing the city centre and coordinate large-scale transformation projects | Percentage of transformation and city centre masterplan projects delivered on time and within budget |        | 90%                | 90%         | 80%         |
|   | Percentage of city transformation projects contributing to Māori outcomes                            |        | 50% <sup>(3)</sup> | 100%        | 50%         |

#### Notes:

1. The rating of 74 (same as for 2013/2014) is based on the most recently available data which is the 2010 OECD GDP/capita data. The result underperforms against a target 69th place of 85 comparator cities.
2. The data is based on the Auckland Economic Development Report. Out of the 32 KPIs, 14 are improving, six worsening, three stable and nine not available. For the calculation, the nine not available have been removed.
3. While satisfied that we comply with Māori statutory outcomes and Māori cultural values and perspectives when delivering our transformational projects, we cannot definitively confirm that all projects specifically lift Māori social and economic well-being. We endeavour to include Māori designs into our city transformation projects where possible.

## 3.2 Local economic development

### What we do

We build economic resilience, support Business Improvement District Partnership Programmes, and create safe, vibrant town centres.

### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 28          | 29               |
| Total applications of operating funding              | 28          | 28               |
| Surplus (deficit) of operating funding               | 0           | 1                |
| Total applications of capital funding <sup>(1)</sup> | 9           | 22               |

1. Capital expenditure below budget due to deferral of town centre projects.

\*See table 3.2 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered these activities:

- local business area planning and development
- local street environment and town centres.

Key achievements include:





- An additional four local economic development action plans were developed with local businesses in Rodney, Ōtara-Papatoetoe, Manurewa and Albert-Eden, taking the plans developed to nine out of 21.
- We supported the Business Improvement District (BID) programme in over 48 centres and precincts across Auckland. We worked with its business association partners to deliver marketing and promotion, local events, business development, targeted training and support for businesses. Dominion Road and Parnell BID areas were extended.
- We completed the expansion of the Victoria wharf boardwalk connecting the wharf to the Devonport marine square.

**How we performed**

We met one of our levels of service and partially delivered on the other, overall achieving targets for two of our four measures.

centres and street environment has decreased since last year. Survey results will be analysed and action taken to address service delivery in these areas.

The percentage of residents satisfied with the cleanliness and maintenance of their town

| Level of service   | Performance measure   | Status   | 2015 actual        | 2015 target | 2014 actual |
|--|---|--|--------------------|-------------|-------------|
| Develop local business precincts and town centres as great places to do business             | Percentage of business associations meeting their Business Improvement District (BID) Partnership Programme obligations |  | 100%               | 85%         | 85%         |
| Develop and maintain safe, clean and vibrant commercial town centres and street environments | Percentage of residents satisfied with the cleanliness of their local town centre                                       |  | 56% <sup>(1)</sup> | 65%         | 59%         |
|  | Percentage of residents satisfied with the quality and maintenance of the street environment                            |  | 51% <sup>(2)</sup> | 60%         | 55%         |
|  | Percentage of agreed street environment upgrade programmes and initiatives completed on time and within budget          |  | 90%                | 90%         | 85%         |

**Notes:**

1. The result is the average for the 21 local boards. While the results for 16 local boards were on par with the previous year, there were five local boards where the result was lower. The contractors for the litter and litter bin services continue to meet their contractual obligations. Survey results will be analysed to take action and improve general cleanliness.
2. The result is the average for the 21 local boards. The results for 15 local boards were on par with the previous year; one local board had higher results, and five local boards had lower results. Survey results will be analysed to take action and improve on the quality and maintenance of the street environment.



### 3.3 Tourism, major events and industry development

#### What we do

We attract tourists, business and major events to Auckland.

#### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 61          | 57               |
| Total applications of operating funding | 55          | 57               |
| Surplus (deficit) of operating funding  | 6           | 0                |
| Total applications of capital funding   | 1           | 1                |

\*See table 3.3 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- business attraction and development
- major events
- tourism and visitor centres.

Key achievements include:

- GridAKL, our innovation precinct at Wynyard Quarter, reached full capacity with 15 start-up tenants, including New Zealand's leading digital start-up accelerator, The Lightning Lab. More than 100 innovation ecosystem events were held at GridAKL during the year.
- ATEED facilitated the establishment or expansion in Auckland of six multi-national companies, secured investment deals worth an estimated \$265 million and helped 884 businesses improve their management skills.
- The regional film office Screen Auckland based at ATEED issued a record 543 permits for filming on open public spaces across Auckland, and facilitated productions worth nearly \$130 million to our economy.
- The Auckland Convention Bureau (ACB) launched the Auckland Business Events Plan and won 12 international conferences during the year, worth an estimated \$9.6











million to our economy.

- Following the inaugural Māori Economic Growth Forum in 2014, a Māori digital technology working group was established through a partnership between ATEED and Ngā Pu Waea with a number of Māori-owned digital companies.
- ATEED continued to support and promote a range of Māori tourism ventures through assistance in trade marketing and promotion of specific Māori products.
- As a partner in the Mayor's Youth Employment Traction Plan, ATEED developed an employers' pledge, by which businesses commit to employ Auckland's youthful talent to grow their future workforce. In the past year, 13 companies signed the pledge.
- ATEED's Study Auckland team worked with more than 130 organisations to expand our \$1.75 billion a year international student economy and engage with students interested in entering Auckland's workforce.
- More than 30 major events injected \$73.1 million into our economy and generated 390,000 visitor nights. These included global events such as the Volvo Ocean Race Auckland stopover, the ICC Cricket World Cup 2015 and the FIFA U-20 World Cup 2015. ATEED continued to promote Auckland's Māori identity, facilitating traditional welcomes as part of these events.
- The ITM 500 Auckland V8 Supercars race took Best Volunteer Group award at the annual V8 Supercars awards in Sydney.
- A successful domestic tourism campaign centred on Auckland's 'non-stop summer', which contributed to hotel occupancy record levels.
- Launched a 'What's on in Auckland' Facebook page, which achieved 10,000 likes in its first five months.

### How we performed

We met our levels of service to attract, facilitate and fund the delivery of major events and to promote and develop Auckland as a tourist destination.

We also met or substantially met targets to deliver information, advice and programmes to attract and develop businesses and a skilled workforce.

| Level of service   | Performance measure   | Status   | 2015 actual        | 2015 target          | 2014 actual                              |
|--|---|--|--------------------|----------------------|--|
| Attract, facilitate and fund delivery of major events  | Percentage of attendees satisfied with major events overall   |    | 92%                | 85%                  | 90%                                      |
|  | Number of major international events attracted or facilitated   |    | 9                  | 5                    | 10                                       |
|  | Estimated number of attendees at major events (million)   |    | 1.87               | 1.52                 | 1.47                                     |
|  | Return on Regional Investment (RORI) from major events invested in (\$million)  |    | 73.1               | 47                   | 46.3                                     |
| Promote and develop Auckland as a national and international tourist destination                     | Percentage of customers satisfied with visitor information centres and services   |    | 93%                | 90%                  | 92%                                      |
|  | Number of visitors to Auckland (million)  |    | 15.3               | 13.7                 | 14.6                                     |
|  | Number of visitor nights in Auckland (million)  |  | 29.2               | 26.6                 | 27.7                                     |
|  | Spend by visitors in Auckland (\$million)   |  | 5,340              | 5,194 <sup>(1)</sup> | 3,408 (restated as 4,772) <sup>(2)</sup> |
| Deliver information, advice and programmes to attract and develop businesses and a skilled workforce | Percentage of stakeholders satisfied with provision of business advice, start-up, training and mentoring programmes   |  | 94%                | 85%                  | 94%                                      |
|  | GDP Global investment promotion agency (IPA) benchmarking   | —  | (biennial measure) | 65%                  | 53%                                      |
|  | Total GDP in targeted sectors (marine, transport and logistics, IT, food-beverage, film, bioscience, creative/digital, export education) compared with total Auckland GDP |  | 24.1%              | Improve              | 24.3% <sup>(3)</sup>                     |

#### Notes:

1. The target for the period to year end June 2015 is based on a forecast for 2014 calendar year.
2. Last year's result has been restated due to a change in measurement methodology in the last 12 months.
3. Last year's figure has changed from 26.1 per cent to 24.3 per cent, due to updated data released by Statistics New Zealand.



### 3.4 Waterfront development

#### What we do

We transform the city centre's sea-edge with commercial and public facilities and marina operations.

#### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding <sup>(1)</sup>               | 34          | 49               |
| Total applications of operating funding              | 33          | 37               |
| Surplus (deficit) of operating funding               | 1           | 12               |
| Total applications of capital funding <sup>(2)</sup> | 20          | 27               |

1. Operating expenditure lower than budget due to lease revenue not received as expected.
2. Capital expenditure lower than budget due to deferral of marina development project to 2016.

\*See table 3.4 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- waterfront commercial initiatives
- waterfront marina operations
- waterfront public initiatives.

Key achievements include:

- Revitalisation and re-opening of Daldy Street between Jellicoe and Madden Streets. This included new interpretive play areas, rain gardens, seats and landscaping to complete the Daldy Linear Park North development.
- Completion and opening of Westhaven Promenade stage one, 2km of walkways, cycleway, and boardwalks between Westhaven North and Wynyard Quarter, and a 96m pontoon at Z Pier for recreational water sports.
- Landscaping with Māori cultural significance at St Mary's Bay Beach.
- Completion of X Pier extension and Y Pier development, creating 66 new, mostly multihull berths and a self-service fuel jetty at Westhaven Marina.
- Refurbishment of 5-Greenstar character

Lysaght Building and redevelopment of Lysaght Lane with an underground rainwater harvesting tank.

- Signing of the development agreement with Willis Bond & Co for the residential component of Wynyard Central, which resulted in the release this year of 132 Halsey and Wynyard Central to the market, with over 450 Homestar 7-rated apartments and townhouses expected to be built in Wynyard Quarter in 2017.
- Completion of the feasibility and marketing plan for the superyacht refit facility at Site 18 on the southwest corner of Jellicoe and Beaumont streets.
- Completion of the Waitematā Plaza upgrade, converting the hard-paved area into a landscaped green oasis with a strong public art focus.
- Incorporation of Māori elements and use of iwi-sourced planting in the Westhaven Promenade and Daldy Linear Park.
- Establishment of a monthly hui with mana whenua and continuous assessment of the effectiveness of the engagement, to ensure success in incorporating culture and heritage in waterfront planning and development, and in promoting Māori well-being.
- The waterfront scooped two leading international awards. The transformation of Jellicoe Street, North Wharf and Silo Park in Wynyard Quarter won the Rosa Barba International Landscape Prize. Waterfront Auckland won the Best Waterfront Project Award at the International Society of City and Regional Planning congress.
- Shed 10 received a gold pin in the public and institutional spaces category and bronze for its sustainable design initiatives at the New Zealand Best Design Awards.

#### How we performed

We met one of our levels of service and partly met the other, with four measures achieved and one not achieved.








The target relating to the delivery of public works programmes was not achieved due to two of five projects not being completed in the year.

There was a significant increase in visitors to the waterfront from 2014, partly due to the Volvo Ocean Race Stopover.

Public open space improved with the completion of stage one of the promenade.

The employment count in remains high due to the increase in workers in the marine, construction and knowledge sectors.

Return on investment was above target due to commercial properties in Wynyard Central moving from planning to construction stage.

| Level of service   | Performance measure  | Status  | 2015 actual          | 2015 target | 2014 actual |
|--|--|---|----------------------|-------------|-------------|
| Deliver initiatives to make the waterfront dynamic, well-connected and safe                  | Number of annual visitors to the waterfront  |   | 2.16m <sup>(1)</sup> | 874,000     | 1.18m       |
|  | Hectares of public open space on the waterfront  |   | 18.0 <sup>(2)</sup>  | 18.0        | 17.4        |
|  | Percentage of annual waterfront public works programmes achieved on time and within budget |   | 81% <sup>(3)</sup>   | 100%        | 100%        |
| Manage assets and services in a way that attracts investment and optimises financial returns | Number of employees working in Wynyard Quarter area  |   | 5,047 <sup>(4)</sup> | 4,810       | 5,039       |
|  | Return on investment (ROI) on commercial waterfront activities and marinas                 |  | 18.6% <sup>(5)</sup> | 8%          | 4.7%        |

**Notes:**

1. This figure is estimated and aggregated across Wynyard Quarter (1,026,372) and Queens Wharf (1,133,144). This 83 per cent increase from last year is due to new major events (e.g. Volvo Ocean Race Stop Over) and bigger turnout (anniversary weekend, cruise visitors).
2. New public space in the form of boardwalks and widened promenades were added with the completion of the Westhaven Promenade stage one project.
3. There were five public works projects programmed to be completed in 2014/2015. Three were completed in the year and within budget: Wynyard Quarter Marine Precinct– Madden/Jellicoe Western Edge, Wynyard Quarter Development Sites–Place Management, and Westhaven Precinct Public Spaces–Westhaven Promenade. The new canopies on the Shed 10 cruise terminal will be completed by September 2015. The Vos Yard development will begin when full funding has been raised.
4. The estimate of 5047 workers in Wynyard Quarter includes 3949 workers reported for mesh blocks 432,400 and 438,217 by Statistics New Zealand in its business demographic survey in February 2014, plus an estimated 1098 workers due to increased employment in the marine, retail, air and transport, insurance, banking, start-up, and construction sectors, between the survey date and 30 June 2015.
5. The significant increase in the 2015 actual result compared to last year is mainly due to increases in capital returns, as commercial development sites in Wynyard Central leased to private developers begin to move from planning to construction stage. The increase in valuation of these sites, in effect, also resulted in capital gains for future development sites in Wynyard Quarter.



## Funding Impact Statements

For the year ended 30 June 2015

### 3.1 Regional economic strategy

| \$ million  | Notes | Actual      | Annual Plan | Long-term Plan | Long-term Plan |
|---|-------|-------------|-------------|----------------|----------------|
|   |       | 2015        | 2015        | 2015           | 2014           |
| <b>Sources of operating funding:</b>                                    |       |             |             |                |                |
| General rates, UAGCs, rates penalties                                   |       | 19          | 19          | 21             | 16             |
| Targeted rates  |       | 20          | 20          | 20             | 20             |
| Subsidies and grants for operating purposes                             |       | -           | -           | -              | -              |
| Fees and charges  |       | -           | -           | -              | -              |
| Internal charges and overheads recovered                                |       | -           | -           | -              | -              |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -           | -           | 1              | -              |
| <b>Total operating funding</b>  |       | <b>39</b>   | <b>39</b>   | <b>42</b>      | <b>36</b>      |
| <b>Applications of operating funding:</b>                               |       |             |             |                |                |
| Payment to staff and suppliers  | 4     | 7           | 11          | 11             | 9              |
| Finance costs   | 1     | 11          | 11          | 15             | 13             |
| Internal charges and overheads applied                                  |       | 3           | 3           | 3              | 3              |
| Other operating funding applications                                    |       | -           | -           | -              | 10             |
| <b>Total applications of operating funding</b>                          |       | <b>21</b>   | <b>25</b>   | <b>29</b>      | <b>35</b>      |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>18</b>   | <b>14</b>   | <b>13</b>      | <b>1</b>       |
| <b>Sources of capital funding:</b>                                      |       |             |             |                |                |
| Subsidies and grants for capital expenditure                            | 2     | -           | -           | 3              | -              |
| Development and financial contributions                                 |       | -           | -           | 1              | -              |
| Increase (decrease) in debt   |       | 2           | 19          | 24             | 44             |
| Gross proceeds from sale of assets                                      |       | -           | -           | -              | -              |
| Lump sum contributions  |       | -           | -           | -              | -              |
| Other dedicated capital funding   |       | -           | -           | -              | -              |
| <b>Total sources of capital funding</b>                                 |       | <b>2</b>    | <b>19</b>   | <b>28</b>      | <b>44</b>      |
| <b>Applications of capital funding:</b>                                 |       |             |             |                |                |
| Capital expenditure:  |       |             |             |                |                |
| - to meet additional demand   |       | 12          | 18          | 15             | 18             |
| - to improve the level of service                                       |       | 8           | 15          | 26             | 27             |
| - to replace existing assets  |       | -           | -           | -              | -              |
| Increase (decrease) in reserves   |       | -           | -           | -              | -              |
| Increase (decrease) in investments                                      |       | -           | -           | -              | -              |
| <b>Total applications of capital funding</b>                            | 3,5   | <b>20</b>   | <b>33</b>   | <b>41</b>      | <b>45</b>      |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(18)</b> | <b>(14)</b> | <b>(13)</b>    | <b>(1)</b>     |
| <b>Funding balance</b>  |       | <b>-</b>    | <b>-</b>    | <b>-</b>       | <b>-</b>       |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – decrease is primarily due to lower finance costs through the reallocation of opening debt between activities and lower debt levels achieved from reduced capital expenditure.

2. Sources of capital funding – decrease is due to the expectation that the revenue from strategic property development will not come onstream until 2016/2017.
3. Application of capital funding – decrease is due to the cancellation of the Tāmaki Innovation Precinct project, the deferral of part of the Strategic Property Development budget and change in timing for the Northern Strategic Growth Area (NORSGA).

Variance explanation Actual 2015 to Annual Plan 2015:

4. Payment to staff and suppliers lower than budget as a result of the Chief Planning Office (CPO) restructure as the Economic Development department was dis-established and the Global Partnership unit was transferred into Auckland Planning Strategy and Research and some staff transferred to various other departments within the CPO and ATEED.
5. Capital expenditure \$13 million below budget due to reprioritisation on city transformation street upgrade projects deferring them into future years. Major projects delayed are: Victoria Street green link \$4.2 million; Fort Street area upgrade \$3.2 million project is in defects stage and there are final retentions and defects costs to be paid out to contractor in 2016; FreyBerg Square upgrade \$2 million project currently is in concept and developed design stages and deferred to 2016. Capital expenditure is below budget, which resulted in a lower capital funding requirement.



## Funding Impact Statements

For the year ended 30 June 2015

### 3.2 Local economic development

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 14             | 14                     | 21                        | 18                        |
| Targeted rates  |       | 14             | 15                     | 15                        | 14                        |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>28</b>      | <b>29</b>              | <b>36</b>                 | <b>32</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 22             | 22                     | 27                        | 25                        |
| Finance costs   |       | 2              | 2                      | 3                         | 2                         |
| Internal charges and overheads applied                                  |       | 4              | 4                      | 4                         | 4                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>28</b>      | <b>28</b>              | <b>34</b>                 | <b>31</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>-</b>       | <b>1</b>               | <b>2</b>                  | <b>1</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 9              | 21                     | 13                        | 15                        |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>9</b>       | <b>21</b>              | <b>13</b>                 | <b>15</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | -              | 1                      | 2                         | 3                         |
| - to improve the level of service                                       |       | 8              | 12                     | 7                         | 9                         |
| - to replace existing assets  |       | 1              | 9                      | 6                         | 4                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2,3   | <b>9</b>       | <b>22</b>              | <b>15</b>                 | <b>16</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>-</b>       | <b>(1)</b>             | <b>(2)</b>                | <b>(1)</b>                |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – decrease is primarily due to operational savings.

2. Applications of capital funding – increase is primarily due to bringing forward from 2013/2014 the Devonport Board Walk and Marine Square project and the Upper Onehunga Mall project partly offset by the balance of the Highbury Main Street project deferred to 2015/2016.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Capital expenditure \$13 million behind budget mainly due to:
  - Mt Albert town centre renewal \$3.3 million deferred to 2016
  - Renewal of Village Centres \$2.6 million due to tenders currently being evaluated for design and build.
  - Street upgrade (Highbury Mainstreet) \$1.1 million deferred until 2016
  - The remaining balance is made up of other town centre construction works deferred into future years.Capital expenditure is below budget, which resulted in a lower capital funding requirement.





## Funding Impact Statements

For the year ended 30 June 2015

### 3.3 Tourism, major events and industry development

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 48             | 48                     | 49                        | 45                        |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             | 3     | 6              | 3                      | 1                         | 1                         |
| Fees and charges  |       | 5              | 4                      | 11                        | 12                        |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 2              | 2                      | 2                         | -                         |
| <b>Total operating funding</b>  | 1     | <b>61</b>      | <b>57</b>              | <b>63</b>                 | <b>58</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 46             | 48                     | 52                        | 47                        |
| Finance costs   |       | -              | -                      | -                         | -                         |
| Internal charges and overheads applied                                  |       | 9              | 9                      | 11                        | 11                        |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          |       | <b>55</b>      | <b>57</b>              | <b>63</b>                 | <b>58</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>6</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | (5)            | 1                      | -                         | -                         |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>(5)</b>     | <b>1</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 1              | 1                      | -                         | -                         |
| - to improve the level of service                                       |       | -              | -                      | -                         | -                         |
| - to replace existing assets  |       | -              | -                      | -                         | -                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2     | <b>1</b>       | <b>1</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(6)</b>     | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Sources and Application of operating funding – decrease is primarily due to the decision to close loss-making i-SITE centres and implementation of organisational efficiencies.

2. Application of capital funding – increase is due to the inclusion of the Innovation Precinct (Wynyard Quarter) project.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Subsidies and grants for operating purposes above budget due to grants received from NZ Community Trust for World Master Games and from Tindal Foundation for the Mayor's Youth Employment Traction Plan.



## Funding Impact Statements

For the year ended 30 June 2015

### 3.4 Waterfront development

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 8              | 8                      | 9                         | 12                        |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | 2              | 2                      | 1                         | -                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts | 1,3   | 24             | 39                     | 36                        | 30                        |
| <b>Total operating funding</b>  |       | <b>34</b>      | <b>49</b>              | <b>46</b>                 | <b>42</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 24             | 28                     | 22                        | 23                        |
| Finance costs   |       | 9              | 9                      | 7                         | 6                         |
| Internal charges and overheads applied                                  |       | -              | -                      | 8                         | 8                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          |       | <b>33</b>      | <b>37</b>              | <b>37</b>                 | <b>37</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>1</b>       | <b>12</b>              | <b>9</b>                  | <b>5</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | 3                         |
| Development and financial contributions                                 |       | 4              | 6                      | 7                         | 4                         |
| Increase (decrease) in debt   |       | 15             | 9                      | 2                         | 28                        |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>19</b>      | <b>15</b>              | <b>9</b>                  | <b>35</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 13             | 17                     | 12                        | 32                        |
| - to improve the level of service                                       |       | 4              | 7                      | 5                         | 4                         |
| - to replace existing assets  |       | 3              | 3                      | 1                         | 4                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2,4   | <b>20</b>      | <b>27</b>              | <b>18</b>                 | <b>40</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(1)</b>     | <b>(12)</b>            | <b>(9)</b>                | <b>(5)</b>                |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

- The increase in local authorities' fuel tax, fines, infringement fees and other receipts is due to a change in the timing of receipts of lease revenue.

2. Application of capital funding – increase is primarily due to the bringing forward of funding from outer years for the Wynyard Quarter Central Precinct project, deferrals from 2013/2014 of the tram extensions, the Westhaven Marina Development projects and Westhaven Marine Village project and the inclusion of the Waterfront Walkway and Cycleway project.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Local authorities' fuel tax, fines, infringement fees and other receipts below budget due to expected lease revenue not received in 2015 due to consenting and integrated development plan not going ahead as planned.
4. Capital expenditure below budget mainly due to \$6m underspend in marina pile redevelopment that is currently going through resource consent process, therefore delaying construction until September 2015.



## 4. Theme: Whakatakoto mahere Planning



Social housing in Papatoetoe



## Introduction

Auckland's scale and complexity makes planning, strategy development and resource management particularly important. Our planning activities help translate those three elements into activities that will create better and more sustainable living, working and recreation environments.

Within this theme we deliver planning activities, including those progressed by The Southern Initiative (TSI) and the Housing Project Office (HPO).

### Summary of non-financial performance measures

| Group of activities |  |  |  |  |  | Total measures |
|---------------------|---|---|--|---|---|----------------|
| 4.1 Planning        | 7   | 0   | 0  | 0   | 0   | 7              |
| <b>Totals</b>       | <b>7</b>  | <b>0</b>  | <b>0</b>   | <b>0</b>  | <b>0</b>  | <b>7</b>       |



## Commentary

### 4.1 Planning

#### What we do

We plan to create better and more sustainable living, working and recreation environments.

#### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 71          | 69               |
| Total applications of operating funding              | 71          | 69               |
| Surplus (deficit) of operating funding               | 0           | 0                |
| Total applications of capital funding <sup>(1)</sup> | 0           | 4                |

1. Capital expenditure lower than budget due to deferral of projects.

\*See table 4.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- long-term and annual planning
- research and monitoring
- spatial, strategic and infrastructure planning
- transport strategy
- unitary and area planning.

Key achievements include:

- Developing the Long-term Plan 2015-2025 (LTP) provided the chance for Aucklanders to help shape our city for the next 10 years and beyond. An impressive 27,383 Aucklanders provided over 260,000 points of written feedback and more than 2300 people attended feedback events. For the first time ever, we also captured feedback through social media. The decisions that needed to be made about investment in transport were so important that we engaged a further 5000 people in an independent survey on transport options.

In response to this feedback, we kept the average increase in general rates at 2.5 per cent for 2015/2016, down from the 4.9 per cent previously forecast in the Long-term Plan 2012-2022. With an additional interim transport levy of \$114 for residential ratepayers and \$183 for businesses for each of the next three years, we have a plan to get Auckland moving and get our transport, especially public transport, to the standard we expect. We also reduced projected debt in 2025 by 17 per cent from \$13.7 billion to \$11.6 billion.

- The Accelerated Transport Programme (ATP) was adopted as part of requirements of the LTP. The ATP provides value for money and an appropriate package of council transport investments for the next three years and will make an important contribution to achieving the Auckland Plan's goal of making Auckland the world's most liveable city.
- Completed our first 30-year Infrastructure Strategy, which focuses on key areas: transport; water, wastewater, stormwater, parks and open spaces, and community facilities. The strategy outlines the key drivers of demand, discusses the mechanisms we would apply to respond to these demands, and shows the most likely financial impacts the council faces over the next 30 years.
- Developed and adopted, with Māori participation:
  - Commercial Sex Industry Policy
  - Community Grants Policy
  - Significance and Engagement Policy
  - Psychoactive Substances Local Approved Products Policy
  - Provisional Local Alcohol Policy (subject to appeal)

- Arts and Culture Strategic Action Plan (stage one adopted).
- Ensured that operative district plans are responsive to new community needs by delivering 20 completed plan changes and 10 completed notices of requirements. Significant notices of requirement included the Puhoi to Warkworth road which is of national significance, and the City Rail Link which has now settled four of its six appeals.
- Working with local boards and local communities, we completed the Devonport-Takapuna, Pukekohe and Ōtara-Papatoetoe Area Plans. Local Plans were prepared for Takapuna and Milford centres, Three Kings, Karangahape Road and Ponsonby Road to guide future development and make our centres great places to visit.
- We adopted part one of the Arts and Culture Strategic Action Plan which sets out the strategic goals and action areas. We held four hui with mataawaka artists to develop actions and priorities for part two, the delivery plan.
- As part of the Children and Young People's Strategic Action Plan, we held five wānanga–marae workshops on establishing a rangatahi rōpū–young Māori group. They were rangatahi-led and prepared participants for discussions about the structure and governance of Auckland Council, the Treaty of Waitangi, te reo Māori and youth development practice in New Zealand. The council and the Independent Māori Statutory Board supported the Rangatahi tū Rangatira project team to develop a kaupapa–programme to present to mana whenua and mataawaka. The kaupapa has two focus areas:
  - increasing rangatahi civic leadership capacity and capability in Auckland to increase the civic participation of young Māori
  - developing an effective approach to influence council policies and activities consistent with the Treaty of Waitangi.
- Our environmental monitoring programmes passed an audit to maintain our International Organisation for Standardisation (ISO) accreditation. This accreditation has been maintained for a number of years now, which recognises the sound process and procedures in place across our operations.
- We adopted eight new regional bylaws. Of the 158 bylaws inherited from the former councils, 112 have been fully or substantively revoked and we are on track to complete the review of all 158 by 31 October. Bylaws adopted during the year:
  - Navigation safety
  - Alcohol control
  - Outdoor fires
  - Animal management
  - Trading and events in public places
  - Signage
  - Water supply and wastewater network
  - Auckland Council traffic.
- The Proposed Auckland Unitary Plan hearings process is on track for the release of the council's decision within three years of public notification (September 2016). Mediation and hearings on 30 topics have been completed, including the Regional Policy Statement (with the exception of the rural urban boundary), the regional coastal plan and various other regional and district plan topics. The council submitted approximately 630 individual briefs of evidence to the independent hearings panel. We had 1118 submitters represented at pre-hearing meetings, 1898 submitters represented at mediation and 1693 submitters represented at hearings.
- The following awards were received during the year:
  - The National Environmental Monitoring Standards Steering Group, of which we are a member, won the building organisational



capability award at the 2015 Society of Local Government Managers Excellence Awards.

- Sanchia Jacobs, manager of the Global Partnerships and Strategy unit, was awarded an Eisenhower Fellowship for 2015.
- The New Lynn Merchant Quarter received a merit award for multi-unit residential properties at the Property Council New Zealand awards.
- The Hurstmere Green upgrade in Takapuna won a gold award and a value award at the New Zealand Commercial Project Awards.
- Projects we commissioned won at the 2015 Resene NZILA Pride of Place Landscape Architecture Awards: The Navy Museum Activity Zone, Beachlands Maraetai Coastal Walkway, La Rosa Reserve Stream Daylighting, Hobson Bay: Adding Heart to the Bay for Orākei Local Board, and City East West Transport Study for Auckland Transport.

### The Southern Initiative

The Southern Initiative (TSI) is one of our two geographical priorities in the Auckland Plan. It has identified early years, skills, employment and entrepreneurialism as its key focus areas for the immediate future. This will provide a solid platform to build sustainable economic growth and employment opportunities, better housing choices and stronger community outcomes.

Key achievements for TSI include:

- Our Māori and Pacific Trades Training (MPTT) initiative supports people aged 18-34 years to obtain sustainable employment in infrastructure and trades. In the past year, 122 students enrolled and 25 major employers were actively engaged.
- We supported the Cook Islands Development Agency New Zealand and eight Cook Island vaka and enua in the TSI area to establish New Zealand's first

Pasifika cooperative, the oneCOOPERATIVE, which is setting up a number of community-led enterprises.

- We collaborated with the Auckland Co-design Lab and Te Puni Kōkiri to increase the number of participating whānau in Kōhanga Reo in south Auckland as a vehicle to enrich and expand te reo Māori.
- With ATEED, we are supporting marae in TSI area to develop sustainable tourism opportunities.
- With Alliance Health Plus Trust, we submitted a successful proposal to the Ministry of Health to form the Tāmaki Healthy Families Alliance and implement Healthy Families New Zealand in the Manukau ward. We secured funding from September 2014 to June 2018 to implement this programme aimed at preventing chronic diseases by encouraging families to live healthy lives.

### The Housing Project Office

The Housing Project Office (HPO) was established to accelerate Auckland's housing supply programme and to deliver against the targets set within the Auckland Housing Accord. It is currently in its second year of operation and is responsible for, among others, integrated housing policy and the delivery of Special Housing Areas (SHAs). It is also responsible for implementing the initiatives specified within the Housing Action Plan, of which 90 per cent have been completed to date.






Key achievements for HPO include:

- A fourth tranche of 17 SHAs announced in September 2014 with a fifth tranche of four SHAs in February 2015, bringing the total number of SHAs to 84.
- Contributing to the delivery of 11,000 consented dwellings and sections against the first year target of 9000 dwellings and sections as stipulated within the Auckland Housing Accord.

- The first families moved into houses built in the Weymouth SHA in September 2014.
- An information pack on building within SHAs was distributed to over 300 property developers and posted on our website.
- The first Auckland Council/central government joint monitoring report on the Auckland Housing Accord was released in November 2014.
- The council approved the rezoning of 31 hectares of land at Whenuapai Village after just 101 days (one month earlier than statutorily required). This was the HPO's first qualifying development/plan variation and was a collaborative achievement involving HPO and its virtual team partners, Auckland Transport, Watercare Services Ltd, Stormwater and many others.
- Earthworks for the first consented plan variation at Whenuapai began in April 2015.
- Approval for SHAs to be established on Māori Land, Treaty Settlement Land and Māori Special Purpose zoned land in eligible parts of rural Auckland.
- Developers' forums organised by the HPO offered opportunities for the council and developers to discuss issues of mutual concern and share learnings.
- An Auckland Council/Housing New Zealand Corporation (HNZC) partnering workshop to enhance current relationships, support the memorandum of understanding and commit to building a closer working relationship between the two organisations.
- Maintaining the momentum of the Forward Land and Infrastructure Programme to assess the readiness of infrastructure such as transport, stormwater, water and wastewater to accommodate projected growth.
- Leading the limited council housing bond guarantee initiative which unlocks \$30 million in new capital for affordable housing and can lower borrowing costs and improve loan terms for community housing providers.

**How we performed**

We met our three levels of service. All our 20 completed private plan changes and 10 completed notices of requirements were processed within statutory timeframes. We adopted seven core strategies and policies, six of which were developed with participation from Māori. All contained outcomes for Māori.

| Level of service  | Performance measure  | Status   | 2015 actual | 2015 target | 2014 actual         |
|---|--|--|-------------|-------------|---------------------|
| Produce all plans and agreements in accordance with legislative requirements  | Percentage compliance with legislative planning requirements   |  | 100%        | 100%        | 100%                |
|   | Percentage of unitary and area plan changes and Notices of Requirement processed within statutory timeframes |  | 100%        | 100%        | 100%                |
|   | Percentage of adopted core strategies, policies and plans that were developed with Māori participation       |  | 86%         | 85%         | 100% <sup>(1)</sup> |
|   | Percentage of adopted core strategies, policies and plans that include Māori outcomes and/or indicators      |  | 100%        | 85%         | 91% <sup>(2)</sup>  |
| Implement area spatial planning initiatives for town centres, rural centres, precincts, corridors, and new growth areas | Percentage of area spatial plans and initiatives that met agreed milestones                                  |  | 100%        | 90%         | 90%                 |





| Level of service   | Performance measure   | Status | 2015 actual         | 2015 target | 2014 actual |
|--|---|--------|---------------------|-------------|-------------|
| Monitor and report on social, economic, environmental and cultural well-being accurately and on time | Availability of headline indicators report                                      |        | 100% <sup>(3)</sup> | 100%        | 90%         |
|  | Percentage compliance with annual quality rating for ISO9001:2008 accreditation |        | 100%                | 100%        | 100%        |

**Notes:**

1. Last year's result has been restated. In 2013/2014, the council adopted 11 core strategies, policies and plans. Every one of these documents was developed with Māori participation.
2. Last year's result has been restated. In 2013/2014, the council adopted 11 core strategies, policies and plans, of which 10 contained Māori-specific outcomes and/or indicators.
3. The headline indicators report relates to the Auckland Sustainability Framework. This report has been superseded by the Auckland Plan Targets: Monitoring Report 2014 which measures progress towards achievement of Auckland Plan targets and is updated annually. The reported was updated in September 2014 and is available on the Auckland Council website under technical reports.

## Funding Impact Statement

For the year ended 30 June 2015

### 4.1 Planning

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 70             | 69                     | 43                        | 40                        |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | 2                         | 2                         |
| Fees and charges  |       | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts | 3     | 1              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>71</b>      | <b>69</b>              | <b>45</b>                 | <b>42</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 53             | 52                     | 30                        | 28                        |
| Finance costs   |       | 1              | 1                      | 1                         | 1                         |
| Internal charges and overheads applied                                  |       | 17             | 16                     | 13                        | 12                        |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>71</b>      | <b>69</b>              | <b>44</b>                 | <b>41</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>-</b>       | <b>-</b>               | <b>1</b>                  | <b>1</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | -              | 4                      | (1)                       | (1)                       |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>-</b>       | <b>4</b>               | <b>(1)</b>                | <b>(1)</b>                |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | -              | -                      | -                         | -                         |
| - to improve the level of service                                       |       | -              | 3                      | -                         | -                         |
| - to replace existing assets  |       | -              | 1                      | -                         | -                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2,4   | <b>-</b>       | <b>4</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>-</b>       | <b>-</b>               | <b>(1)</b>                | <b>(1)</b>                |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is primarily due to additional funding for the Unitary Plan.



2. Application of capital funding – increase is due to addition of the Asset Management Information System (AMIS) project.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Local authorities' fuel tax, fines, infringement fees and other receipts variance is due to unbudgeted contract with Ministry of Health for the Tamaki Healthy Families Alliance programme.
4. Capital expenditure lower than budget due to deferral of Asset Management Information Strategy project into later years in order to fund the remaining work required to implement the desktop replacement solution.





## 5. Theme: Tūnga hou ki te ao tawhito Built and natural environment



Shared space in Federal Street, Auckland CBD








## Introduction

Protecting and enhancing our built and natural environment is part of our commitment to environmental action and green growth. We monitor our air, land and water quality; promote urban design; conserve our historic heritage and apply regulations (building consents, resource consents, licensing). We work with mana whenua, communities, businesses and other stakeholders to restore and enhance natural areas.

Within this theme we deliver:

- environment and heritage protection
- local built and natural environment
- regulation.

### Summary of non-financial performance measures

| Group of activities                     |  |  |  |  |  | Total measures |
|---|---|---|--|---|---|----------------|
| 5.1 Environment and heritage protection | 16  | 0   | 0  | 4   | 0   | 20             |
| 5.2 Local built and natural environment | 2   | 0   | 0  | 0   | 0   | 2              |
| 5.3 Regulation                          | 10  | 3   | 3  | 6   | 1   | 23             |
| <b>Total</b>                            | <b>28</b>   | <b>3</b>  | <b>3</b>   | <b>10</b>   | <b>1</b>  | <b>45</b>      |



## Commentary

### 5.1 Environment and heritage protection

#### What we do

We protect and enhance our natural environment, including urban design and built and natural heritage.

#### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 52          | 51               |
| Total applications of operating funding              | 48          | 49               |
| Surplus (deficit) of operating funding               | 4           | 2                |
| Total applications of capital funding <sup>(1)</sup> | 9           | 19               |

1. Capital expenditure below budget due to deferral of the Build Heritage Protection Fund to 2016.

\*See table 5.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- air, land and water monitoring and management
- cultural and built heritage protection
- environmental strategy and policy
- natural heritage protection and biosecurity
- urban design management.

Key achievements include:

- Supporting the partnership initiative Sea Change–Tai Timu Tai Pari, the Hauraki Gulf Marine Spatial Plan aimed at making Tikapa Moana–Hauraki Gulf healthy, vibrant, productive and supportive of prosperous communities. We ensured the plan reflects and incorporates mātauranga Māori. We established a mātauranga Māori roundtable which met frequently to provide input into the plan, and included mana whenua representatives on the stakeholder working group and the project steering group. A series of hui with mana whenua were also held.

- We launched and began implementing Toitū te whenua, toitū te tangata–Low Carbon Auckland. This 30-year pathway and 10-year collaborative programme plan will move Auckland towards a greener, low-carbon city powered by efficient, affordable, clean energy.
- Further developed the Environmental Strategic Action Plan (ESAP), now renamed Auckland Growing Greener. It aligns various council strategies and plans to deliver on the Auckland Plan's environmental outcomes, and prioritises transformational changes. The plan will also enable mana whenua involvement in the stewardship and kaitiakitanga of natural resources.
- We continued delivering our Indigenous Biodiversity Plan and ecosystems management:
  - Developing a threatened ecosystem prioritisation model and implementing protection programmes for 42 threatened species.
  - Actively managing high-threat pest plants at over 950 sites, including 13 maunga of significant cultural value.
  - Maintaining the pest-free status of 18 Hauraki Gulf Islands; eradicated Argentine ants from specific sites on Kawau Island and mice from Motuketekete Island.
  - Beginning a programme to deliver on a healthy Hunua Ranges through the use of 1080 to control possums and rats. Mana whenua engagement is active in the operation.
- We worked towards meeting our obligations under the National Policy Statement for Freshwater Management (Wai Ora Wai Māori) and the implementation prototype for an urban catchment to identify emerging urban water issues and empirical solutions.

Mana whenua were involved through the engagement of a pūkenga–specialist navigator for mātauranga Māori knowledge in the first phase of the programme. Pūkenga peer-reviewed input into our activities, workshop attendance and elaboration of mana whenua values for managing freshwater.

- Delivery on the Closed Landfill Asset Management Plan improvements, focusing on identifying high-risk sites. Key projects included:
  - risk assessments of leachate management at Waitākere War Memorial and Taipari Strand
  - urgent works at Corban Reserve to manage risks from gas discharges
  - enabling works to replace a stormwater channel at Whangateau closed landfill
  - tendering preliminary design and consenting of remedial works at the large Waikōwhai, Ngātaringa Park and Barry’s Point closed landfill sites.
- Sources of faecal contamination were identified in lagoons at Piha, Bethels and Karekare beaches. We began reducing faecal loads into these waterways and used a mix of community-led education and incentives, plus improved regulatory controls to enhance the performance of on-site wastewater systems.
- Our community activities continued:
  - Delivered the Waicare programme to nearly 140 schools and community groups including planting nearly 100,000 native trees.
  - Worked with landowners to improve land management practices to reduce their impact on waterways and harbours.
  - Worked with the horticultural sector in south Auckland to reduce sediment loss to waterways, and nitrate contamination of surface and ground waters.
  - Partnered with mana whenua on Te Auaunga Awa–Oakley Creek

stormwater project and the vision and strategy for the upper reaches.

- Educated 150,000 school children on sustainably through the Learning through experience and Enviroschools programmes.
- Supported 3000 homeowners to access \$8 million in financial assistance to retrofit for clean heat and insulation through Retrofit Your Home.
- The Heritage Incentives Framework was finalised. It provides benefits for Aucklanders with land with recognised historic and natural heritage features.
- Auckland’s WWI heritage trail was opened to commemorate a selection of sites from Wellsford to Waiuku, focusing on the experiences of those on the home front.
- A Māori cultural heritage programme was prepared to identify, map and assess sites of significance and value to mana whenua. To date, 2587 sites of value to mana whenua have been screened to determine value.
- Te Aranga Māori design programme was created to ensure our future built environment reflects our unique identity.
- We reviewed 108 development project proposals through our Auckland Urban Design Panel. A new express panel format was introduced this year, helping to create efficiencies and cost savings to developers and the council. A government report in January 2015 said 70 per cent of the respondents were complimentary about the panel.
- Launch of the world’s first design guide website for the entire city with the Auckland Design Manual, which includes over 3000 webpages of guidance.

#### **How we performed**

We achieved 16 performance targets out of 20, fully meeting six of our nine levels of service.

The Retrofit Your Home programme has contributed to clean heat installations, as opposed to open fireplaces, and additional interventions are being considered to








encourage the turnover of old domestic fires and reduce pollutant emissions.

Higher levels of kauri dieback have been observed in the Waitākere Ranges. We are

currently developing our 2015/2016 operational plan, under the Ministry for Primary Industries Kauri Dieback Management Strategy, to minimise the spread of the disease.

| Level of service   | Performance measure  | Status | 2015 actual        | 2015 target       | 2014 actual |
|--|--|--------|--------------------|-------------------|-------------|
| Monitor and report on the quality and health of the region's air   | Number of sites exceeding regional air quality targets for NO <sub>2</sub>   | ✓      | 0                  | 0                 | 1           |
|  | Number of sites exceeding regional air quality targets for PM <sub>2.5</sub> (particles less than 2.5 microns in size) | ✓      | 0                  | 0                 | 2           |
| Manage land use and development to safeguard the region's environment, productivity and economic value of soil | Percentage of landfill aftercare resource consents achieving category 1 or 2 compliance                                | ✓      | 100%               | 97%               | 100%        |
| Monitor and protect freshwater ecosystems to maintain water quality and biodiversity                           | Proportion of stream samples that exceed red alert level for stock watering  | ✓      | 4% <sup>(1)</sup>  | Less than 12.5%   | 4%          |
| Protect the natural character of the coast from inappropriate development                                      | Perception of good balance between built areas and natural environment on the coastline                                | ✓      | 71%                | 70%               | 73%         |
|  | Percentage of environmentally significant catchments with catchment management plans (CMPs)                            | ✓      | 32%                | 15%               | 39%         |
| Provide safe access to beaches and coastal areas for recreation  | Proportion of time bathing beaches are suitable for contact recreation   | ✓      | 98% <sup>(2)</sup> | 92%               | 92%         |
| Provide funding, support, and environmental education to schools and communities                               | Number of students participating in the Learning Through Experience programme  | ✓      | 25,979             | 22,000            | 23,876      |
|  | Number of schools registered for Enviroschools programme   | ✓      | 197                | 160               | 177         |
|  | Reduction in emission of air pollutant PM <sub>10</sub> (kg)   | ✗      | 0 <sup>(3)</sup>   | 2,100             | -           |
| Protect and enhance indigenous biodiversity and natural heritage resources                                     | Number of hectares of new habitat established on regional parks  | ✓      | 8                  | 8                 | 8           |
|  | Percentage of indigenous ecosystems under active management  | ✓      | 68%                | 5% <sup>(4)</sup> | 68%         |
|  | Percentage of threatened species under active management   | ✓      | 34%                | 29%               | 34%         |
| Reduce the impact of pest animals, plants, and pathogens on the natural environment                            | Number of hectares under community pest control  | ✓      | 124,000            | 62,000            | 85,000      |
|  | Proportion of the region where possum populations are maintained under five per cent (residual trap catch index)       | ✓      | 50%                | 50%               | 50%         |

| Level of service   | Performance measure   | Status   | 2015 actual          | 2015 target            | 2014 actual  |
|--|---|--|----------------------|------------------------|--------------|
|  | Percentage of closed tracks in the Waitākere Ranges that have kauri dieback disease   |  | 38% <sup>(5)</sup>   | Less than 10% increase | 0%           |
|  | Percentage of open tracks in the Waitākere Ranges that have kauri dieback disease   |  | 29% <sup>(6)</sup>   | Reduce                 | 25%          |
| Provide support to protect and conserve the region's historic heritage | Number of historic heritage resources formally protected in council regional and district plans and/or the Unitary Plan                               |  | 2,245 <sup>(7)</sup> | 2,600                  | 2,245        |
|  | Number of sites of Māori significance including waahi tapu formally protected or scheduled in council regional and district plans or the Unitary Plan |  | 61                   | 61                     | 61           |
|  | Number of sites and places of value to mana whenua formally protected and scheduled in council regional and district plans or the Unitary Plan        |  | 3,600                | 3,600                  | Not reported |

**Notes:**

1. Results are for the Mahurangi River catchment only. They are not representative of the whole region. More representative waterway health measures have been put in place in the Long-term Plan 2015-2025.
2. This data is from the summer period (November 2014 to March 2015) only and does not represent the suitability for contact recreation outside this period. A total of 69 sites across the region were monitored on a weekly basis.
3. It was originally assumed that our Retrofit Your Home programme would contribute to the removal of wood burners which emit an estimated 14kg of PM<sub>10</sub> per annum. Although this programme has completed 1161 clean heat installations, no open fireplaces were removed. Therefore, the result for this year is nil. Additional regulation to encourage the turnover of old domestic fires is being considered in the development of an air quality bylaw. We will also explore other interventions to reduce emissions in the next reporting year.
4. The published target of five per cent in the Annual Plan 2014/2015 was established ahead of Auckland Council completing its full technical assessment of the number of ecosystem types in Auckland. The data presented was based on an estimate of ecosystems being actively protected, based on preliminary information.
5. Based on test data that showed no disease, 20km of tracks were closed in 2012 to protect them from the spread of kauri dieback disease. Further refined recent testing of soil samples from these tracks shows 38 per cent of these tracks are infected. Some may have been infected earlier and not detected due to the random nature of detecting isolated oospores in soil in 2012. It is also possible that track exclusion mechanisms and barriers have not been effective in deterring park users from closed tracks. We will continue with the disease management programme to assess and minimise the spread of kauri dieback.
6. In the open tracks, refined soil sampling and testing has determined that 29 per cent of open tracks now have the disease. This is a marginal increase on the initial test data. It is possible some of the increase may result from a lack of compliance with hygiene measures by track users, such as not cleaning soil from footwear. Further analysis of the 2015 survey results is being done. We will continue with the disease management programme to assess and minimise the spread of kauri dieback.
7. There is a total of 2245 places on the Proposed Auckland Unitary Plan historic heritage schedule. This is unchanged from last year, apart from a slight adjustment to the confirmed numbers (restated). The target has not been met, as once the plan was notified on 30 September 2013 there could be no changes to the number of sites scheduled other than through a formal process including consultation. The Unitary Plan will become operative on 1 October 2016.





## 5.2 Local built and natural environment

### What we do

We preserve our built and natural environments through restoration activities, planting and management of heritage sites.

### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 3           | 3                |
| Total applications of operating funding | 3           | 3                |
| Surplus (deficit) of operating funding  | 0           | 0                |
| Total applications of capital funding   | 2           | 2                |

\*See table 5.2 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered this activity:

- local environment and heritage protection.

Key achievements include:

- Working with our communities to improve the health of five streams in Waitākere through Project Twin Streams. Streamside restoration areas continued to be established and are now maturing into significant green and blue corridors. This 12-plus year project addresses flooding issues, and provides walkways and cycleways that connect people with their streams and environment. It has also helped shape the way the council works with the community through creative engagement, education and empowerment.
- Just over \$1 million invested in environmental and heritage grants to empower community groups and private landowners to restore native ecosystems,


enhance water quality and protect heritage values.

- Delivery of biosecurity programmes on Great Barrier Island, that continued to provide effective pest plant and animal control to protect biodiversity values.
- Delivered over 90 local board projects to protect and preserve local and built environments to restore native ecosystems and streams, to improve sustainability and to control pests, e.g. Love Your Bays programme and Wai Care projects.
- Completion of many pollution prevention studies to help industries minimise the impact of their activities on waterways.
- Saving from demolition and restoring a number of significant heritage buildings, including the Guys Homestead at Te Rākau Drive, previously a childcare centre. We supported the heritage values of the totalisator building at Ellerslie racecourse, 143 White Swan Road (demolition application retracted), Loombes Hotel (saved from removal), the former Ford factory at 28 York Street Parnell, and a number of pre-1940 properties in residential character areas.
- As part of meeting consent requirements, the council provided technical advice on the restoration of the St James Theatre.
- Assisting owners of historic houses to sensitively retain and adapt their homes and meet their needs for modern living.

### How we performed

We met our level of service by providing leadership and support in over 100 environmental programmes and increasing Māori participation.

| Level of service  | Performance measure                                 | Status | 2015 actual | 2015 target | 2014 actual |
|---|---|--------|-------------|-------------|-------------|
| Provide leadership and support to protect and conserve the region's natural environment | Number of environmental programmes led or supported |        | 115         | 83          | 85          |

| Level of service      | Performance measure   | Status   | 2015 actual | 2015 target | 2014 actual |
|-----------------------|---|--|-------------|-------------|-------------|
| and cultural heritage | Number of environmental programmes with Māori participation |  | 21          | 10          | 13          |

### 5.3 Regulation

#### What we do

We provide building and resource consents, land and property information, environmental health and licensing, animal management, marine safety, and weathertightness services.

#### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 218         | 212              |
| Total applications of operating funding              | 211         | 206              |
| Surplus (deficit) of operating funding               | 7           | 6                |
| Total applications of capital funding <sup>(1)</sup> | 51          | 83               |

1. Capital expenditure below budget mainly due to lower weathertightness claims than expected.

\*See table 5.3 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- animal management
- building consents
- environmental health and licensing
- land and property information
- marine safety
- resource consents
- weathertightness services.

Key achievements in the building consents business area include:

- Building Consent Authority accreditation was reconfirmed without any corrective actions, emphasising the robust processes and policies in place.
- Processing 19,230 consents, an increase of 6.2 per cent on 2014, driven by strong residential growth.
- Completing 124,422 inspections in 2015, an increase of five per cent on 2014,

driven by strong activity in the residential and commercial construction market.

- Partnerships were established with key industry members on a quality framework for residential construction.
- Mobile inspection technology was rolled out to central, Papakura and Pukekohe areas, driving increased inspector efficiency and accuracy.
- We piloted online building consents with 25 group home builders, driving significant improvements in consent processing value and efficiency.
- We won the Mitek Training Award for the Building Control Graduate programme, Training School and Regulation 18 programme.
- Duncan Francis, team leader Code Compliance Certificates, was awarded the prestigious Pacific Steel Group Young Building Control Professional of the Year.

Key achievements in the resource consents business area include:

- Approval of 13,067 resource consents. Applications rose 5.5 per cent this year with a significant number of large apartments, commercial and greenfields developments requiring staff input from across the council.
- Continuing the fast-track consenting process where simple consents are processed within 10 working days as opposed to the statutory 20-day timeframe. We fast-tracked 12 per cent (1375) of all non-notified applications.
- Trialled online consenting and payment for regular customers in specific areas. This initiative will be rolled out across Auckland by the end of 2015.
- Further development of the project management service for larger, complex



developments. This service complements the key accounts management team, and provides a senior project manager dedicated to specific consenting projects.

- Steady improvement in customer satisfaction levels over the last three quarters.

Key achievements in the licensing and compliance business area include:

- Animal management services for central and south Auckland were brought under council management in November 2014. This is providing an improved service across the region with increased customer satisfaction and complaint resolution, while delivering savings of \$800,000 per annum.
- Significant new bylaws were introduced to deliver a consistent approach across Auckland. They include trading and events in public places, and health and hygiene.
- Improved customer satisfaction and shorter processing times for alcohol licences following business improvements to internal systems and processes.
- Contribution by alcohol inspectors to the planning and implementation of large events such as the NRL Nines and the Cricket World Cup led to minimal harm from excessive alcohol consumption.
- Began training and transition to the new Food Act for both staff and food premises operators. We have over 1200 premises registered on food control plans.

### How we performed


We achieved two of the four performance measure targets for building consents and substantially achieved a third. We made progress on the fourth measure. Service delivery to our customers continues to be a key focus.


















We met three of the six targets for resource consents and substantially achieved a fourth. Surveys have identified an increased level of customer satisfaction. Processing of consents within statutory requirements remains short of the target, but is still a significant achievement, taking into account the 20 per cent rise in volume in the last two years.

We did not achieve our environmental pollution target. Efficiency changes in the compliance unit mean high-risk, urgent incidents are responded to within 24 hours and low risk, non-urgent incidents are not bound by the same timeframe.

The level of service for food and alcohol licensing was not met (one target achieved out of five), although progress has been made in some areas, such as customer satisfaction. We have focused on more helpful and consistent information for our customers from the beginning of the process through to the issuing of the licence. We also put efforts into efficient time in the field, including instant feedback on audits and inspections. A review was undertaken during the year to improve recording and quality assurance over the council's food grading processes. We have identified where the quality assurance system could be improved and an enhanced comprehensive quality assurance programme is being developed and progressively implemented. However we do not believe, based on the testing we have performed, that the systems issues noted have a significant impact on reported performance.

In the dog and stock control service delivery area, we improved the request for service process for customers and developed our education services. We anticipate that these and other efforts to improve communication will have a positive effect on customers' satisfaction.

| Level of service   | Performance measure   | Status   | 2015 actual        | 2015 target | 2014 actual |
|--|---|--|--------------------|-------------|-------------|
| Deliver a customer-focused building consents and compliance monitoring service | Percentage of customers satisfied with the overall quality of building control service delivery |  | 48% <sup>(1)</sup> | 60%         | 44%         |

| Level of service  | Performance measure  | Status   | 2015 actual         | 2015 target | 2014 actual |
|---|--|--|---------------------|-------------|-------------|
| that meets statutory requirements   | Percentage of building consent applications processed within 20 working days <sup>(2)</sup>  |    | 98% <sup>(3)</sup>  | 100%        | 99%         |
|   | Achieve and maintain BCA accreditation by meeting standards under the Building Act 2004  |    | Achieved            | Maintain    | Achieved    |
|   | Percentage operating cost recovery from user charges for building consents activity  |    | 91%                 | 90%         | 99%         |
| Process and monitor resource consents and engineering approvals across the region on time and within statutory requirements | Percentage of customers satisfied with the overall quality of resource consents service delivery   |    | 52%                 | 50%         | 44%         |
|   | Percentage of non-notified resource consent applications processed within 20 working days <sup>(2)</sup>   |    | 95% <sup>(4)</sup>  | 100%        | 95%         |
|   | Percentage of notified resource consent applications processed within 70 working days <sup>(2)</sup>   |    | 62% <sup>(5)</sup>  | 100%        | 78%         |
|   | Percentage of air, land, coastal and water consents with category 1 (full compliance) or 2 (minor non-compliance)  |    | 95%                 | 90%         | 90%         |
|   | Percentage of operating cost recovery from user charges for resource consents activity   |    | 64%                 | 60%         | 58%         |
|   | Percentage of requests by iwi for applications identified in the consents received report that are relevant and within their area of interest and are responded to within three days |  | 99% <sup>(6)</sup>  | 100%        | 95%         |
| Provide effective response services for environmental pollution incidents   | Percentage of environmental pollution incidents responded to within 24 hours   |  | 80% <sup>(7)</sup>  | 100%        | 100%        |
| Respond effectively and fairly to excessive noise-related incidents and complaints  | Percentage of noise complaints responded to within 30 minutes of first report  |  | 82%                 | 80%         | 82%         |
| Protect public health in the areas of food premises and sale of alcohol licensing   | Percentage of customers satisfied with the food and alcohol licensing service  |  | 72% <sup>(8)</sup>  | 85%         | 66%         |
|   | Percentage of alcohol licensed premises inspected at least once annually   |  | 66% <sup>(9)</sup>  | 90%         | 49%         |
|   | Percentage of registered food premises that are grading inspected at least once annually   |  | 88% <sup>(10)</sup> | 98%         | 89%         |
|   | Percentage of all identified non-complying (D or E Grade) food premises re-inspected within one month.   |  | 81% <sup>(11)</sup> | 85%         | 86%         |
|   | Percentage operating cost recovery from user charges for environmental health and licensing activity   |  | 49%                 | 45%         | 43%         |
| Provide high-quality dog and stock control services to the people of the region   | Percentage of customers satisfied with animal management service   |  | 56% <sup>(12)</sup> | 70%         | 58%         |



| Level of service  | Performance measure   | Status | 2015 actual         | 2015 target | 2014 actual       |
|---|---|--------|---------------------|-------------|-------------------|
|   | Percentage of urgent animal management complaints responded to within one hour (dog attacks, etc.)                  |        | 96% <sup>(13)</sup> | 98%         | 98%               |
|   | Percentage operating cost recovery from user charges for animal management activity                                 |        | 70%                 | 60%         | 66%               |
| Maintain navigational safety, respond to marine oil spills, and manage moorings               | Percentage of harbour users and stakeholders satisfied with harbour management                                      |        | _(14)               | 70%         | No survey in 2014 |
|   | Percentage of significant risks assessed and successfully mitigated (no incidents)                                  |        | 100%                | 100%        | 100%              |
| Ensure weathertightness claims are settled fairly, cost-effectively and are legally compliant | Percentage of settled weathertightness claims that met financial delegations and information and legal requirements |        | 100%                | 100%        | 100%              |

#### Notes:

- Customer satisfaction is up by four per cent on 2014 due to a significant focus on enabling technology and improving processes to deliver a better experience for customers.
- Working days excluding days when the applicant is requested to provide additional information or extensions are applied to the completion date – the extensions are either requested by the customer or relate to provisions within the Building Act or the Resource Management Act (RMA).
- While the result provided above for this measure refers to statutory days, we have calculated that 76 per cent of building consents were processed within 40 working days (elapsed days). This includes working days where the applicant has been requested to provide additional information or time extensions have been applied to the completion date of the consent. This represents an overall improvement of 8 hours in average processing time from the previous year.
- Over 10,800 non-notified consents were processed within the statutory framework of 20 working days (excluding days when the applicant is requested to provide additional information or extensions are applied to the completion date – extensions either requested by the customer or provided within the RMA). The result is a significant achievement taking into account the 20 per cent increase in volume of applications in the last two years.  
While the result provided above for this measure refers to statutory days, we have calculated that 71 per cent of resource consents were processed within 40 working days (elapsed days). This includes working days where the applicant has been requested to provide additional information or time extensions have been applied to the completion date of the consent.
- These resource consents are more complex in nature and represent less than two per cent of all applications (around 200). The timeframe can often exceed the allowable 70 days due to hearing and the number of specialist parties contributing to the consent.
- Result based on 146 transactions with 144 being completed within the three-day timeframe.
- Efficiency changes in the compliance unit mean we now triage all compliance incidents based on risk, to ensure all high-risk, urgent incidents are responded to within 24 hours. It is not essential for low-risk, non-urgent incidents to meet this timeline, which means that this year's result has gone down to 80%.
- We are focusing on offering more helpful and consistent information to our customers from the application stage through to the issuing of the licence. We are also focusing on efficient time in the field including instant feedback on audits and inspections, reducing waiting times and ensuring customer understanding.
- We have focused on a risk-based inspection regime this year, and have achieved 100 per cent of high-risk premises inspected, 59 per cent of medium-risk and 57 per cent of low-risk premises. We have inspected a total of 2410 premises.
- While we are below the target, we are focusing inspection efforts on the right premises. We have been inspecting high-risk food premises and preparing for the implementation of the new Food Act. This approach is in line with the new legislation, which will provide for frequency of inspections of low-risk food premises to be decreased to less than annually. From January 2015, over 850 high-risk food premises have been signed



onto the food control plan (FCP), in addition to 400 premises that were already on FCP. The Food Act requires significant changes including moving from an inspection regime to verifications. Our officers are also spending considerably more time mentoring operators to comply with the requirements of the new legislation.

11. Out of 129 premises identified as D or E grade, 104 were re-inspected within one month. The average re-inspection for all 129 premises was 17 days. The requirement will be addressed and plans put in place to ensure compliance with this target.
12. Despite there being a major change in service delivery model partway through the year, Animal Management did not experience a noticeable dip in customer service or service delivery levels. Efforts are being made to improve the request for service process for the customer, and developing our education services. We anticipate these and other activities around improved communication will have a positive effect on the customer satisfaction results.
13. The target was set at 98 per cent for this year and this was achieved for most months. The full-year result has been affected by transitional impacts of the in-housing of animal management services in November. The introduction of a new computer system and mobile technology affected recording and reporting of responses to requests for service in November and December, at 79 per cent and 89 per cent respectively. These were recovered quickly through swift analysis and action, including further staff training, to achieve at or above 98 per cent from January to June 2015.
14. It was determined that the cost of conducting previous surveys outweighed the benefits and was not the best use of money.



## Funding Impact Statements

For the year ended 30 June 2015

### 5.1 Environment and heritage protection

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 47             | 47                     | 49                        | 47                        |
| Targeted rates  |       | 3              | 3                      | 4                         | 3                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | 1              | -                      | -                         | 1                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 1              | 1                      | 1                         | -                         |
| <b>Total operating funding</b>  |       | <b>52</b>      | <b>51</b>              | <b>54</b>                 | <b>51</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 35             | 35                     | 37                        | 37                        |
| Finance costs   |       | 3              | 4                      | 4                         | 3                         |
| Internal charges and overheads applied                                  |       | 10             | 10                     | 11                        | 10                        |
| Other operating funding applications                                    |       | -              | -                      | -                         | 1                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>48</b>      | <b>49</b>              | <b>52</b>                 | <b>51</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>4</b>       | <b>2</b>               | <b>2</b>                  | <b>-</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 5              | 17                     | 11                        | 14                        |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>5</b>       | <b>17</b>              | <b>11</b>                 | <b>14</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | -              | -                      | -                         | -                         |
| - to improve the level of service                                       | 2     | 1              | 12                     | 6                         | 7                         |
| - to replace existing assets  |       | 1              | 1                      | 1                         | 1                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | 6                         |
| Increase (decrease) in investments                                      |       | 7              | 6                      | 6                         | -                         |
| <b>Total applications of capital funding</b>                            | 3     | <b>9</b>       | <b>19</b>              | <b>13</b>                 | <b>14</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(4)</b>     | <b>(2)</b>             | <b>(2)</b>                | <b>-</b>                  |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – decrease is primarily due to lower staff and corporate overhead costs.
2. Application of capital funding – increase is primarily due to the deferral from 2013/2014 of the Built Heritage Protection fund.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Capital expenditure below budget due to deferral of the Build Heritage Protection Fund to 2016 as a result of the council-wide capex cost-saving programme. Capital expenditure is below budget, which resulted in a lower capital funding requirement.



## Funding Impact Statements

For the year ended 30 June 2015

### 5.2 Local built and natural environment

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 3              | 3                      | 2                         | 2                         |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>3</b>       | <b>3</b>               | <b>2</b>                  | <b>2</b>                  |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 3              | 3                      | 2                         | 2                         |
| Finance costs   |       | -              | -                      | -                         | -                         |
| Internal charges and overheads applied                                  |       | -              | -                      | -                         | -                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>3</b>       | <b>3</b>               | <b>2</b>                  | <b>2</b>                  |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 2              | 2                      | 1                         | 2                         |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>2</b>       | <b>2</b>               | <b>1</b>                  | <b>2</b>                  |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 1              | 1                      | -                         | -                         |
| - to improve the level of service                                       |       | 1              | 1                      | 1                         | 1                         |
| - to replace existing assets  |       | -              | -                      | -                         | 1                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2     | <b>2</b>       | <b>2</b>               | <b>1</b>                  | <b>2</b>                  |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is primarily due to the reallocation of cost from regional to local activities.
2. Application of capital funding – increase is due to deferral from 2013/2014 of the Fort Takapuna Heritage project.

## Funding Impact Statements

For the year ended 30 June 2015

### 5.3 Regulation – Funding Impact Statement

| \$ million  | Notes    | Actual     | Annual     | Long-term  | Long-term  |
|---|----------|------------|------------|------------|------------|
|   |          | 2015       | Plan       | Plan       | Plan       |
|   |          | 2015       | 2015       | 2015       | 2014       |
| <b>Sources of operating funding:</b>                                    |          |            |            |            |            |
| General rates, UAGCs, rates penalties                                   |          | 71         | 71         | 76         | 68         |
| Targeted rates  |          | -          | -          | -          | -          |
| Subsidies and grants for operating purposes                             |          | -          | -          | -          | -          |
| Fees and charges  | 4        | 146        | 141        | 120        | 120        |
| Internal charges and overheads recovered                                |          | -          | -          | -          | -          |
| Local authorities fuel tax, fines, infringement fees and other receipts |          | 1          | -          | 3          | -          |
| <b>Total operating funding</b>  |          | <b>218</b> | <b>212</b> | <b>199</b> | <b>188</b> |
| <b>Applications of operating funding:</b>                               |          |            |            |            |            |
| Payment to staff and suppliers  | 5        | 146        | 142        | 126        | 123        |
| Finance costs   |          | 11         | 10         | 13         | 9          |
| Internal charges and overheads applied                                  |          | 54         | 54         | 53         | 52         |
| Other operating funding applications                                    |          | -          | -          | -          | 4          |
| <b>Total applications of operating funding</b>                          | <b>1</b> | <b>211</b> | <b>206</b> | <b>192</b> | <b>188</b> |
| <b>Surplus (deficit) of operating funding</b>                           |          | <b>7</b>   | <b>6</b>   | <b>7</b>   | <b>-</b>   |
| <b>Sources of capital funding:</b>                                      |          |            |            |            |            |
| Subsidies and grants for capital expenditure                            |          | -          | -          | -          | -          |
| Development and financial contributions                                 |          | -          | -          | -          | -          |
| Increase (decrease) in debt   |          | 44         | 77         | 51         | 92         |
| Gross proceeds from sale of assets                                      |          | -          | -          | -          | -          |
| Lump sum contributions  |          | -          | -          | -          | -          |
| Other dedicated capital funding   |          | -          | -          | -          | -          |
| <b>Total sources of capital funding</b>                                 |          | <b>44</b>  | <b>77</b>  | <b>51</b>  | <b>92</b>  |
| <b>Applications of capital funding:</b>                                 |          |            |            |            |            |
| Capital expenditure:  |          |            |            |            |            |
| - to meet additional demand   |          | -          | -          | -          | -          |
| - to improve the level of service                                       | 2        | 4          | 12         | -          | -          |
| - to replace existing assets  |          | -          | 1          | -          | -          |
| Increase (decrease) in reserves   | 3        | 47         | 70         | 58         | 92         |
| Increase (decrease) in investments                                      |          | -          | -          | -          | -          |
| <b>Total applications of capital funding</b>                            | <b>6</b> | <b>51</b>  | <b>83</b>  | <b>58</b>  | <b>92</b>  |
| <b>Surplus (deficit) of capital funding</b>                             |          | <b>(7)</b> | <b>(6)</b> | <b>(7)</b> | <b>-</b>   |
| <b>Funding balance</b>  |          | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is primarily due to additional set-up costs for both the new liquor licensing legislation and the Integrated Bylaw Review and Implementation project.
2. Level of service capital expenditure – increase is primarily due to software system upgrades to the Integrated Bylaws and the Vehicle Fit-out (field services transition) projects.





3. Increase in reserves – increase is due to changes in forecast weathertightness claim payments.

Variance explanation Actual 2015 to Annual Plan 2015:

4. Fees and charges above budget due to:
  - growth in the number of inspections carried out, actual 124,422 versus budget of 118,544
  - Increase in building activity as well as increased activity in the property market across Auckland region in the last 12 months
  - increased number of consents received and two per cent fee increase.
5. Payment to staff and suppliers above budget due to additional staff and external consultants employed to process higher number of consent and inspection volumes and to meet statutory timeframes of processing consent applications.
6. Capital expenditure \$32 million below budget mainly due to smaller number of weathertightness claims than expected. This was due to the fact that multi-storey dwellings are larger claims with several parties involved and therefore take longer to go through the courts before they are settled. \$7 million underspend on integrated bylaw review programme project due to delays in the implementation, causing a number of bylaw projects to be deferred to 2016. Capital expenditure is below budget, which resulted in a lower capital funding requirement.





## 6. Theme: Para mārō Solid waste



Waitākere Resource Recovery Centre

## Introduction

We aim to have zero waste by 2040 so that almost nothing goes into landfills and we recycle, reuse or recover virtually everything. Together with our waste management and minimisation plan, and advocacy to take more responsibility with our waste, we can turn this problem into a resource.

Within this theme we deliver waste and recycling services.

### Summary of non-financial performance measures

| Group of activities              |  |  |  |  |  | Total measures |
|----------------------------------|---|---|---|---|---|----------------|
| 6.1 Waste and recycling services | 2   | 1   | 0   | 1   | 0   | 4              |
| <b>Totals</b>                    | <b>2</b>  | <b>1</b>  | <b>0</b>  | <b>1</b>  | <b>0</b>  | <b>4</b>       |



## Commentary

### 6.1 Waste and recycling services

#### What we do

We provide collection and disposal services, kerbside recycling, and community advice and education.

#### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 109         | 107              |
| Total applications of operating funding | 104         | 106              |
| Surplus (deficit) of operating funding  | 5           | 1                |
| Total applications of capital funding   | 3           | 8                |

\*See table 6.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- recycling
- waste collection and disposal.

Key achievements include:

- Sixty-six grants valued at \$600,000 were allocated through the Waste Minimisation and Innovation Fund (WMIF) to businesses, mana whenua and community groups, to reduce and minimise the amount of waste going to landfill.
- We started a number of initiatives to improve the low number of mana whenua and mataawaka applications to the WMIF. We targeted kaitiaki communications and promotional material, kōrero at mana whenua hui on the fund, at zero waste events and other community-based events run by Māori organisations, engaged through the Para Kore ki Tāmaki Project and worked with our Te Waka Angamua team to identify opportunities for further alignment.
- Launching the Make the Most of Waste education and engagement campaign in September 2014 with a focus on recycling right. The month-long campaign included

community engagement through door-to-door visits, and a media campaign using new animated characters – Tin Can and Plastic. This campaign is part of a suite of measures to help Aucklanders transition to new waste services, focused on achieving zero waste to landfill by 2040.

- Recycling services provided to over 510,000 households, collecting about 115,000 tonnes of recycling.
- Successful delivery of the weekly organic food scraps collection trial across 2000 households in Takapuna, Milford and Forrest Hill, diverting 15 tonnes of food waste per month. Feedback from participants was positive.
- Introduction of a weekly organic food scraps trial in Solveig Place, Manurewa and with students at Edmund Hillary College in Papakura. Participation was high at about 70 per cent and we diverted between 4-5 kilograms of food waste per household per week. We received overwhelmingly positive feedback from the community and other social benefits.
- Development of a new regional composting programme, Compost Collective, with an online network of technical composting experts to provide support to individuals and organisations. It also incorporates engagement with targeted communities, particularly those with English as a second language.
- Our waste minimisation learning centres hosted over 9000 people, most of them students.
- Completion of a Zero Waste Experience Hub for visitors to the learning centre at the Waitākere Transfer Station. This hub includes an interactive experience trail, a makerspace workshop and the renovated classroom. Over 80 per cent of the new features were constructed from materials gathered from the refuse transfer station.
- Further development of the Resource Recovery Network, with contracts awarded to local community groups to operate both



the Waiuku and Helensville community recycling centres.

- Through recognition of kaitiakitanga and the mauri of resources we developed partnerships with mana whenua and mataawaka to support sustainable development of waste minimisation, Māori outcomes, leadership and community. Specifically in 2014/2015:
  - Ngāti Whātua Ōrākei delivered the Para Kore Ki Tāmaki programme to support marae across Auckland to become zero waste. To date, 20 marae are taking part.
  - The Para Kore Ki Tāmaki team also championed waste minimisation at several large-scale Māori events and is developing a zero waste event management social enterprise.
  - In the south, mana whenua and mataawaka have been actively engaged in the scoping for two community recycling centres to support development of the region's resource recovery network, and to work towards creating a mindset and behaviour change that sees waste as a resource. For example, Papatūānuku ki Kōrkiri in Māngere co-hosted a number of skill-share events to increase knowledge, skills and expertise on waste.
  - We supported the establishment of a growing network of volunteer waste champions who are being supported to inspire family, whānau, friends and neighbours to reduce and minimise their waste by integrating a Māori world view into all engagement. We co-led these initiatives with a number of Māori organisations.
  - Organic food waste trials in Manurewa and with Edmund Hillary Primary School in Papakura were

developed and implemented with community partners who have a Māori kaupapa. We also highlighted how this new service cares for Papatūānuku.

- Ngāti Rehua Ngātiwai Ki Aotea Trust received WMIF funding for a feasibility study for resource recovery activities on Great Barrier Island.
- We have started planning a number of initiatives that will contribute to achieving our long term objective of having zero waste by 2040:
  - Establishing a regional Resource Recovery Network supported by community recycling centres to enable waste to be used as a resource.
  - The delivery of a consistent on-property, pre-booked inorganic collection service for the Auckland region.
  - Delivering a fully comingled recycling collection service to legacy Rodney, Waitakere, North Shore areas from July 2016.
  - Introducing an organics collection service in the urban areas of Auckland.

#### **How we performed**

Overall, we substantially met our levels of service for waste and recycling services, with two performance targets achieved and one substantially achieved out of a total of four. The percentage of domestic kerbside collection material being recycled is just below target owing to an increase in the volume of contaminated recycling being collected. There is room to improve on good recycling and composting habits among Aucklanders, which will be addressed through campaigns like Recycle Right and community education and engagement.



| Level of service  | Performance measure   | Status | 2015 actual          | 2015 target                 | 2014 actual |
|---|---|--------|----------------------|-----------------------------|-------------|
| Provide reliable household waste collection and disposal services | Percentage of waste collections completed on time   |        | 100%                 | 99.5%                       | 99.9%       |
| Provide reliable waste recycling services                         | Percentage of waste recycling collections completed on time   |        | 100%                 | 99%                         | 99.9%       |
|   | Percentage of material (refuse and recycling) collected in domestic kerbside collections that is recycled |        | 37% <sup>(1)</sup>   | 40%                         | 39%         |
|   | Domestic kerbside refuse per capita (kg)  |        | 152kg <sup>(2)</sup> | Less than or equal to 150kg | 150kg       |

**Notes:**

1. Although the amount of total recycling collected at kerbside is similar to last year, there has been an increase in the volume of contaminated recycling that is subsequently landfilled.
2. The council's objective is zero waste to landfill by 2040 and a lower kg per capita means less generation of waste and therefore less waste ends up in landfills. This statistic is calculated by dividing the total domestic kerbside refuse tonnage data available (collected at kerbside by council and private companies) by population data.

## Funding Impact Statement

For the year ended 30 June 2015

### 6.1 Waste and recycling services

| \$ million  | Notes | Actual     | Annual Plan | Long-term Plan | Long-term Plan |
|---|-------|------------|-------------|----------------|----------------|
|   |       | 2015       | 2015        | 2015           | 2014           |
| <b>Sources of operating funding:</b>                                    |       |            |             |                |                |
| General rates, UAGCs, rates penalties                                   |       | 12         | 12          | 10             | 10             |
| Targeted rates  |       | 68         | 68          | 70             | 63             |
| Subsidies and grants for operating purposes                             |       | 5          | 5           | 5              | 4              |
| Fees and charges  |       | 22         | 20          | 21             | 20             |
| Internal charges and overheads recovered                                |       | -          | -           | -              | -              |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 2          | 2           | 3              | 3              |
| <b>Total operating funding</b>  |       | <b>109</b> | <b>107</b>  | <b>109</b>     | <b>100</b>     |
| <b>Applications of operating funding:</b>                               |       |            |             |                |                |
| Payment to staff and suppliers  |       | 80         | 82          | 97             | 89             |
| Finance costs   |       | -          | -           | -              | -              |
| Internal charges and overheads applied                                  |       | 24         | 24          | 11             | 11             |
| Other operating funding applications                                    |       | -          | -           | -              | -              |
| <b>Total applications of operating funding</b>                          |       | <b>104</b> | <b>106</b>  | <b>108</b>     | <b>100</b>     |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>5</b>   | <b>1</b>    | <b>1</b>       | <b>-</b>       |
| <b>Sources of capital funding:</b>                                      |       |            |             |                |                |
| Subsidies and grants for capital expenditure                            |       | -          | -           | -              | -              |
| Development and financial contributions                                 |       | -          | -           | -              | -              |
| Increase (decrease) in debt   |       | (2)        | 7           | 4              | -              |
| Gross proceeds from sale of assets                                      |       | -          | -           | -              | -              |
| Lump sum contributions  |       | -          | -           | -              | -              |
| Other dedicated capital funding   |       | -          | -           | -              | -              |
| <b>Total sources of capital funding</b>                                 |       | <b>(2)</b> | <b>7</b>    | <b>4</b>       | <b>-</b>       |
| <b>Applications of capital funding:</b>                                 |       |            |             |                |                |
| Capital expenditure:  |       |            |             |                |                |
| - to meet additional demand   |       | -          | -           | -              | -              |
| - to improve the level of service                                       |       | 1          | 7           | 4              | -              |
| - to replace existing assets  |       | 2          | 1           | 1              | -              |
| Increase (decrease) in reserves   |       | -          | -           | -              | -              |
| Increase (decrease) in investments                                      |       | -          | -           | -              | -              |
| <b>Total applications of capital funding</b>                            | 1,2   | <b>3</b>   | <b>8</b>    | <b>5</b>       | <b>-</b>       |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(5)</b> | <b>(1)</b>  | <b>(1)</b>     | <b>-</b>       |
| <b>Funding balance</b>  |       | <b>-</b>   | <b>-</b>    | <b>-</b>       | <b>-</b>       |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of capital funding – increase is primarily due to the introduction of the Waste Minimisation project.

Variance explanation Actual 2015 to Annual Plan 2015:

2. Capital expenditure below budget due to deferral of automation of wheelie bin collection until 2016 due to technical issues with IS, and Inorganics booking system roll out has been deferred to September 2015.



## 7. Theme: Te waiora me ngā waiparapara Water supply and wastewater



Wairoa Dam in the Hunua Ranges

## Introduction

We provide water supply and wastewater treatment services across Auckland. We also maintain and upgrade our existing infrastructure while adding new infrastructure ranging from pipes to treatment plans to accommodate current needs and future growth.

Within this theme we deliver:

- water supply
- wastewater.






These activities are delivered by Watercare, except in Papakura where Veolia Water manages the retail network<sup>(1)</sup>.

Water supply and wastewater treatment represent some of our most significant infrastructure, comprising \$8.5 billion worth of assets including: 12 dams, 15 bores and springs, 3 river sources, 19 water treatment plans, 90 reservoirs, 8938km of clean water pipes, 90 water pump stations, 7834km of wastewater pipes, 500 wastewater pump stations and 18 wastewater treatment plants.

Watercare supplies around 326 million litres of drinking water to Aucklanders and treats around 400 million litres of wastewater and trade waste every day. Water is drawn from around 27 sources, treated and delivered to homes and businesses via a vast network of pipes and reservoirs. It also collects, treats and disposes of wastewater, including trade waste from industry.

Watercare delivers a two-pronged strategy of maintaining and improving existing infrastructure while also planning for future population growth, with an expected capital investment of nearly \$5 billion over the next 10 years. This investment ranges from local networks to high-value projects such as the Central Interceptor and Hunua 4 watermain.

## Summary of non-financial performance measures

| Group of activities                   |  |  |  |  |  | Total measures |
|---------------------------------------|---|---|---|---|---|----------------|
| 7.1 Water supply                      | 11  | 0   | 0   | 0   | 0   | 11             |
| 7.2 Wastewater treatment and disposal | 3   | 1   | 0   | 0   | 0   | 4              |
| <b>Totals</b>                         | <b>14</b>   | <b>1</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>15</b>      |

<sup>(1)</sup> The results in this report do not include Veolia's performance. The Franchise Agreement between Papakura District Council (succeeded to Watercare Services Limited) and Veolia Water Services (ANZ) PTY Ltd (Veolia) provides mechanisms to monitor Veolia's performance in regard to obligations under the Franchise Agreement. This includes the setting of customer charges for Papakura customers, compliance with Ministry of Health standards for water distribution networks, and the operation and maintenance of assets managed under the Franchise Agreement. Watercare monitors Veolia's performance in relation to those obligations in accordance with the mechanism allowed under the agreement.





# Commentary

## 7.1 Water supply

### What we do

We supply Auckland's daily water needs and plan future water infrastructure and water sources to support Auckland's growth.

### What we spent

| Funding Impact Statement Summary (\$M)*                | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding <sup>(1)</sup>                 | 175         | 164              |
| Total applications of operating funding <sup>(2)</sup> | 117         | 93               |
| Surplus (deficit) of operating funding                 | 58          | 71               |
| Total applications of capital funding <sup>(3)</sup>   | 131         | 163              |

1. Total of operating funding is higher than budget due to increased infrastructure growth charge income.
2. Operating expenditure is ahead of budget due to increased finance cost.
3. Capital expenditure below budget due to project delays and deferrals.

\*See table 7.1 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered this activity:

- water supply services.

Key achievements include:

- Met all targets for relating to water safety, Ministry of Health drinking water standards and service reliability.
- Continued the southern networks upgrade programme by connecting Clarks Beach, Glenbrook, Patumahoe and Waiuku Pā in Franklin to the metropolitan water supply from Waikato, improving the water quality and reliability of supply to these towns.
- Upgraded the three water treatment plants in Waiuku with ultra-violet disinfection treatment to improve water quality.












- Continued working on the Hunua 4 watermain to ensure capacity and to cater for Auckland's growth. Hunua 4 is already providing water to local communities in large parts of Manukau and east Auckland. Areas in Māngere will start to get supply from this pipeline in late 2015.
- Continued preliminary design work on the overall pipeline route for North Harbour No.2 watermain. Advance works began on Fred Taylor Drive in conjunction with Auckland Transport's project to upgrade this road corridor, demonstrating the commitment to a dig-once initiative.
- Continued working with Mana Whenua Kaitiaki Forum on several initiatives of mutual interest including:
  - Te Toa Takitini, the group's Māori responsiveness programme.
  - Wai Ora – Wai Māori freshwater programme, through the engagement of a pūkenga–specialist navigator for mātauranga Māori knowledge on values applicable to the management of freshwater.
  - Whai Rawa, the council's economic well-being programme.
  - Provided technical advice to rural marae on their drinking water facilities.
  - Developed and participated in innovative collaborative models with Waikato River iwi.

### How we performed

For the 2014/2015, Watercare met all the performance targets relating to water supply, including customer satisfaction levels, service reliability, quality of water supplied, customer complaints and managing the network losses of water.

A 100 per cent of metropolitan water treatment plants and water supply reticulation achieved

top grades from the Ministry of Health.

| Level of service  | Performance measure  | Status  | 2015 actual         | 2015 target                  | 2014 actual |
|---|--|---|---------------------|------------------------------|-------------|
| Provide uninterrupted access to safe, clean and drinkable water | Percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services                                  |    | 85%                 | 80%                          | 84.7%       |
|   | Percentage compliance with Ministry of Health drinking water standards for graded plants (excluding minor or technical non-compliance) |    | 100%                | 100%                         | 100%        |
|   | Number of unplanned water interruptions per 1000 connected properties  |    | 6.6                 | Less than 10                 | 8.1         |
|   | Percentage of metropolitan water treatment plants achieving Grade 'A' <sup>(1)</sup>   |    | 100% <sup>(4)</sup> | 100% <sup>(3)</sup>          | 100%        |
|   | Percentage of metropolitan water supply reticulation achieving Grade 'a' <sup>(2)</sup>  |    | 100% <sup>(4)</sup> | 100% <sup>(3)</sup>          | 100%        |
|   | Percentage of non-metropolitan water treatment plants achieving Grade 'A' <sup>(1)</sup>   |   | 50% <sup>(4)</sup>  | ≥45% <sup>(3)</sup>          | 37.5%       |
|   | Percentage of non-metropolitan water supply reticulation achieving Grade 'a' <sup>(2)</sup>  |  | 64% <sup>(4)</sup>  | ≥25% <sup>(3)</sup>          | 40%         |
|   | Percentage of unplanned water shut downs restored within five hours  |  | 96.4%               | Greater than or equal to 95% | 97.4%       |
|   | Number of water quality complaints (taste, odour, appearance) per 1000 water supply connections  |  | 4.7                 | Less than 5                  | 5.9         |
|   | Percentage of complaints being 'resolved and closed' within 10 working days  |  | 98.5%               | 95%                          | 94.2%       |
|   | Percentage of annual potable water network losses measured as total network volume   |  | 12.95%              | 13%                          | 13.9%       |

**Notes:**

1. Grade 'A' is awarded for water treatment plants achieving a 'completely satisfactory, extremely low level of risk'. The assessment is based on source and treatment factors, as defined in the Ministry of Health's 'Public Health Grading of Community Drinking – Water Supplies 2003'.
2. Grade 'a' is awarded for water supply reticulation network achieving a 'completely satisfactory, extremely low level of risk'. The assessment is based on the reticulation condition, management and water quality, as defined in the Ministry of Health's 'Public Health Grading of Community Drinking Water Supplies 2003'.
3. The reported target is for the year 2013/2014. An explanation is provided in note 4 below.
4. The reported result is based on the grading achieved in November 2014, for the year beginning 1 July 2013 and ending 30 June 2014. The 2014/2015 result will be available after the grading in November 2015 for the year beginning 1 July 2014 and ending 30 June 2015.



## 7.2 Wastewater treatment and disposal

### What we do

We manage the collection, treatment and disposal of wastewater and plan future wastewater treatment infrastructure to support Auckland's growth.

### What we spent

| Funding Impact Statement Summary (\$M)*                | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                                | 305         | 310              |
| Total applications of operating funding <sup>(1)</sup> | 183         | 202              |
| Surplus (deficit) of operating funding                 | 122         | 108              |
| Total applications of capital funding <sup>(2)</sup>   | 142         | 160              |

1. Operating expenditure is lower than budget due to reduced finance cost.
2. Capital expenditure below budget due to project delays and deferrals.

\*See table 7.2 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered this activity:

- wastewater treatment and disposal.

Key achievements include:

- Continued work on gaining the resource consents for the \$950 million Central Interceptor tunnel. This included the start of detailed design and field investigations such as geotechnical investigations, land surveys and wastewater characterisation studies. The central interceptor will address the risk of ageing infrastructure in the Manukau Harbour and reduce wet weather overflows.
- Awarded the tender for construction of additional reactors at Māngere





Wastewater Treatment Plant to ensure continued compliance with consent conditions and cater for population growth.

- Started placing biosolids on Puketutu Island in December 2014. This is an environmentally sustainable way to dispose of biosolids from the Māngere plant while rehabilitating formerly quarried land.
- Began detailed design for the expansion of the Rosedale Wastewater Treatment Plant which will rebalance the capacity of Auckland's wastewater network.
- Awarded a design contract for the Army Bay wastewater outfall which to meet population growth.
- Working with mana whenua in the preparation of a substantial wastewater resource report to enable well-informed decision-making, including a tour of wastewater treatment plants in the Waikato and Bay of Plenty.

### How we performed

Watercare met all performance targets except one: percentage of wastewater discharged that was compliant with consent conditions, where we achieved 99 per cent of the target. We could not achieve a 100 per cent for this particular measure because of a one-off incident in the Mangere Wastewater Treatment Plant during December 2014 where huge inflows due to storms overloaded the secondary treatment process and limited its effectiveness.

The other performance targets were fully met and relate to wastewater network capacity and reliability, and the quality of wastewater treated and discharged at the non-metropolitan wastewater treatment plants.

| Level of service  | Performance measure   | Status   | 2015 actual        | 2015 target             | 2014 actual |
|---|---|--|--------------------|-------------------------|-------------|
| Provide reliable wastewater services and manage discharges to maintain or improve the health of the environment | Number of sewer bursts and chokes per 1000 properties   |  | 7.7                | Less than 10            | 8.8         |
|   | Number of dry weather sewer overflows per 100km of wastewater pipe length per year  |  | 1.9                | Less than or equal to 5 | 1.8         |
|   | Percentage of wastewater discharged that is compliant with consent discharge requirements (excluding minor or technical non-compliance) for metropolitan areas <sup>(1)</sup> |  | 99% <sup>(2)</sup> | 100%                    | 100%        |
|   | Percentage of wastewater discharged that is compliant with consent discharge requirements (excluding minor or technical non-compliance) for non-metropolitan areas            |  | 77%                | 35%                     | 64%         |

**Note:**

1. A minor and technical non-compliance is treated as a transient, short-term transgression from discharge consent standards that has no material long-term effect on the environment.
2. This was due to the storm incident at Mangere in December 2014.



## Funding Impact Statements

For the year ended 30 June 2015

### 7.1 Water supply

| \$ million  | Notes      | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|------------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |            |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |            | (2)            | (2)                    | -                         | -                         |
| Targeted rates  |            | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |            | -              | -                      | -                         | -                         |
| Fees and charges  | 4          | 137            | 137                    | 148                       | 142                       |
| Internal charges and overheads recovered                                |            | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts | 5          | 40             | 29                     | 46                        | 34                        |
| <b>Total operating funding</b>  | <b>1</b>   | <b>175</b>     | <b>164</b>             | <b>194</b>                | <b>176</b>                |
| <b>Applications of operating funding:</b>                               |            |                |                        |                           |                           |
| Payment to staff and suppliers  |            | 75             | 77                     | 85                        | 82                        |
| Finance costs   | 6          | 42             | 16                     | 23                        | 15                        |
| Internal charges and overheads applied                                  |            | -              | -                      | -                         | -                         |
| Other operating funding applications                                    |            | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | <b>2</b>   | <b>117</b>     | <b>93</b>              | <b>108</b>                | <b>97</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |            | <b>58</b>      | <b>71</b>              | <b>86</b>                 | <b>79</b>                 |
| <b>Sources of capital funding:</b>                                      |            |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |            | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |            | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |            | 73             | 92                     | 92                        | 130                       |
| Gross proceeds from sale of assets                                      |            | -              | -                      | -                         | -                         |
| Lump sum contributions  |            | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |            | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |            | <b>73</b>      | <b>92</b>              | <b>92</b>                 | <b>130</b>                |
| <b>Applications of capital funding:</b>                                 |            |                |                        |                           |                           |
| Capital expenditure:  |            |                |                        |                           |                           |
| - to meet additional demand   |            | 63             | 78                     | 73                        | 91                        |
| - to improve the level of service                                       |            | 42             | 51                     | 62                        | 75                        |
| - to replace existing assets  |            | 26             | 34                     | 43                        | 43                        |
| Increase (decrease) in reserves   |            | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |            | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | <b>3,7</b> | <b>131</b>     | <b>163</b>             | <b>178</b>                | <b>209</b>                |
| <b>Surplus (deficit) of capital funding</b>                             |            | <b>(58)</b>    | <b>(71)</b>            | <b>(86)</b>               | <b>(79)</b>               |
| <b>Funding balance</b>  |            | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Source of operating funding – decrease is primarily due to reduced infrastructure growth charges relating to lower projections of new connections.



2. Application of operating funding – decrease is primarily due to improved business efficiencies.
3. Application of capital funding – decrease is primarily due to a review of the timing of delivery of the capital programme.

Variance explanation Actual 2015 to Annual Plan 2015:

4. Fees and charges includes Watercare's metered water charges. Auckland Council does not need to disclose this in the targeted rate as they are not assessed under section 19 of the Local Government (Rating) Act 2002, therefore they are correctly disclosed within the Fees and Charges lines in the Funding Impact Statements.
5. Local authorities' fuel tax, fines, infringement fees and other receipts are above budget due to higher infrastructure growth charge income as a result of increase in new development.
6. Finance costs are higher than budget due to incorrect plan allocation between Water Supply and Sewage Treatment.
7. Capital expenditure was \$32 million lower than budget due to:
  - The Helensville Watermain project of \$13 million ground development project discontinued due to discovering insufficient water on the bore sites and a new watermain was being proposed that would connect Helensville into Auckland's metropolitan water supply
  - The North Harbour Duplication project of \$12 million due to Schnapper Rock Pump Station and Reservoir works deferred to 2016
  - A number of smaller actuals to plan variances within \$2 million make up \$14 million
  - This has been offset by an overspend on the Hunua No.4 water supply scheme as a result of the pipe production being ahead of programme.Capital expenditure is below budget, which resulted in a lower capital funding requirement.



## Funding Impact Statements

For the year ended 30 June 2015

### 7.2 Wastewater treatment and disposal

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | -              | -                      | -                         | -                         |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | 281            | 289                    | 309                       | 296                       |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 24             | 21                     | 25                        | 25                        |
| <b>Total operating funding</b>  | 1     | <b>305</b>     | <b>310</b>             | <b>334</b>                | <b>321</b>                |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  | 4     | 126            | 122                    | 129                       | 125                       |
| Finance costs   | 5     | 57             | 80                     | 88                        | 85                        |
| Internal charges and overheads applied                                  |       | -              | -                      | -                         | -                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 2     | <b>183</b>     | <b>202</b>             | <b>217</b>                | <b>210</b>                |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>122</b>     | <b>108</b>             | <b>117</b>                | <b>111</b>                |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 20             | 52                     | 46                        | 22                        |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>20</b>      | <b>52</b>              | <b>46</b>                 | <b>22</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 54             | 66                     | 62                        | 50                        |
| - to improve the level of service                                       |       | 38             | 46                     | 53                        | 35                        |
| - to replace existing assets  |       | 50             | 48                     | 48                        | 48                        |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 3,6   | <b>142</b>     | <b>160</b>             | <b>163</b>                | <b>133</b>                |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(122)</b>   | <b>(108)</b>           | <b>(117)</b>              | <b>(111)</b>              |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Sources of operating funding – decrease is primarily driven by reduced infrastructure growth charges relating to lower projections for new connections.
2. Application of operating funding – decrease is primarily due to improved business efficiencies.

3. Application of capital funding – decrease is primarily due to a review in the timing in delivery of the capital programme.

Variance explanation Actual 2015 to Annual Plan 2015:

4. Payment to staff and suppliers above budget due to increase in repairs and maintenance of the retail network through volume and cost increases and also increased Māngere WWTP & building maintenance and additional laboratory testing arising from the contamination of two dams in the Hunua Ranges.
5. Finance costs are lower than budget due to incorrect plan allocation between Water Supply and Sewerage Treatment.
6. Capital expenditure was \$18 million lower than budget mainly due to:
  - The North Shore Trunk Sewer upgrades of \$10m due to contaminated site delays on the Fred Thomas Drive Wastewater and storage tank project
  - The Manukau Eastern Suburbs Area Servicing of \$9 million due to delay in obtaining consents, changes to mining regulation and design changes required to avoid several site constraints.Capital expenditure is below budget, which resulted in a lower capital funding requirement.



## 8. Theme: Wai-ua me ngā puke pāpuni Stormwater and flood protection



The council maintains Auckland's stormwater system

## Introduction

Our stormwater infrastructure is designed to minimise the impact of stormwater going into our streams, beaches, harbours and surrounding habitats. This is becoming increasingly important as Auckland grows and we need to protect our biodiversity, land, waterways and oceans.

Within this theme we deliver:

- stormwater management
- flood protection and control.

Auckland Council has \$4.1 billion of stormwater assets including 6000km of stormwater pipes, 20,000km of streams, 150,000 manholes and 370 ponds and wetlands. The council manages and operates this stormwater infrastructure, ensuring that flows are managed cost-effectively, and that adverse impacts on public health and safety, the environment, public and private property and the economy are reduced.

### Summary of non-financial performance measures

| Group of activities              |  |  |  |  |  | Total measures |
|----------------------------------|---|---|---|---|---|----------------|
| 8.1 Stormwater management        | 5   | 1   | 0   | 1   | 0   | 7              |
| 8.2 Flood protection and control | 2   | 0   | 0   | 0   | 0   | 2              |
| <b>Totals</b>                    | <b>7</b>  | <b>1</b>  | <b>0</b>  | <b>1</b>  | <b>0</b>  | <b>9</b>       |





## Commentary

### 8.1 Stormwater management

#### What we do

We manage the stormwater network to minimise the negative effects of stormwater.

#### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 74          | 74               |
| Total applications of operating funding              | 46          | 47               |
| Surplus (deficit) of operating funding               | 28          | 27               |
| Total applications of capital funding <sup>(1)</sup> | 63          | 80               |

1. Capital expenditure is below budget due to deferral of Stormwater projects into future years to meet capex cost savings programme.

\*See table 8.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- network planning
- stormwater catchment
- stormwater operations and maintenance.

Key achievements include:

- Delivery of 100 per cent of the annual stormwater capital works programme to enable safe and sustainable growth and to protect Aucklanders from the risks of flooding. Key major projects delivered included Queen Street renewal, Browns Bay Culvert Relining, Pukekohe Railway Station renewal upgrade and completed outfall improvements in Kawakawa Bay.
- Completed the design of the Artillery Drive stormwater project and began the procurement process for the \$22 million Artillery Drive stormwater tunnel. This is a significant stormwater project to construct a large pipeline tunnel to decrease flooding extents upstream of Pāhurehure Inlet and enable growth and development in the Takanini area.
- Progressing the Sunnynook Pond project

to preliminary design phase with construction scheduled for 2016/2017.

- We are in the process of undertaking the physical works to desilt and upgrade the Onepoto Dams. Due to delays in the consenting processes, the construction works have only just commenced and the work is expected to be completed in late 2015.
- Continued to work on developing solutions for the Takapuna Beach Outfalls project.
- Some progress was made on the Freemans Bay outfalls project. This work programme has been split into three separate projects:
  - Lighter Quay is in the preliminary design phase with construction scheduled for 2016/2017.
  - The Halsey Street diversion has been cancelled due to the conflict with major underground power cables.
  - The Western diversion is on hold because it is dependent on the specifics of the harbour crossing project.
- Delivered the \$20 million stormwater operations and maintenance work programme and responded to approximately 5000 requests for service.
- Surveying 100km of critical pipes and completed the 2015 stormwater infrastructure valuation of all our stormwater assets. This will significantly reduce the risk of asset failure and directly supports our renewals programme.
- Completed the 2015-2045 Stormwater Asset Management Plan. This plan will guide all aspects of stormwater management in the region to manage our \$4 billion stormwater network. Over the next 30 years, there is \$2.4 billion of investment in capital expenditure planned and \$3.6 billion in operating expenditure.
- Supported the Proposed Auckland Unitary Plan processes. Participated in mediation

meetings and hearings, provided expert advice and evidence in regard to flooding, contaminants, water sensitive design and environmental aspects.

- Received the Arthur Mead Environmental Award 2015 for the Alexandra Stream Enhancement Project in Oteha Valley, from the Institute of Professional Engineers New Zealand. This was awarded for an innovative and collaborative stormwater project that delivered multiple benefits such as improved water and habitat quality of the Alexandra Stream, in conjunction with a community cycleway next to the stream corridor.
- A Stormwater Bylaw was developed and adopted to provide a consistent regulatory approach for stormwater management across Auckland. This bylaw will come into force on 1 November 2015.
- Consulting on the stormwater regional Network Discharge consent process with all 21 local boards and mana whenua. This single consent replaces the 10 catchment management plans for the region that were previously being developed and will give the council the authority to divert and discharge stormwater from the public urban network.
- We have enabled growth by providing key support for the Housing Project Office. This included delivering stormwater management plans for key special housing areas such as Crows Road, Scott Point, Belmont, Hingaia Karla, Huapai Triangle, Oruarangi Road, Wesley and Hingaia Karaka Lakes South.

We recognise that as kaitiaki, water holds special value and obligations for Māori. In recognition of these kaitiakitanga responsibilities, we have strengthened our working relationship with Auckland's mana whenua groups by:

- Regularly meeting with mana whenua groups on an individual basis. These one-to-one meetings aim to address specific issues that may be of a particular concern to each mana whenua group, as well as identify opportunities for collaboration and capacity building in both organisations.
- Workshopping with mana whenua on the development of project assessment criteria and tools based on the mauri model. The aim of this initiative is to educate stormwater unit engineers on how to incorporate Māori cultural values into their project scoping and decision-making, as well as providing a mechanism for demonstrating to mana whenua the qualitative benefits of stormwater projects on the enhancement of mauri. The development of this tool has been positively received by participating mana whenua groups.
- Regular engagement on capital infrastructure projects, focusing on the potential effects from excavation works on areas of cultural importance such as waahi tapu, and how these are managed, for instance through the use of the accidental discovery protocols and cultural monitoring.
- We are partnering with several mana whenua groups on enhancing culturally significant waterways located within their rohe. Partnership projects include stream daylighting at Ōkahu Bay with Ngāti Whātua Ōrākei, creation of a wetland for the Oruarangi with Te Ahiwaru, and working closely with several mana whenua groups in the enhancement of Te Auaunga Awa–Oakley Creek.
- Working collaboratively with mana whenua in the design of new stormwater infrastructure for Special Housing Areas. These designs have been based on the water sensitive design philosophy, which focuses on the protection and enhancement of streams, and emphasises a treatment train approach in which stormwater is returned to the ground as far as practicable.
- We have taken opportunities to enhance water quality and riparian planting in our renewal projects where they arise. Examples include the rehabilitation of stormwater ponds and wetlands as part of their regular cleaning and maintenance cycles, mitigation of outfall erosion, as well as accelerated condition assessments of pipelines running through closed landfills.



- Delivered on the regional fish passages programmes by removing obstacles to native fish migration and increasing biodiversity. Fish barrier removal has occurred at Great Barrier, Waiheke, Hunua Ranges and the Waitākere Ranges, and will continue to be rolled out across the region.

### How we performed

We mostly met our level of service to mitigate the risks of flooding, with five performance measure targets achieved and one substantially achieved out of seven.

The customer experience target was nearly met. Additional efforts are being made to keep customers informed on the progress of their requests and improvements have already been observed.

We estimated most stormwater requests were responded to within timeframes. There were issues validating the information from our contractors, which we anticipate will be addressed with the introduction of our new stormwater asset management system in December 2015.

| Level of service   | Performance measure   | Status | 2015 actual        | 2015 target      | 2014 actual        |
|--|---|--------|--------------------|------------------|--------------------|
| Mitigate the risks of flooding by constructing and maintaining reliable, effective, sustainable and future-proofed stormwater systems and networks and manage the detrimental effects of stormwater on the environment | Percentage of customers satisfied with stormwater management  |        | 49% <sup>(1)</sup> | Greater than 50% | 50%                |
|  | Percentage of mana whenua satisfied with stormwater management  |        | 13%                | 10%              | 7%                 |
|  | Number of blockages in the stormwater network per 100km   |        | 7.3                | Less than 20     | 8.22               |
|  | Percentage of urgent stormwater requests responded to within two hours                                  |        | 80% <sup>(2)</sup> | Greater than 90% | 80% <sup>(2)</sup> |
|  | Percentage of non-urgent stormwater service requests responded to within three days                     |        | 98%                | Greater than 85% | 100%               |
|  | Percentage of manhole popping requests attended to and made safe within two hours                       |        | 100%               | 100%             | 100%               |
|  | Percentage stormwater consent conditions with no justified abatement notices or enforcement proceedings |        | 100%               | 100%             | 100%               |

### Notes:

- The annual stormwater customer experience research report has produced an overall customer satisfaction index (CSI) of 49 per cent, which is just under the target. During the year results declined in the second quarter to 45 per cent with the key area of decline being where customers felt that staff had not kept them informed on the progress of their requests for service. To improve the stormwater customer experience, a stormwater customer strategy was developed and implemented. This has seen the CSI improve to a result of 53 per cent in the last quarter.
- An audit has been undertaken to test the validity of the timeframes being reported. Evidence of site attendance was requested from our maintenance contractors. Verification proved difficult in all instances and the final result has been adjusted accordingly. We anticipate concerns will be addressed with the introduction of a new stormwater asset management system in December 2015. In the meantime, the contractors have been asked to provide proof of attendance such as GPS logs on a monthly basis. The previous year's result has been adjusted to ensure it is consistent with the 2014/2015 performance disclosure, enabling fairer comparison. The 80 per cent is an estimate as the results cannot be verified independently.

## 8.2 Flood protection and control

### What we do

We minimise flooding and improve our stormwater infrastructure.

### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 4           | 4                |
| Total applications of operating funding | 4           | 4                |
| Surplus (deficit) of operating funding  | 0           | 0                |
| Total applications of capital funding   | 16          | 16               |

\*See table 8.2 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered this activity:



- flood protection and control services.

Key achievements include:

- The Olsen Avenue (Hillsborough) upgrade was completed in July 2015.
- We began the design and community engagement for the \$20 million Te Auaunga Awa–Oakley Creek project (previously known as the Walmsley-Underwood Oakley Stream widening project). This project will reduce flooding and provide for growth in the Oakley stormwater. The project is being delivered through a collaborative approach to ensure strong community involvement.

### How we performed

We met both levels of service to develop our stormwater infrastructure and alleviate flooding.

| Level of service   | Performance measure   | Status   | 2015 actual        | 2015 target | 2014 actual |
|--|---|--|--------------------|-------------|-------------|
| Plan and develop stormwater infrastructure and improve design to help alleviate flooding | Reduction of habitable floors that are below the 100-year flood plain |  | 38 <sup>(1)</sup>  | 30          | 9           |
|  | Percentage of catchments with accurate flood hazard mapping completed |  | 31% <sup>(2)</sup> | 30%         | 26%         |

#### Notes:

1. Habitable floors are living areas, attached garage or basements that are prone to flood. We undertook physical works that have reduced or eliminated flooding risks for 38 buildings.
2. There are a total of 233 catchments in Auckland, including both urban and rural. To date, mapping has been completed for 31% of these.



## Funding Impact Statements

For the year ended 30 June 2015

### 8.1 Stormwater management

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 74             | 74                     | 84                        | 89                        |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>74</b>      | <b>74</b>              | <b>84</b>                 | <b>89</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 23             | 23                     | 37                        | 45                        |
| Finance costs   |       | 8              | 9                      | 9                         | 8                         |
| Internal charges and overheads applied                                  |       | 15             | 15                     | 11                        | 9                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>46</b>      | <b>47</b>              | <b>57</b>                 | <b>62</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>28</b>      | <b>27</b>              | <b>27</b>                 | <b>27</b>                 |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 | 3     | 19             | 23                     | 30                        | 21                        |
| Increase (decrease) in debt   |       | 16             | 30                     | 17                        | 17                        |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>35</b>      | <b>53</b>              | <b>47</b>                 | <b>38</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 33             | 40                     | 35                        | 28                        |
| - to improve the level of service                                       |       | 5              | 28                     | 29                        | 26                        |
| - to replace existing assets  |       | 25             | 12                     | 10                        | 11                        |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2, 4  | <b>63</b>      | <b>80</b>              | <b>74</b>                 | <b>65</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(28)</b>    | <b>(27)</b>            | <b>(27)</b>               | <b>(27)</b>               |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – decrease is primarily due to savings in operating costs partly offset by the reallocation of corporate overhead costs.
2. Application of capital funding – increase is due to deferral from 2013/2014 of the Stormwater Pond (Crown Lynn Precinct) project and addition of the Stormwater PC14 (Waiarohia ponds) project, offset in part by deferral of the Stormwater PC15 (Totara ponds) project to 2015/2016.



Variance explanation Actual 2015 to Annual Plan 2015:

3. Development and financial contributions below budget due to the timing of development not occurring as projected.
4. Capital expenditure was \$18 million behind budget due to deferral of stormwater projects into future years to meet a capex cost savings programme which was approved by central finance in July 2014. Major projects affected were \$6 million for Waiarohia Ponds acquisitions deferred to 2017, Flat bush water quality ponds – \$2 million deferred to 2016. Totara ponds \$2 million deferred until 2016 due to project delays as the earthmoving season was missed and work could not be completed. The remaining balance is made up of other stormwater renewals and upgrade projects which were deferred to future years. Capital expenditure is below budget, which resulted in a lower capital funding requirement.



## Funding Impact Statements

For the year ended 30 June 2015

### 8.2 Flood protection and control

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 4              | 4                      | 5                         | 4                         |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>4</b>       | <b>4</b>               | <b>5</b>                  | <b>4</b>                  |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | -              | -                      | 2                         | 2                         |
| Finance costs   |       | 4              | 4                      | 4                         | 3                         |
| Internal charges and overheads applied                                  |       | -              | -                      | (1)                       | (1)                       |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          |       | <b>4</b>       | <b>4</b>               | <b>5</b>                  | <b>4</b>                  |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | 2              | 2                      | 3                         | 2                         |
| Increase (decrease) in debt   |       | 14             | 14                     | 14                        | 13                        |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>16</b>      | <b>16</b>              | <b>17</b>                 | <b>15</b>                 |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 5              | 2                      | 3                         | 2                         |
| - to improve the level of service                                       |       | 10             | 14                     | 14                        | 13                        |
| - to replace existing assets  |       | 1              | -                      | -                         | -                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            |       | <b>16</b>      | <b>16</b>              | <b>17</b>                 | <b>15</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |





## 9. Theme: Ngā kawekawenga Transport



Commuter bikes and scooters at Devonport Ferry Terminal

## Introduction






We work to provide an effective, efficient and safe public transport network that connects people and places with easy, affordable and sustainable transport choices. We work closely with the New Zealand Transport Agency (NZTA), Kiwi Rail, Ports of Auckland Limited and Auckland International Airport Limited to provide an integrated transport system.

Within this theme we deliver:

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

These activities are delivered by Auckland Transport (AT), a council-controlled organisation responsible for the development, operation and management of all of Auckland's local land transport services<sup>(1)</sup>. Our transport system is one of the region's most valuable assets, at \$16.5 billion, including 7560km of roads, 6956km of footpaths, 1245 major bridges and culverts, 42 rail stations on five lines, 21 wharves and ferry facilities, 12 bus and busway stations, 13 multi-storey car park buildings and 895 pay and display units. Continued investment in infrastructure accommodates major public travel projects deemed essential to Auckland's future growth.

## Summary of non-financial performance measures

| Group of activities                    |  |  |  |  |  | Total measures |
|--|---|---|---|---|---|----------------|
| 9.1 Public transport and travel demand | 9   | 0   | 0   | 1   | 1   | 11             |
| 9.2 Roads and footpaths                | 14  | 1   | 1   | 0   | 0   | 16             |
| 9.3 Parking and enforcement            | 1   | 0   | 0   | 1   | 0   | 2              |
| <b>Totals</b>                          | <b>24</b>   | <b>1</b>  | <b>1</b>  | <b>2</b>  | <b>1</b>  | <b>29</b>      |

<sup>(1)</sup> Excluding the state highway network and the rail corridor which are the responsibility of the New Zealand Transport Agency and Kiwi Rail respectively.





## Commentary

### 9.1 Public transport and travel demand management

#### What we do

We deliver rail, ferry and bus services, travel demand management, and multi-modal hubs giving priority to walking, cycling and public transport.

#### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding <sup>(1)</sup>               | 535         | 491              |
| Total applications of operating funding              | 502         | 500              |
| Surplus (deficit) of operating funding               | 33          | (9)              |
| Total applications of capital funding <sup>(2)</sup> | 345         | 369              |

1. Operating expenditure above budget due to grants received for electric trains.
2. Capital expenditure below budget due to deferral of capital projects.

\*See table 9.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- bus services
- ferry services
- multi-modal services
- rail services
- management of travel demand.

Key achievements include:

- Fifty-four of Auckland's 57 electric trains arrived and were in service on all lines from July 2015. The three-car trains have seating capacity of 232 passengers, and can be doubled to six-car, providing much-needed extra capacity during peak times and for special events.
- Early work design contract awarded for City Rail Link (CRL). About 60 of the 70 surface properties have been purchased. A community liaison group was

established for the early works and a design showcase held in the city and suburbs to explain the project. Mana whenua worked closely with the CRL design team.

- Auckland's first on-road cycleway at Beach Road completed, linking the city centre to the North-Western Cycleway. Progress this year on other cycle routes:
  - Nelson Street Downtown Cycleway (city centre): construction has begun.
  - Upper Harbour Drive (north Auckland): construction began to upgrade footpaths and install buffered cycle lanes on both sides.
  - Tiverton-Wolverton parallel route (west Auckland): detailed design and safety audit completed.
  - St George Street (Papatoetoe): shared path completed.
  - Great South Road (Papakura stream): shared path completed.
  - Browns Road, Alfriston Road and Weymouth Road: cycle lanes completed.
- Devonport marine wharf, Downtown Pier 2 waiting area and Stanley Bay terminal were upgraded.
- Work began on the Parnell train station upgrade.
- The Ōtāhuhu bus train interchange design was completed with collaboration from mana whenua. This includes cultural narratives that celebrate the portage, rango (totara logs used to move waka overland), Manukau Harbour and Tāmaki Walkways, maunga, navigation and the Ridge (Tutu trees). Enabling works began.
- Silverdale Park and Ride stage one was completed.
- The AT Metro brand was launched across rail, bus and ferry. Easy to recognise, the colour-coded branding is being introduced

over the next three years. We began with LINK services and the Northern Express and Busway.

- Successfully managed transport to international sporting events such as Cricket World Cup and FIFA U-20.
- We released a new Track My Bus mobile app in February 2015. Customers can track the progress of their bus in real-time and save favourite bus routes and stops.
- Customers can now access real-time congestion and incident information on AT's website for 30 arterial routes.
- Fifteen new double-decker buses (90 seats) introduced on the Botany-Downtown route and more are on order for the Northern Express.
- AT and NZTA worked together on a national Total Mobility project to distribute mobility cards and reimburse disability card holders for mobility travel.
- Four new schools signed on to the Travelwise programme, which now includes 408 out of 541 Auckland schools. Travelwise focuses on education to reduce death and serious injuries, and increasing walking and cycling and use of public transport.
- Mana whenua worked with the Dominion Road project team on the implementation of the design. This includes a hinaki (eel

pot) inspired walking and cycling bridge, native planting landscape design, pavings, pou whenua and placemaking signage.

The hinaki walking and cycling bridge was opened in June 2015.






- A document and collaboration management system designed by AT and LeapThought won the Collaboration and Content in Business Productivity Award at the Microsoft Partner Awards. The Fulcrum project was judged best-in-class for capital infrastructure projects.
- Our Cycling's the Go Summer programme won the Best Cycling Promotion Award at the Cycling Advocates Network Cycle Friendly Awards.

#### How we performed

We substantially met our level of service for public transport and travel demand management. Nine out of 11 measures exceeded targets.

Patronage on all modes exceeded targets by a range of 3-15 per cent. The 79.2 million passenger trips were an overall 12-month increase of 9.5 per cent. AT HOP cards were used by 67 per cent of customers in March, one year after introduction.

Number of cycling trips below target reflects construction disruptions in the North-Western route.

| Level of service   | Performance measure  | Status   | 2015 actual | 2015 target | 2014 actual |
|--|--|--|-------------|-------------|-------------|
| Auckland's public transport services respond to demand and result in increased patronage | Total passenger transport patronage (000s)   |  | 79,249      | 73,686      | 72,396      |
|  | Rapid Transit Network rail boardings per annum (000s)                              |  | 13,917      | 12,100      | 11,435      |
|  | Rapid Transit Network busway boardings per annum (000s)                            |  | 2,843       | 2,511       | 2,426       |
|  | Quality Transit Network and Local Connector Network bus boardings per annum (000s) |  | 56,953      | 53,695      | 53,424      |
|  | Ferry boardings per annum (000s)   |  | 5,536       | 5,380       | 5,109       |



| Level of service  | Performance measure   | Status | 2015 actual   | 2015 target                            | 2014 actual |
|---|---|--------|---|--|-------------|
|   | Public transport subsidy per passenger kilometre  | ✓      | \$0.27  | \$0.29                                 | \$0.28      |
|   | Public and customer safety and security incidents across public transport network per 1,000,000 passenger boardings | ✓      | 0.80  | 0.90                                   | 0.029       |
| Customers are satisfied with public transport services  | Percentage of public transport passengers satisfied with their PT service   | ✓      | 84%   | 83%                                    | 81.4%       |
| Effective infrastructure and services for walking, cycling and ride-sharing that help reduce the number of single-occupancy car trips | Morning peak (7-9 am) car trips avoided through travel planning initiatives   | ✓      | 22,729  | 16,700                                 | 16,587      |
|   | Number of walking trips into the CBD in the morning peak  | —      | .( <sup>1</sup> )                                     | 5,500                                  | 5,330       |
|   | Number of cycling trips throughout the region   | ✗      | 148,063 (AM peak)<br>906,518 <sup>(2)</sup> (all day) | 142,200 (AM peak)<br>958,000 (all day) | 141,897     |

#### Notes:

- Walking trips into the CBD have not been measured in 2014/2015 due to the cost involved in undertaking the manual survey and concerns with the robustness of the measure. This measure is no longer included in the Long-term Plan 2015-2025 and Auckland Transport's Statement of Intent 2015-2018.
- North-Western is a key cycle route and is under heavy construction along its length. This resulted in a significant decline in levels of service due to disruption detours and has had a major negative impact on the journey experience and demand.

## 9.2 Roads and footpaths

### What we do

We design, construct, operate and maintain roads and footpaths across Auckland.

### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 299         | 300              |
| Total applications of operating funding              | 203         | 202              |
| Surplus (deficit) of operating funding               | 96          | 98               |
| Total applications of capital funding <sup>(1)</sup> | 353         | 450              |

- Capital expenditure below budget mainly due to reprioritisation of budget during the year.

\*See table 9.2 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered these activities:

- footpaths
- roads.

Key achievements include:

- Auckland Manukau Eastern Transport Initiative (AMETI): Panmure phase of construction completed with the opening of Te Horeta Road, taking 2400 trucks off the route through the Panmure roundabout each day.
- AMETI Panmure won the New Zealand

Engineering Practice Award for Excellence in Community Engagement. This activity included working closely with iwi groups over three years to embed mana whenua aspirations.

- North West Transformation (formerly NORSGA): completed construction of Don Buck Road extension and Fred Taylor Drive and Garelja Road intersection.
- Progress on upgrading arterial routes include:
  - Albany Highway–Bush Road to Dairy Flat (north): widening of Bush Road to Appleby Road northbound has been completed.
  - Albany Highway (south): proposed upgrade not required until 2020.
  - Flat Bush School Road–Murphy’s Road: the intersection was upgraded and signalised.
  - Mill Road Corridor upgrade (east): final route confirmed. Northern section from Redoubt Road to Mill Road publicly notified, information sessions held and submissions invited. Cultural values assessment completed with seven mana whenua groups and hui at Papakura Marae to discuss route options.
  - Onewa Road (T3 lane): lane constructed westbound for PM peak traffic. Footpath upgraded to shared pedestrian and cycle path.
  - Penlink (Whangaparāoa): notice of requirement to alter the existing designation and a suite of consent applications notified. A joint Māori values assessment was produced by Ngāti Manuhiri and Te Kawerau a Maki, outlining the association of Māori values along the proposed route.
  - Te Atatū Road corridor (north-west): shops demolished at intersection of Edmonton and Flanshaw roads for road widening. Works contract signed for road widening, roundabout replacement, cycle lanes, bus advance

lanes and footpaths.

- Renewal projects in the region include:
  - Resurfacing 420km of sealed roads, covering 82km of asphaltic concrete and 338km of chip sealing.
  - Pavement rehabilitation on 41km of sealed roads, including high-volume arterials.
- Road safety initiatives include:
  - Installing improvements on three high-risk rural roads (Piha, Waitākere and Kaihikatea Flat roads) and one high-risk intersection (Tāmaki Drive/Quay Street/The Strand).
  - Seven high-risk intersections got new red light camera enforcement.
  - Road safety engineering on 98 minor roads.
  - Delivered 82 road safety engineering improvements at 25 schools and 80 electronic school speed signs at 29 schools.
  - The international urban risk-mapping project completed the first phases of star rating our local roads.
  - Regional Alcohol (Drunksense) safety campaign, which had 390,000 social media and 6,500 cinema views; Speed; Red Light Running; motorcycle campaigns and Distraction Oi!
  - Local campaigns including young driver training/licensing, repeat drink driver programmes, Love Your Local lower speed promotions, pedestrian safety and child restraint checkpoints.
  - Cycle campaign Share the Road: this campaign on the backs of buses achieved an overall awareness rating of 45 per cent.

#### **How we performed**

Fourteen out of 16 measures achieved target, substantially meeting our level of service of moving people and goods effectively and efficiently, using Auckland’s arterial roads. Customer satisfaction with the quality of roads and footpaths in the region increased



compared to 2013/2014. Sixty-five per cent of residents are satisfied with the quality of

footpaths, while 69 per cent are satisfied with the quality of roads.







| Level of service  | Performance measure  | Status | 2015 actual                                 | 2015 target   | 2014 actual |
|---|--|--------|---|---|-------------|
| Auckland's arterial road network moves people and goods effectively and efficiently | Arterial road network productivity (Percentage of road corridor productivity maintained or improving on key arterial routes) |        | 53%   | 53% of the ideal achieved   | 68%         |
|   | Travel times along strategic freight routes during the inter-peak (9am-4pm)  |        | Achieved on all routes <sup>(1)</sup>       | Maintain travel times for 85th percentile on all nominated freight routes | See below   |
|   | Total fatal and serious injuries on local road network <sup>(4)</sup>  |        | 399 (7% reduction from 2014) <sup>(2)</sup> | Fewer than 340 (2.66% reduction from previous year)                       | +21%        |
|   | Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads          |        | 85% for urban roads and 95% for rural roads | Not less than 82% for urban roads and not less than 92% for rural roads   | 71%         |
| Customers are satisfied with the quality of Auckland's roads                        | Percentage of residents satisfied with the quality of roads in the Auckland region   |        | 69%   | 70%   | 63%         |
| Customers are satisfied with the quality of Auckland's footpaths                    | Percentage of residents satisfied with the quality of footpaths in the Auckland region                                       |        | 65%   | 65%   | 63%         |

**Note:**

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

| In minutes                              | Status | 2015 actual | 2015 target | 2014 actual |
|---|--------|-------------|-------------|-------------|
| SEART (from Sylvia Park to East Tāmaki) |        | 11          | 11          | 11.5        |
| SEART (from East Tāmaki to Sylvia Park) |        | 10          | 12          | 10          |
| Wairau Road (from SH1 to SH18)          |        | 8           | 8           | 8           |
| Wairau Road (from SH18 to SH1)          |        | 8           | 8           | 8           |



| In minutes  | Status  | 2015 actual | 2015 target | 2014 actual |
|---|---|-------------|-------------|-------------|
| Harris Road (from East Tāmaki to SH1 Highbrook interchange)                   |  | 10          | 10          | 9.7         |
| Harris Road (from SH1 Highbrook interchange to East Tāmaki)                   |  | 11          | 11          | 10.4        |
| Kaka Street/James Fletcher Drive/Favona Road/Walmsley Road (SH20 to Walmsley) |  | 8           | 13          | -           |
| Kaka Street/James Fletcher Drive/Favona Road/Walmsley Road (Walmsley to SH20) |  | 7           | 13          | -           |
| Great South Road (SH1 Ellerslie Panmure Highway Interchange to Portage Road)  |  | 11          | 11          | -           |
| Great South Road (Portage Road to SH1 Ellerslie Panmure Highway Interchange)  |  | 11          | 11          | -           |

2. Road crash statistics are reported by calendar year, so the 2014/2015 result represents from January to December 2014. The target for 2014/2015 was set before the previous calendar year result was confirmed, which saw a significant reversal of the downward trend occurring from 2009-2012. The total number of fatal and serious injuries in the 2014 calendar year was 399, and while this result has not met this year's target it represents a 7 per cent reduction from 2013. Road deaths reduced by 36 per cent in 2014 to 26, and serious injuries by 4 per cent to 373.

### 9.3 Parking and enforcement

#### What we do

We manage on-street and off-street parking.

#### What we spent

| Funding Impact Statement Summary (\$M)*                | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding <sup>(1)</sup>                 | 40          | 47               |
| Total applications of operating funding <sup>(2)</sup> | 37          | 43               |
| Surplus (deficit) of operating funding                 | 3           | 4                |
| Total applications of capital funding                  | 5           | 7                |

1. Total operating funding lower than budget due to infringement income not received as expected.
2. Operating expenditure is lower than budget due to reduced expenses.

\*See table 9.3 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- off-street parking business
- on-street parking and enforcement.

Key achievements include:

- We developed an innovative parking strategy which promotes sustainability through:
  - good urban design outcomes by focusing on centre amenity, traffic calming and the pedestrian environment where arterials pass through town centres
  - removing parking from arterial roads to support public transport and cycling
  - the use of motorcycles, electric vehicles and electric car share schemes with dedicated parking in off-street buildings and vehicle charging on public roads and in buildings.
- Amended time restrictions or introduced demand responsive pricing where occupancy statistics exceeded 85 per cent across the four highest peak times during the day or at local boards' requests.
- Signed the parking future platform for implementation in 2015/2016. This multi-



channel payment application will give customers a choice in how they pay for parking.



- Added free dedicated motorcycle and scooter parking areas in the CBD.

### How we performed

We made progress on our on-street parking level of service, achieving this year's target.

Off-street parking occupancy rate above 90 per cent is higher than ideal for peak periods.

We are encouraging the public to use public transport instead of driving into the city centre, by discontinuing early bird parking discounts, which should also reduce congestion.

| Level of service                                  | Performance measure  | Status   | 2015 actual        | 2015 target         | 2014 actual |
|---|--|--|--------------------|---------------------|-------------|
| Off-street car-parking meets customer demand      | Off-street parking occupancy rates (4-hour peak period) <sup>(1)</sup> |  | 97% <sup>(2)</sup> | Within 80-90% range | 88%         |
| On-street parking facilities meet customer demand | On-street parking occupancy rates (4-hour peak period) <sup>(1)</sup>  |  | 86%                | Within 70-90% range | 73%         |

### Note:

1. The 4-hour peak period is defined as the top four busiest hours of the day. These hours are not often coincidental and can vary. Note these measures have changed since last year, when full day rates were reported. The actuals for 2013/2014 have been updated accordingly.
2. The off-street parking peak occupancy rate was 97%, which exceeded the target range of 70-90%. Although the off-street parking assets were highly utilised, availability of parking during peak periods was limited. High occupancy is revenue positive but impacts availability.

## Funding Impact Statements

For the year ended 30 June 2015

### 9.1 Public transport and travel demand management

| \$ million  | Notes | Actual      | Annual Plan | Long-term Plan | Long-term Plan |
|---|-------|-------------|-------------|----------------|----------------|
|   |       | 2015        | 2015        | 2015           | 2014           |
| <b>Sources of operating funding:</b>                                    |       |             |             |                |                |
| General rates, UAGCs, rates penalties                                   |       | 236         | 234         | 238            | 234            |
| Targeted rates  |       | -           | -           | -              | -              |
| Subsidies and grants for operating purposes                             | 3     | 231         | 192         | 175            | 175            |
| Fees and charges  |       | 53          | 51          | 63             | 68             |
| Internal charges and overheads recovered                                |       | -           | -           | -              | -              |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 15          | 14          | 15             | -              |
| <b>Total operating funding</b>  |       | <b>535</b>  | <b>491</b>  | <b>491</b>     | <b>477</b>     |
| <b>Applications of operating funding:</b>                               |       |             |             |                |                |
| Payment to staff and suppliers  | 4     | 417         | 413         | 381            | 387            |
| Finance costs   |       | 85          | 87          | 102            | 82             |
| Internal charges and overheads applied                                  |       | -           | -           | -              | -              |
| Other operating funding applications                                    |       | -           | -           | -              | 9              |
| <b>Total applications of operating funding</b>                          | 1     | <b>502</b>  | <b>500</b>  | <b>483</b>     | <b>478</b>     |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>33</b>   | <b>(9)</b>  | <b>8</b>       | <b>(1)</b>     |
| <b>Sources of capital funding:</b>                                      |       |             |             |                |                |
| Subsidies and grants for capital expenditure                            | 5     | 23          | 30          | 100            | 19             |
| Development and financial contributions                                 |       | 8           | 10          | 12             | 9              |
| Increase (decrease) in debt   |       | 282         | 338         | 265            | 379            |
| Gross proceeds from sale of assets                                      |       | -           | -           | -              | -              |
| Lump sum contributions  |       | -           | -           | -              | -              |
| Other dedicated capital funding   |       | -           | -           | -              | -              |
| <b>Total sources of capital funding</b>                                 |       | <b>313</b>  | <b>378</b>  | <b>377</b>     | <b>407</b>     |
| <b>Applications of capital funding:</b>                                 |       |             |             |                |                |
| Capital expenditure:  |       |             |             |                |                |
| - to meet additional demand   |       | 18          | 18          | 19             | 20             |
| - to improve the level of service                                       |       | 323         | 342         | 353            | 374            |
| - to replace existing assets  |       | 5           | 9           | 13             | 12             |
| Increase (decrease) in reserves   |       | -           | -           | -              | -              |
| Increase (decrease) in investments                                      |       | -           | -           | -              | -              |
| <b>Total applications of capital funding</b>                            | 2,6   | <b>346</b>  | <b>369</b>  | <b>385</b>     | <b>406</b>     |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(33)</b> | <b>9</b>    | <b>(8)</b>     | <b>1</b>       |
| <b>Funding balance</b>  |       | <b>-</b>    | <b>-</b>    | <b>-</b>       | <b>-</b>       |



Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is due to revised allocation of overheads between transport activities, partially offset by a decrease in finance costs due to timing of project delivery.
2. Application of capital funding – decrease is primarily the result of timing changes in the City Rail Link project and the procurement of the electric motor units.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Subsidies and grants for operating purposes above budget due to \$38 million grant received for electric trains which was not expected until 2015/16 financial year.
4. Payment to staff and suppliers over budget due to increase security cost mainly because of additional security required for rail stations. In addition to that there was extra spend on writedown on inventory.
5. Subsidies and grants for capital expenditure below budget due to NZ Transport Agency co-investment was lower than budget as a result of less than budgeted spend on capital expenditure. Auckland Transport and Auckland Council agreed to reduce capital expenditure by \$100 million.
6. Capital expenditure \$24 million below budget mainly due to:
  - \$11 million delays in the final acceptance of trains and budgeted spend for harmonics, spares and simulators deferred to 2016
  - \$18 million in Manukau Bus Interchange due to the projects being postponed
  - \$5 million Park and Ride Silverdale due to environmental court hearing delay in planned delivery
  - \$4 million double decker network mitigation works due to reduction in budget
  - \$4 million Pukekohe Station Upgrade due to some projects deferred to the next long-term plan
  - \$3 million Public Transport Integrated Fares due to delayed projects.

These were offset by overspend of \$23 million in City Rail Link due to property acquisition and design programme.

Capital expenditure is below budget, which resulted in a lower capital funding requirement.

## Funding Impact Statements

For the year ended 30 June 2015

### 9.2 Roads and footpaths

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 251            | 250                    | 289                       | 266                       |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | 34             | 35                     | 36                        | 36                        |
| Fees and charges  |       | 3              | 3                      | -                         | 11                        |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts | 4     | 11             | 12                     | 21                        | 9                         |
| <b>Total operating funding</b>  |       | <b>299</b>     | <b>300</b>             | <b>346</b>                | <b>322</b>                |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 135            | 134                    | 174                       | 165                       |
| Finance costs   |       | 68             | 68                     | 79                        | 67                        |
| Internal charges and overheads applied                                  |       | -              | -                      | -                         | -                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>203</b>     | <b>202</b>             | <b>253</b>                | <b>232</b>                |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>96</b>      | <b>98</b>              | <b>93</b>                 | <b>90</b>                 |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            | 3     | 108            | 152                    | 139                       | 140                       |
| Development and financial contributions                                 |       | 25             | 23                     | 30                        | 19                        |
| Increase (decrease) in debt   |       | 124            | 177                    | 186                       | 189                       |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>257</b>     | <b>352</b>             | <b>355</b>                | <b>348</b>                |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 28             | 36                     | 37                        | 36                        |
| - to improve the level of service                                       |       | 162            | 207                    | 222                       | 218                       |
| - to replace existing assets  |       | 163            | 207                    | 189                       | 184                       |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2,4   | <b>353</b>     | <b>450</b>             | <b>448</b>                | <b>438</b>                |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(96)</b>    | <b>(98)</b>            | <b>(93)</b>               | <b>(90)</b>               |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |





Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – decrease is due to the removal of berm mowing services, revised allocation of overheads between transport activities and efficiency savings within Auckland Transport.
2. Application of capital funding – increase is primarily driven by changes in the timing and cost of roading projects.

Variance explanation Actual 2015 to Annual Plan 2015:

3. Subsidies and grants for capital expenditure below budget due to NZ Transport Agency co-investment was lower than budget as a result of less than budgeted spend on capital expenditure. Auckland Transport and Auckland Council agreed to reduce capital expenditure by \$100 million.
4. Capital expenditure \$97 million below budget mainly due to:
  - \$46 million underspend in roading improvements upgrades and renewals mainly due to reduction in budget/funding during the year by Auckland Council
  - \$30 million in AMETI future packages which have been re-evaluated and reprioritised due to reduction in budget by Auckland Council
  - \$9 million underspend in Dominion Road Corridor Upgrade due to reduction in budget to deliver alternative cycle lane. Main corridor construction is put on hold due to revised alternative transport options being considered
  - \$7 million in Tiverton – Wolverton Stage 2 budget reduced to deliver alternative cycle path and some property mediation works
  - \$5 million in Newmarket crossing due to implementation delay due to consultation resulting in court hearing process.Capital expenditure is below budget, which resulted in a lower capital funding requirement.

## Funding Impact Statements

For the year ended 30 June 2015

### 9.3 Parking and enforcement

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   | 1     | (35)           | (35)                   | (26)                      | (25)                      |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | 2              | 1                      | -                         | -                         |
| Fees and charges  | 5     | 73             | 81                     | 92                        | 85                        |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  | 2     | <b>40</b>      | <b>47</b>              | <b>66</b>                 | <b>60</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  | 6     | 37             | 43                     | 58                        | 51                        |
| Finance costs   |       | -              | -                      | 2                         | 2                         |
| Internal charges and overheads applied                                  |       | -              | -                      | -                         | -                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 3     | <b>37</b>      | <b>43</b>              | <b>60</b>                 | <b>53</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>3</b>       | <b>4</b>               | <b>6</b>                  | <b>7</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 2              | 3                      | (3)                       | 4                         |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>2</b>       | <b>3</b>               | <b>(3)</b>                | <b>4</b>                  |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | -              | -                      | -                         | -                         |
| - to improve the level of service                                       |       | 3              | 4                      | 1                         | 2                         |
| - to replace existing assets  |       | 2              | 3                      | 2                         | 9                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 4,7   | <b>5</b>       | <b>7</b>               | <b>3</b>                  | <b>11</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(3)</b>     | <b>(4)</b>             | <b>(6)</b>                | <b>(7)</b>                |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |



Variance explanation Annual Plan 2015 to LTP 2015:

1. This activity generates external revenue included under fees and charges, which contributes to reducing the rates requirements (shown as a negative amount). Thus an increase in fees and charges revenue reduces the rates requirement.
2. Sources of operating funding decrease is due to revised pricing assumptions around parking and enforcement receipts.
3. Application of operating funding – decrease is primarily due to revised allocation of overheads between transport activities and efficiency savings within Auckland Transport.
4. Application of capital funding – increase is primarily due to an increase in renewals expenditure on-street parking machines.

Variance explanation Actual 2015 to Annual Plan 2015:

5. Fees and charges below budget due to infringement income expected from enforcement initiatives not being achieved.
6. Payment to staff and suppliers below budget is due to reduced court lodgement fees and reduced repairs and maintenance for parking buildings.
7. Capital expenditure below budget due to On Street Parking Machines project was stopped due to the new parking technology state that is being developed.





## 10. Theme: He tupu rawa he openga pūtea Commercial and investment



Ports of Auckland



## Introduction






Our commercial property and investment activities are designed to get the best possible return for the council from its commercial interests and investments while supporting the realisation of the council's broader strategic objectives.

Within this theme we deliver:

- commercial
- investment activities.

Our activities are delivered through Auckland Council, Auckland Council Property (ACPL) and Auckland Council Investments (ACIL). They include the delivery of commercial property activities, management of a portfolio of diversified financial assets and significant equity investments in Ports of Auckland Limited, Auckland International Limited and Auckland Film Studios Limited.

## Summary of non-financial performance measures

| Group of activities |  |  |  |  |  | Total measures |
|---------------------|---|---|---|---|---|----------------|
| 10.1 Commercial     | 3   | 1   | 0   | 0   | 0   | 4              |
| 10.2 Investment     | 0   | 1   | 0   | 1   | 0   | 2              |
| <b>Totals</b>       | <b>3</b>  | <b>2</b>  | <b>0</b>  | <b>1</b>  | <b>0</b>  | <b>6</b>       |



## Commentary

### 10.1 Commercial

#### What we do

We maximise financial returns from our commercial interests.

#### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding <sup>(1)</sup>               | 24          | 18               |
| Total applications of operating funding              | 15          | 18               |
| Surplus (deficit) of operating funding               | 9           | 0                |
| Total applications of capital funding <sup>(2)</sup> | 10          | 19               |

1. Total operating funding above budget due to increase in rental revenue.
2. Capital expenditure below budget due to deferral of project to 2016.

\*See table 10.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- commercial property
- holiday parks
- parks management services.

Key achievements include:

- City Parks Services achieved a net surplus of 20 per cent, up 4.7 per cent on the previous year, driven by consolidation of nursery activity, customer growth and streamlining business activities to focus on delivering quality and efficiencies.
- ACPL contributed an annual net surplus to council of \$39.3 million. This was \$11.8 million above budget, excluding council funding of \$7.5 million for ACPL operations. ACPL achieved this result mainly through better performance from the property portfolio, which returned a net surplus of \$29.8 million.
- Targets of \$30 million each for identifying surplus property for sale and for unconditionally selling property were exceeded. In total, ACPL recommended

\$69 million to the council for approval to dispose, and unconditionally sold \$50.6 million worth of property as at 30 June 2015.

- ACPL manages property acquisition for the council and Auckland Transport. ACPL negotiated 123 acquisitions worth \$101 million. The most significant transaction related to the agreement with Precinct Properties Limited to enable the City Rail Link tunnels to be built through the Downtown Shopping Centre, and to redevelop the site to provide a new retail centre and a high-quality office building. ACPL also negotiated the acquisition of 178 hectares of land for parks and recreation.
- We began the first stage of a 63-terrace house residential development at Ormiston town centre, in partnership with Todd Property Limited. This housing will form part of a full town centre development including retail, food and beverage, and commercial and public facilities such as the Ormiston Library.
- Papatoetoe town centre is a project to revitalise the town centre, including an upgrade of the retail component and residential developments. The car park and services infrastructure upgrades are programmed to commence construction in late 2015.
- The construction of infrastructure at Hobsonville has progressed during the year with the completion of boundary roads and the stormwater ponds. The main Launch Road has been completed and is now open for public use.
- Taking Link Crescent in Whangaparāoa to the market for a development partner to develop, in accordance with a plan that will provide for more than 50 housing units.
- Taking to the market for a development partner to develop a site in Avondale, which will provide for more than 20 housing units.





- ACPL is leading and implementing a number of optimisation pilots across the region to improve levels of service from our community-based properties, potentially releasing property and ultimately speeding up housing and town centre development.
- We implemented our Māori Responsiveness Plan for our commercial activities. We involved mana whenua where property matters met cultural significance considerations. We engaged with mana whenua on property disposals during the year and included them in expression of interest or request for proposals for council-led development projects.

### How we performed

ACPL substantially achieved or exceeded its key targets, with a steady increase in emphasis on contributing to housing and town centre regeneration strategies and improving return from the council's property portfolio.

ACPL provided commercial advice to the council on a number of specific projects and acquisitions. A year-end customer satisfaction survey showed we achieved a 69 per cent satisfaction result against a target of 75 per cent.

City Parks Services improved on last year's results and exceeded both its targets.

| Level of service   | Performance measure  | Status   | 2015 actual            | 2015 target                                   | 2014 actual          |
|--|--|--|------------------------|---|----------------------|
| Manage commercial property to optimise returns             | Return on investment (ROI) on commercial properties on a like for like basis |   | 2.5% <sup>(1)</sup>    | ≥4%<br>(restated as 2.7% <sup>(2)</sup> )     | 4.4%                 |
|  | Net surplus from property portfolio on a like for like basis                 |  | \$17.3m <sup>(3)</sup> | ≥21.1m<br>(restated as \$15m <sup>(3)</sup> ) | \$15.3m              |
| Manage quality and financially prudent City Parks Services | Percentage of service requests completed on time                             |  | 94% <sup>(4)</sup>     | 90%   | 90%                  |
|  | Net surplus from City Parks Services   |  | 20%                    | 8%  | 15.3% <sup>(5)</sup> |

### Notes:

1. The return on investment (ROI) calculated on this year's property valuation on a like for like basis is 2.5 per cent against the 2.7 per cent baseline established in 2012/2013. Property values increased significantly in the last year, affecting the final ROI result.
2. The ROI baseline was set in 2012/13 as part of Auckland Council's Annual Report at 4 per cent. This was calculated as gross rental revenue divided by rating valuation. The baseline was established in 2014 as net rental revenue divided by rating valuation, resulting in the 2.7 per cent baseline comparative.
3. The current year's net surplus on a like for like basis is \$17.3m compared to \$15m net surplus for the same properties at the end of June 2013. The 2015 target was based on the 713 properties held at 30 June 2013. The actual result for 2015 is based on the 477 properties held at 30 June 2015 and 30 June 2013. The reduction in the number of properties over time relates to properties transferred to Auckland Council and Auckland Transport for projects, or properties disposed contributing to a reduction of council debt.
4. The methodology for calculating this result changed eight months into the year. Data was being captured manually, resulting in time and location misalignments. An automated system report now provides more accurate information.
5. Prior year result has been restated to correct a reporting error.



## 10.2 Investment

### What we do

We manage our investments, including Ports of Auckland Limited (POAL), Auckland International Airport Limited (AIAL) and Auckland Film Studios Limited (AFSL). Other investments not managed by ACIL are also included.

### What we spent

| Funding Impact Statement Summary (\$M)*              | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding                              | 186         | 187              |
| Total applications of operating funding              | 153         | 145              |
| Surplus (deficit) of operating funding               | 33          | 42               |
| Total applications of capital funding <sup>(1)</sup> | 48          | 77               |

- Capital expenditure lower than budget due to deferral of Ports of Auckland projects.

\*See table 10.2 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered this activity:

- major shareholdings and investments.

Key achievements include:

- ACIL returned a dividend of \$75.6m to the council, \$17.3m above the annual plan target. This was mainly driven by a higher dividend from POAL (\$54.7 million, \$17 million above budget) and AIAL (\$38 million).
- A return on equity (ROE) of 12.3 per cent. Although comprehensive income and the dividend paid to the council was higher than the budget (16 per cent comprehensive income, 30 per cent dividend) average equity was 24 per cent higher, resulting in a slight underperformance of the ROE measure.
- On 1 March 2015, management of the Diversified Financial Assets Portfolio (DFAP) was transferred to Auckland Council following the council-controlled organisations review. For the year ending 30 June 2015, DFAP returned 13.2 per cent against the reference

portfolio of 13.7 per cent. The variance was mainly driven by the return on the New Zealand equities especially in the last quarter, which underperformed against target. All the other asset classes outperformed their respective targets.

- Strong result from POAL, including:
  - Full year surplus of \$71.7 million (budget of \$65.7 million), although lower than the previous year \$74 million. Normalised profit of \$52 million was \$2 million higher than budget.
  - Achieved 11.5 per cent return on equity (target was 11.6 per cent).
  - POAL sold Conlinxx to Nexus Logistics Limited, a joint venture with Netlogix Limited, and purchased PB Seatow's 50 per cent stake in Seafuels following the successful renegotiation of the Z Energy contract.
  - Handled 972,000 20-foot equivalent unit (TEU) compared to 969,000 TEU in the previous financial year. Auckland remains the country's largest container port.
  - A 4 per cent increase in bulk and break bulk volumes to 5,927,000 tonnes, compared to 5,679,000 in the previous year.
  - A 17 per cent increase in car numbers to 243,801 from 207,591 in the previous financial year.
  - A 1 per cent increase in ship calls from 1541 to 1558.
  - Exceeded last year's productivity results:

| Productivity measure       | 2015 result | 2014 result |
|----------------------------|-------------|-------------|
| Crane rate <sup>(1)</sup>  | 35.0        | 33.5        |
| Vessel rate <sup>(2)</sup> | 73.0        | 72.3        |
| Ship rate <sup>(3)</sup>   | 84.5        | 81.5        |



Notes:

- Crane rate is the number of containers a crane lifts on and off a container ship in

- an hour (as reported by the Ministry of Transport)
- 2. Vessel rate is the number of containers moved on and off a container ship in an hour of labour (as reported by the Ministry of Transport)
- 3. Ship rate is the number of containers moved on and off a container ship in an hour (as reported by the Ministry of Transport)
- Major contribution from AIAL:
  - ACIL's share of the net profit after tax was \$52 million. The share price increased from \$3.90 to \$4.94 during the year, leading to a \$276 million increase in the value of shares owned by ACIL.
  - International passengers (excluding passengers in transit) at Auckland airport were up by 5.7 per cent for the year.
  - The Routes Asia 2015 Airline Marketing Awards, voted for and judged by airline and industry experts, saw Auckland Airport win the airports under 20 million passengers category.
  - At the 2015 SKYTRAX World Airports Awards, Auckland Airport was named the Best Airport in Australia/Pacific for the seventh year in a row.
- Net surplus for AFSL after tax for the year was \$4.8 million, \$4 million higher than previous year of \$0.8 million, mainly due to \$2.9 million insurance recoveries relating to the fire damage in August 2014 and \$1.1 million increased rental income. The occupancy rate for the year was 97 per cent, above the 35 per cent target.
- ACIL is a member of Te Toa Takitini-Māori Responsiveness High Performance Council established by the council's executive leadership group. ACIL has encouraged POAL and AFSL to develop knowledge and support the council's policies and contribution to Māori well-being. POAL is entering into a partnership with iwi and the local community to restore and enhance the environment of POAL land around the signal station at Manukau South Head, an area of culture significance to Ngāti Te Ata Waiohū.

#### How we performed

Although our investments returned positive results, we did not meet our targets this year.

| Level of service                               | Performance measure   | Status   | 2015 actual          | 2015 target  | 2014 actual        |
|--|---|--|----------------------|--|--------------------|
| Manage council investments to optimise returns | Return on equity (ROE) for ACIL group                             |  | 12.3% <sup>(1)</sup> | 12.9%  | 26% <sup>(2)</sup> |
|  | Rolling 10-year return for diversified financial assets portfolio |  | 13.2%                | Equal or exceed return on reference portfolio <sup>(3)</sup> | 12.9%              |

#### Note:

1. Although comprehensive income and the dividend paid to the council were higher than the budget (16 per cent comprehensive income, 30 per cent dividend) average equity was 24 per cent higher, resulting in underperformance of the ROE measure.
2. Prior year result includes a one-off transaction of \$101.5 million return of capital by AIAL.
3. Return on reference portfolio was 13.7 per cent.





## Funding Impact Statements

For the year ended 30 June 2015

### 10.1 Commercial

| \$ million  | Notes      | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|------------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |            |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   | 1          | (22)           | (21)                   | (21)                      | (17)                      |
| Targeted rates  |            | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |            | -              | -                      | -                         | -                         |
| Fees and charges  |            | 4              | 4                      | 7                         | 64                        |
| Internal charges and overheads recovered                                |            | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts | 5          | 42             | 35                     | 58                        | -                         |
| <b>Total operating funding</b>  | <b>2</b>   | <b>24</b>      | <b>18</b>              | <b>44</b>                 | <b>47</b>                 |
| <b>Applications of operating funding:</b>                               |            |                |                        |                           |                           |
| Payment to staff and suppliers  | 6          | 12             | 16                     | 36                        | 38                        |
| Finance costs   |            | (3)            | (4)                    | (4)                       | (2)                       |
| Internal charges and overheads applied                                  |            | 6              | 6                      | 11                        | 10                        |
| Other operating funding applications                                    |            | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | <b>3</b>   | <b>15</b>      | <b>18</b>              | <b>43</b>                 | <b>46</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |            | <b>9</b>       | <b>-</b>               | <b>1</b>                  | <b>1</b>                  |
| <b>Sources of capital funding:</b>                                      |            |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |            | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |            | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |            | (33)           | (31)                   | (16)                      | (18)                      |
| Gross proceeds from sale of assets                                      | 7          | 34             | 50                     | 25                        | 34                        |
| Lump sum contributions  |            | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |            | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |            | <b>1</b>       | <b>19</b>              | <b>9</b>                  | <b>16</b>                 |
| <b>Applications of capital funding:</b>                                 |            |                |                        |                           |                           |
| Capital expenditure:  |            |                |                        |                           |                           |
| - to meet additional demand   |            | 5              | 11                     | 2                         | 6                         |
| - to improve the level of service                                       |            | 1              | 1                      | 1                         | 5                         |
| - to replace existing assets  |            | 4              | 7                      | 7                         | 6                         |
| Increase (decrease) in reserves   |            | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |            | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | <b>4,8</b> | <b>10</b>      | <b>19</b>              | <b>10</b>                 | <b>17</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |            | <b>(9)</b>     | <b>-</b>               | <b>(1)</b>                | <b>(1)</b>                |
| <b>Funding balance</b>  |            | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. This activity generates external revenue included under fees and charges, which contributes to reducing the rates requirement (shown as a negative amount). Thus, an increase in fees and charges revenue reduces the rates requirement.
2. Sources of operating funding – decrease is mainly due to reduced revenue projections following City Parks Services loss of external maintenance contracts.
3. Application of operating funding – decrease is due to reduced cost as a result of the loss of external maintenance contracts.
4. Application of capital funding – increase is primarily due to Marine Precinct Development Yard 37 (Hobsonville) project outer year development costs brought forward to 2014/2015 not spent.

Variance explanation Actual 2015 to Annual Plan 2015:

5. Local authorities' fuel tax, fines, infringement fees and other receipts are \$7 million ahead of budget due to \$3.3 million increase in rental revenue, which is mainly due to new additions to rental properties that were taken on during the year. Greenmount Landfill revenue ahead of budget by \$3.4 million due to the timing of the execution of the new ground lease agreement. Araparera forests revenue ahead of budget by \$0.5 million.
6. Payment to staff and suppliers below budget due to underspend on consultancy expense, because fewer projects were undertaken than expected.
7. Gross proceeds from sale of assets lower than expected due to deferral of settlements.
8. Capital expenditure below budget mainly due \$5 million Hobsonville development project physical work being delayed to 2016 and \$3 million underspend due to strategic property developments being deferred to 2016.



## Funding Impact Statements

For the year ended 30 June 2015

### 10.2 Investment

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   | 1     | (76)           | (76)                   | (45)                      | (38)                      |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  | 4     | 217            | 225                    | 197                       | 188                       |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts | 5     | 45             | 38                     | 36                        | 31                        |
| <b>Total operating funding</b>  |       | <b>186</b>     | <b>187</b>             | <b>188</b>                | <b>181</b>                |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  | 6     | 124            | 111                    | 102                       | 99                        |
| Finance costs   |       | 23             | 24                     | 33                        | 35                        |
| Internal charges and overheads applied                                  |       | (2)            | (1)                    | -                         | -                         |
| Other operating funding applications                                    | 7     | 8              | 11                     | 30                        | 25                        |
| <b>Total applications of operating funding</b>                          | 2     | <b>153</b>     | <b>145</b>             | <b>165</b>                | <b>159</b>                |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>33</b>      | <b>42</b>              | <b>23</b>                 | <b>22</b>                 |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 15             | 35                     | (4)                       | 2                         |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>15</b>      | <b>35</b>              | <b>(4)</b>                | <b>2</b>                  |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | 19             | 41                     | 8                         | 4                         |
| - to improve the level of service                                       |       | 12             | 19                     | 2                         | 2                         |
| - to replace existing assets  |       | 17             | 17                     | 9                         | 18                        |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 3,8   | <b>48</b>      | <b>77</b>              | <b>19</b>                 | <b>24</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(33)</b>    | <b>(42)</b>            | <b>(23)</b>               | <b>(22)</b>               |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. This activity generates external revenue included under fees and charges, which contributes to reducing the rates requirement (shown as a negative amount). Thus, an increase in fees and charges revenue reduces the rates requirement.
2. Application of operating funding: Decrease is primarily due to a revision downwards in the group tax projections.
3. Application of capital funding: Increase in Ports of Auckland capital spend programme.

Variance explanation Actual 2015 to Annual Plan 2015:

4. Fees and charges below budget due to loss of nine months revenue following the sale of Conlinxx business.
5. Local authorities' fuel tax, fines, infringement fees and other receipts above budget mainly due to the revenue from Auckland Film Studios Limited not included in the annual plan.
6. Payment to staff and suppliers above budget due to higher costs relating to the settlement of collectives and reorganisation in POAL.
7. Other operating funding applications – \$8 million subvention payment to Watercare lower than budgeted.
8. Capital expenditure variance due to timing of budgeted capital expenditure in the LTP that has been deferred, based on the Ports of Auckland five-year strategic plan. Capital expenditure is below budget, which resulted in a lower capital funding requirement.



## 11. Theme: Kawanatanga (ope manawa taki) Governance



A Have Your Say hui during the long-term plan consultation process






## Introduction

We have a unique model of local government covering the governing body, local boards, the Independent Māori Statutory Board, council-controlled organisations (CCOs), and advisory panels and boards. The governing body is made up of the mayor and 20 members and each of our 21 local boards has between five and nine members. Members of the Independent Māori Statutory Board, CCO board members and hearings commissioners are also part of our decision-making framework. Our governance activities are designed to enable decision-making that promotes the well-being of Aucklanders now and in the future.

This theme covers:

- governance and democracy services to the governing body, the Independent Māori Statutory Board, CCOs, advisory panels and boards
- local governance services to local boards.

## Summary of governance performance measures

| Group of activities           |  |  |  |  |  | Total measures |
|-------------------------------|--|--|--|--|---|----------------|
| 11.1 Governance and democracy | 4  | 0  | 1  | 3  | 3   | 11             |
| 11.2 Local governance         | 1  | 0  | 1  | 1  | 0   | 3              |
| <b>Totals</b>                 | <b>5</b>   | <b>0</b>   | <b>2</b>   | <b>4</b>   | <b>3</b>  | <b>14</b>      |



## Commentary

### 11.1 Governance and democracy

#### What we do

We manage elections, provide support for elected members and other decision-makers, run hearings, monitor council-controlled organisations (CCOs), support the relationship between council and the Independent Māori Statutory Board, and manage regional governance and democracy. We provide guidance and support to elected members to enhance their relationships with mana whenua and Māori communities, and to enable effective Māori participation in the council's governance processes.

#### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 24          | 24               |
| Total applications of operating funding | 22          | 24               |
| Surplus (deficit) of operating funding  | 2           | 0                |
| Total applications of capital funding   | 0           | 0                |

\*See table 11.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- elections
- support for the council's relationship with the Independent Māori Statutory Board
- support to the mayoral office and elected members
- monitoring of CCOs
- regional governance and democracy.

Key achievements include:

- Supporting the public consultation process for the Long-term Plan 2015-2025, including the coding and analysis of about 27,000 public submissions.

- Reviewing the structure of the District Licensing Committee, which grants alcohol licences, to assess compliance with the Sale and Supply of Alcohol Act 2012. The review found that the structure is generally working well and is cost-effective, but improvements are needed to the way communities provide input into decision-making.
- In an effort to increase Māori participation in governing body decision-making, its members have committed to meeting with Māori across the region, and for the first time ever, in October 2014, met on a marae, formally hosted by Ngāti Whātua o Ōrākei.
- During the long-term plan process, we focused on boosting engagement with Māori by using Māori media and holding specific Have Your Say events at local marae. These events covered additional topics of interest to Māori, such as waterways. We contacted all attendees following adoption, looping back to the key decisions and their topics of interest.
- Developing and delivering the work programmes for the Ethnic Peoples, Pacific Peoples, Seniors, Disability and Youth Advisory panels, and establishing the Rainbow panel.
- Introducing live webcasting of the meetings of the governing body and its committees of the whole.
- Reviewing the governing body's key governance documents, including standing orders and committee terms of reference.
- Appointing a new electoral officer and starting the planning for the next local government elections on 8 October 2016.
- Supporting the Auckland Unitary Plan Independent Hearing Panel with hearings.
- Reviewing the governance and operational model of our substantive CCOs. A key outcome was the formation of

Development Auckland, a new CCO, combining Auckland Council Property Limited and Auckland Waterfront Development Limited. From September 2015, Development Auckland will facilitate the redevelopment of urban locations. Its services will include waterfront development, the management of business interests (including quarries, waste disposal and forestry), providing commercial advice, property acquisitions and disposals, and property management.

- Appointment of a dedicated manager of Treaty settlements to ensure the council is proactive in enabling mana whenua aspirations and council compliance with Treaty settlement provisions.
- We supported a number of co-governance entities, including the Tūpuna Maunga o Tāmaki Makaurau Authority (Maunga Authority), to deliver on their statutory powers and functions. The Maunga Authority is the statutory authority

established under the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act to co-govern the tūpuna maunga (ancestral mountains).

**How we performed**

There were no elections held this year and we made progress with CCOs governance. We met two out of five measures relating to community participation and contribution to governing body decision-making.

Webcasting has been introduced to increase awareness of council’s democratic processes. Qualitative research has been commissioned to better understand barriers to Māori participation, which will inform the development of specific initiatives in 2015/2016.

We had 100 per cent compliance with the statutory requirements for publishing agenda and minutes, and no complaints regarding democratic processes were upheld.

| Level of service  | Performance measure  | Status | 2015 actual        | 2015 target | 2014 actual |
|---|--|--------|--------------------|-------------|-------------|
| Manage council elections and by-elections through fair and transparent processes      | Percentage of eligible residents who voted in the local elections                                      | —      | No election held   | 40%         | 36%         |
|   | The number of candidates per available seat (excludes local board elections)                           | —      | No election held   | 2.5         | 4.85        |
|   | The number of candidates per available seat for local board elections                                  | —      | No election held   | 3           | 2.75        |
|   | Number of complaints regarding electoral processes upheld  | ✓      | 0                  | 0           | 0           |
| Ensure the community can participate and contribute to governing body decision-making | Percentage of residents who feel they can participate in governing body decision-making                | ✗      | 21% <sup>(1)</sup> | 50%         | 22%         |
|   | Percentage of Māori residents who feel they can participate in governing body decision-making          | ✗      | 18% <sup>(2)</sup> | 50%         | 19%         |
|   | Percentage of formalised relationship arrangements between council and mana whenua                     | ✗      | 56% <sup>(3)</sup> | 100%        | 56%         |
|   | Percentage compliance with statutory requirements for publishing agendas and minutes                   | ✓      | 100%               | 100%        | 100%        |
|   | Number of complaints regarding council democratic processes upheld by the Auditor-General or Ombudsman | ✓      | 0                  | 0           | 0           |



| Level of service  | Performance measure   | Status | 2015 actual | 2015 target | 2014 actual |
|---|---|--------|-------------|-------------|-------------|
| Ensure Auckland Council is able to govern its CCOs effectively and hold them to account | Percentage of CCO-related LTP measures that met targets                               |        | 82%         | 90%         | 61%         |
|   | Percentage of CCO-related monitoring and accountability requirements that met targets |        | 98%         | 90%         | 100%        |

**Notes:**

1. In February 2015, we began live webcasting of the meetings of the governing body and its committees of the whole. This initiative is expected to increase awareness of council's democratic processes.
2. We are conscious of the low proportion of Māori residents who feel they can participate in governing body decision-making. We commissioned qualitative research to help the council better understand the barriers to participating in council decision-making and how to make council processes more accessible to Māori. The council is considering the findings, which will inform the development of specific initiatives in 2015/2016.
3. The number of formal relationship agreements remains unchanged. A revised framework and process to develop new agreements was approved in December 2014. Initial meetings with mana whenua to discuss the process are underway.

## 11.2 Local governance

### What we do

We provide governance advice and support to local boards including strategic, democratic and administrative support. This involves supporting local boards in their local decision-making, their input to regional decisions and their community engagement activities.

### What we spent

| Funding Impact Statement Summary (\$M)* | Actual 2015 | Annual Plan 2015 |
|---|-------------|------------------|
| Total operating funding                 | 32          | 31               |
| Total applications of operating funding | 34          | 31               |
| Surplus (deficit) of operating funding  | (2)         | 0                |
| Total applications of capital funding   | 3           | 2                |

\*See table 11.2 for the full funding impact statement and the variance commentary for this group of activities.

### What we delivered

We delivered this activity:

- advice and support to local boards.

Key achievements include:

- The adoption of 21 local board plans setting the strategic direction for each local board over the electoral term. The




plans were a result of significant community engagement and consultation.

- We received the winning award in the Involve and People's Choice categories for the local board plans at the Auckland Council Consultation and Engagement Awards 2014.
- All local boards adopted their local board agreements 2015/2016.
- We supported collaborative work across the local boards such as Local Board Chairs' Forum, joint workshops, joint funding committees and the Manukau Harbour Forum.

### How we performed

Participation in local board decision-making remains below target, meaning our level of service has not been met. Resident engagement is an ongoing focus for all local boards, especially in the coming year as we deliver on local board agreement projects.

Progress has been made with Māori residents feeling more engaged than last year. We are evaluating different options for Māori to participate further and will be developing specific initiatives in 2015/2016.

| Level of service   | Performance measure   | Status   | 2015 actual        | 2015 target | 2014 actual |
|--|---|--|--------------------|-------------|-------------|
| Ensure the community can participate and contribute to local board decision-making | Percentage of residents who feel they can participate in local board decision-making                          |  | 25% <sup>(1)</sup> | 50%         | 27%         |
|  | Percentage of Māori residents who feel they can participate in local board decision-making                    |  | 27% <sup>(2)</sup> | 50%         | 19%         |
|  | Percentage compliance with statutory requirements for publishing agendas and minutes for local board meetings |  | 100%               | 100%        | 100%        |

**Notes:**

1. The overall percentage of residents who feel they can participate in local board decision-making has decreased slightly in 12 months. Local boards are continuously looking to improve engagement with their communities. This is an ongoing focus for all local boards, especially in the coming year as we deliver on local board agreement projects.
2. The percentage of Māori residents participating in decision-making this year was higher than last year, but the council acknowledges there is still work to do. The first phase of a pilot project to evaluate and progress different options for Māori to contribute to local board decision-making has been completed and the findings will contribute to the development of specific initiatives in 2015/2016 to further increase participation.





## Funding Impact Statements

For the year ended 30 June 2015

### 11.1 Governance and democracy

| \$ million  | Notes    | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|----------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |          |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |          | 24             | 24                     | 22                        | 26                        |
| Targeted rates  |          | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |          | -              | -                      | -                         | -                         |
| Fees and charges  |          | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |          | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |          | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |          | <b>24</b>      | <b>24</b>              | <b>22</b>                 | <b>26</b>                 |
| <b>Applications of operating funding:</b>                               |          |                |                        |                           |                           |
| Payment to staff and suppliers  |          | 17             | 19                     | 17                        | 21                        |
| Finance costs   |          | -              | -                      | -                         | -                         |
| Internal charges and overheads applied                                  |          | 5              | 5                      | 5                         | 5                         |
| Other operating funding applications                                    |          | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | <b>1</b> | <b>22</b>      | <b>24</b>              | <b>22</b>                 | <b>26</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |          | <b>2</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Sources of capital funding:</b>                                      |          |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |          | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |          | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |          | (2)            | -                      | -                         | -                         |
| Gross proceeds from sale of assets                                      |          | -              | -                      | -                         | -                         |
| Lump sum contributions  |          | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |          | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |          | <b>(2)</b>     | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Applications of capital funding:</b>                                 |          |                |                        |                           |                           |
| Capital expenditure:  |          |                |                        |                           |                           |
| - to meet additional demand   |          | -              | -                      | -                         | -                         |
| - to improve the level of service                                       |          | -              | -                      | -                         | -                         |
| - to replace existing assets  |          | -              | -                      | -                         | -                         |
| Increase (decrease) in reserves   |          | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |          | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            |          | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Surplus (deficit) of capital funding</b>                             |          | <b>(2)</b>     | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Funding balance</b>  |          | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase due to the budgeted cost of additional support resources provided to elected members.

## Funding Impact Statement

For the year ended 30 June 2015

### 11.2 Local governance

| \$ million  | Notes | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |       | 32             | 31                     | 33                        | 31                        |
| Targeted rates  |       | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |       | -              | -                      | -                         | -                         |
| Fees and charges  |       | -              | -                      | -                         | -                         |
| Internal charges and overheads recovered                                |       | -              | -                      | -                         | -                         |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | -              | -                      | -                         | -                         |
| <b>Total operating funding</b>  |       | <b>32</b>      | <b>31</b>              | <b>33</b>                 | <b>31</b>                 |
| <b>Applications of operating funding:</b>                               |       |                |                        |                           |                           |
| Payment to staff and suppliers  |       | 27             | 24                     | 25                        | 25                        |
| Finance costs   |       | 1              | 1                      | 1                         | -                         |
| Internal charges and overheads applied                                  |       | 6              | 6                      | 7                         | 6                         |
| Other operating funding applications                                    |       | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | 1     | <b>34</b>      | <b>31</b>              | <b>33</b>                 | <b>31</b>                 |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>(2)</b>     | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Sources of capital funding:</b>                                      |       |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                      | -                         | -                         |
| Development and financial contributions                                 |       | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   |       | 5              | 2                      | -                         | 2                         |
| Gross proceeds from sale of assets                                      |       | -              | -                      | -                         | -                         |
| Lump sum contributions  |       | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |       | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>5</b>       | <b>2</b>               | <b>-</b>                  | <b>2</b>                  |
| <b>Applications of capital funding:</b>                                 |       |                |                        |                           |                           |
| Capital expenditure:  |       |                |                        |                           |                           |
| - to meet additional demand   |       | -              | -                      | -                         | -                         |
| - to improve the level of service                                       |       | 2              | 2                      | -                         | 1                         |
| - to replace existing assets  |       | 1              | -                      | -                         | 1                         |
| Increase (decrease) in reserves   |       | -              | -                      | -                         | -                         |
| Increase (decrease) in investments                                      |       | -              | -                      | -                         | -                         |
| <b>Total applications of capital funding</b>                            | 2     | <b>3</b>       | <b>2</b>               | <b>-</b>                  | <b>2</b>                  |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>2</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |
| <b>Funding balance</b>  |       | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |

Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – decrease is due to efficiency savings and the reallocation of overhead costs.
2. Application of capital funding – increase is mainly due to the inclusion of some small northern local improvement projects and of additional local board support services projects.



# 12. Theme: Tautoko o kamupene Corporate support



Auckland Council's new customer service centre in the CBD

## Introduction

We need an efficient and effective corporate support service to support staff as they deliver services to Aucklanders and plan for the city's future well-being and growth. This service provides the policy and monitoring frameworks that ensure the council follows the strategic direction set by the governing body, local boards and Auckland plan.

Within this theme we deliver organisational support.

### Summary of corporate support performance measures

| Group of activities         |  |  |  |  |  | Total measures |
|-----------------------------|---|---|---|---|---|----------------|
| 12.1 Organisational support | 8   | 3   | 4   | 1   | 0   | 16             |
| <b>Totals</b>               | <b>8</b>  | <b>3</b>  | <b>4</b>  | <b>1</b>  | <b>0</b>  | <b>16</b>      |



## Commentary

### 12.1 Organisational support

#### What we do

We provide communications and public affairs, Māori strategy and relations, support functions, legal issues, organisational improvement, procurement, risk and assurance, rating and shared services, and funds management.

#### What we spent

| Funding Impact Statement Summary (\$M)*                | Actual 2015 | Annual Plan 2015 |
|--|-------------|------------------|
| Total operating funding <sup>(1)</sup>                 | 376         | 332              |
| Total applications of operating funding <sup>(2)</sup> | 343         | 288              |
| Surplus (deficit) of operating funding                 | 33          | 44               |
| Total applications of capital funding <sup>(3)</sup>   | 147         | (123)            |

1. Operating funding above budget due to favourable return from investment and higher dividends received.
2. Operating expenditure higher than budget due to net loss on early close out of swaps, additional provision for Eden Park Trust and increase in temporary staff cost.
3. Capital Expenditure higher than budget due to provision for capital carried forward and additional spend on IS projects.

\*See table 12.1 for the full funding impact statement and the variance commentary for this group of activities.

#### What we delivered

We delivered these activities:

- communications and public affairs
- customer services
- executive leadership
- financial services
- funds management
- human resources
- information technology services
- internal audit
- management of council property
- management of legal issues
- Māori strategy and relations

- organisational improvement initiatives
- procurement
- rating services
- risk management
- shared services.

Key achievements include:

- Completed the council's CBD office accommodation consolidation project, reducing the number of buildings from seven down to three and refurbishing 135 Albert Street and Bledisloe House. This delivered financial savings and efficiency, productivity, engagement and performance gains.
- Progressed delivery of the NewCore project to transform customer services primarily by simplifying and standardising processes for rates, regulatory services and related property data.
- The council and the PSA put considerable effort into 'the way we work', our wider work programme that supports our high performance focus. We partnered with the PSA to develop new performance, recognition and pay frameworks which were implemented from July 2015.
- The council's procurement department now takes a cross-council, category-focused approach to purchasing goods and services, allowing us to leverage our scale to maximise efficiency and value for money.
- We established Te Toa Takitini, a Māori Responsiveness Executive Leadership Group, which includes the chief executives of the CCOs and the IMSB, to lead a step change in how the council plans, develops, prioritises and delivers its activities to work with Māori, to significantly lift social and economic well-being.
- We continued to transform the council's responsiveness to Māori. This included co-



ordinating a cross-organisational response to Treaty of Waitangi settlements, communication and engagement with Māori, contributions to Māori well-being and building the council's organisational capacity and capability. For example, the council provided grant funding to several Auckland mana whenua and mataawaka marae to support capital works.

- We delivered key projects as part of the Treaty of Waitangi Audit Response Programme to embed Māori responsiveness as a core element of the organisation's culture, operations and service delivery. This includes delivery of Ngā Kete Akoranga, a comprehensive learning and development programme to upskill elected members and staff in their use of te reo Māori and knowledge of the Treaty and related legislation.
- We facilitated engagement between mana whenua and the council, as well as identifying and developing opportunities to address mana whenua aspirations via specific programmes. For example, we supported other departments to facilitate mana whenua involvement in the stewardship and kaitiakitanga of natural resources via the Wai Ora Wai Māori programme.
- Initiatives including emailing invoices to ratepayers via eRates, direct debits, and on-line and kiosk payments at our main service centres.





- Our geospatial team members were recognised at the Esri International User Conference with a Special Achievement Award for their outstanding work in Geographic Information Systems (GIS).
- Two fully electric Nissan Leafs and eight Toyota Prius C hybrids were added to the fleet of council vehicles during the year. They replace their petrol equivalents, which marks an exciting step to developing a clean, effective and cost-efficient fleet.
- The Communication and Engagement Department realised savings by expanding the capacity of the in-house design studio, reducing external spend with marketing and design agencies.

**How we performed**

We satisfied four of our eight levels of service and made progress on three others (11 measures were achieved or substantially achieved, out of 16).

We have established a Māori Responsiveness Executive Leadership Group to lead a step change in how the council plans, develops, prioritises and delivers its activities to work with Māori.

We continue working on improving our customer experience, looking for ways to facilitate more efficient communication. Our call centres monitor response times and are introducing new tools to better these.

| Level of service  | Performance measure   | Status   | 2015 actual        | 2015 target | 2014 actual |
|---|---|--|--------------------|-------------|-------------|
| Provide communication related support and improve brand awareness of Auckland Council   | Percentage of residents who associate Auckland Council with the Auckland Council logo (prompted)          |  | 78%                | 79%         | 76%         |
|   | Percentage of residents who associate Auckland Council with the Auckland Council logo (unprompted)        |  | 49%                | 45%         | 43%         |
| Develop and maintain relationships with iwi and Māori communities and ensure their effective contribution to the decision-making processes of the council | Percentage of Māori organisations who consider they have an appropriate working relationship with council |  | 27% <sup>(1)</sup> | 75%         | 27%         |
| Provide efficient, effective and convenient ways for customers  | Percentage of calls that are answered within 20 seconds   |  | 74% <sup>(2)</sup> | 80%         | 71%         |



| Level of service   | Performance measure   | Status | 2015 actual        | 2015 target | 2014 actual |
|--|---|--------|--------------------|-------------|-------------|
| and stakeholders to contact and conduct business with the council  | Percentage of emails actioned and responded to within 72 hours                                    |        | 73% <sup>(3)</sup> | 80%         | -           |
| Ensure sound financial governance and maintain an effective financial transaction management centre for account payables and receivables | Percentage net debt to total revenue  |        | 181%               | 199.4%      | 154%        |
|  | Percentage net interest to total revenue  |        | 11.8%              | 11.5%       | 11%         |
|  | Percentage of receipts processed within 24 hours from receipt                                     |        | 100%               | 98%         | 100%        |
|  | Maximum number of days to process receipt   |        | 1                  | 1           | 1           |
| Provide human resources and health and safety advice and initiatives to support Auckland Council and CCOs                                | Percentage employee engagement  |        | 69% <sup>(4)</sup> | 75%         | 68%         |
|  | Annual employee turnover  |        | 12%                | 10%         | 11.7%       |
|  | Lost time injury frequency rate   |        | 2.75               | 4.5         | -           |
| Provide organisational leadership and political support required for the council to function efficiently and effectively                 | Percentage of LTP performance measure targets met or exceeded                                     |        | 64%                | 90%         | 57%         |
| Develop and maintain council facilities and manage its core property portfolio and tenants   | Percentage of projects delivered according to plan (time and cost)                                |        | 78%                | 70%         | 72%         |
| Create and maintain an efficient transaction management centre to manage the council rates and valuation function                        | Percentage of rates revenue collected   |        | 98%                | 97%         | 98%         |
|  | Percentage of rates notices lodged within legislative timetable for the first instalment due date |        | 100%               | 99%         | 99%         |

#### Notes:

1. We intend to address mana whenua organisations' satisfaction with their working relationship with the council by enhancing responsiveness to Māori. We have established a Māori Responsiveness Executive Leadership Group to lead a step change in how the council plans, develops, prioritises and delivers its activities to work with Māori.
2. While we improved our customer level of service with 74 per cent of phone calls answered within 20 seconds, the target was not met due to increased workload caused by:
  - the revaluations campaign in the second quarter of the year, involving preparation, training and answering calls
  - the extended summer and increased number of events, including Cricket World Cup and NRL Nines, and the associated increase in parks, noise and transport-related calls
  - the continued increase in building activity resulting in more building-related inquiries. These calls tend to be more complex, increasing total workload.
3. A new tool to deal with written communications (including emails) has been introduced, which should improve email response times.
4. Our overall employee engagement index score has increased to 69 per cent. The industry benchmark, comparing us to New Zealand local government and private sector companies of a comparable size, is 71 per cent.

## Funding Impact Statement

For the year ended 30 June 2015

### 12.1 Organisational support

| \$ million  | Notes     | Actual<br>2015 | Annual<br>Plan<br>2015 | Long-term<br>Plan<br>2015 | Long-term<br>Plan<br>2014 |
|---|-----------|----------------|------------------------|---------------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |           |                |                        |                           |                           |
| General rates, UAGCs, rates penalties                                   |           | 36             | 36                     | 41                        | 47                        |
| Targeted rates  |           | -              | -                      | -                         | -                         |
| Subsidies and grants for operating purposes                             |           | -              | -                      | -                         | -                         |
| Fees and charges  |           | 5              | 3                      | 2                         | 25                        |
| Internal charges and overheads recovered                                |           | 265            | 265                    | 248                       | 241                       |
| Local authorities fuel tax, fines, infringement fees and other receipts | 6         | 70             | 28                     | 30                        | 5                         |
| <b>Total operating funding</b>  |           | <b>376</b>     | <b>332</b>             | <b>321</b>                | <b>318</b>                |
| <b>Applications of operating funding:</b>                               |           |                |                        |                           |                           |
| Payment to staff and suppliers  | 7         | 313            | 269                    | 265                       | 261                       |
| Finance costs   | 8         | 30             | 19                     | 5                         | 10                        |
| Internal charges and overheads applied                                  |           | -              | -                      | -                         | -                         |
| Other operating funding applications                                    |           | -              | -                      | -                         | -                         |
| <b>Total applications of operating funding</b>                          | <b>1</b>  | <b>343</b>     | <b>288</b>             | <b>270</b>                | <b>271</b>                |
| <b>Surplus (deficit) of operating funding</b>                           |           | <b>33</b>      | <b>44</b>              | <b>51</b>                 | <b>47</b>                 |
| <b>Sources of capital funding:</b>                                      |           |                |                        |                           |                           |
| Subsidies and grants for capital expenditure                            | 9         | 5              | -                      | -                         | -                         |
| Development and financial contributions                                 |           | -              | -                      | -                         | -                         |
| Increase (decrease) in debt   | 2         | 109            | (167)                  | (25)                      | (117)                     |
| Gross proceeds from sale of assets                                      | 3         | -              | -                      | 27                        | 27                        |
| Lump sum contributions  |           | -              | -                      | -                         | -                         |
| Other dedicated capital funding   |           | -              | -                      | -                         | -                         |
| <b>Total sources of capital funding</b>                                 |           | <b>114</b>     | <b>(167)</b>           | <b>2</b>                  | <b>(90)</b>               |
| <b>Applications of capital funding:</b>                                 |           |                |                        |                           |                           |
| Capital expenditure:  |           |                |                        |                           |                           |
| - to meet additional demand   |           | -              | 3                      | 2                         | 2                         |
| - to improve the level of service                                       | 4         | 78             | (166)                  | -                         | (107)                     |
| - to replace existing assets  |           | 60             | 60                     | 49                        | 57                        |
| Increase (decrease) in reserves   |           | -              | -                      | -                         | 5                         |
| Increase (decrease) in investments                                      | 5         | 9              | (20)                   | 2                         | -                         |
| <b>Total applications of capital funding</b>                            | <b>10</b> | <b>147</b>     | <b>(123)</b>           | <b>53</b>                 | <b>(43)</b>               |
| <b>Surplus (deficit) of capital funding</b>                             |           | <b>(33)</b>    | <b>(44)</b>            | <b>(51)</b>               | <b>(47)</b>               |
| <b>Funding balance</b>  |           | <b>-</b>       | <b>-</b>               | <b>-</b>                  | <b>-</b>                  |



Variance explanation Annual Plan 2015 to LTP 2015:

1. Application of operating funding – increase is primarily due to the efficiency targets being held centrally in the LTP; however, in the annual plan these were identified and reallocated.
2. The lower forecast debt is due to the expected delays in capital expenditure delivery (refer to note 4).
3. Gross proceeds from sale of assets have been re-allocated to the commercial activity as it relates to the sale of commercial property.
4. Decrease in capital expenditure is due to the provision for the expected carry forward of undelivered capital expenditure. It was deemed unlikely that the full capital expenditure programme will be completed due to changes in the timing of delivery, reprioritisation and constraints in the council's overall capacity to deliver.
5. Decrease in investment reflects movements in cash reserves and working capital.

Variance explanation Actual 2015 to Annual Plan 2015:

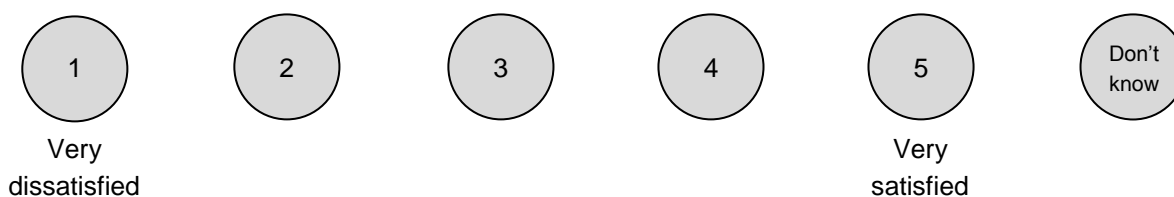
6. Local authorities' fuel tax, fines, infringement fees and other receipts are \$42 million higher than budget due to:
  - \$3 million Diversified Financial Asset Portfolio due to current favourable market conditions
  - \$8 million interest income due to higher cash balances held over majority of the year compared to the budget, as different base and assumptions are used to calculate this
  - prior year DFA dividend income of \$6 million received in current financial year and \$9 million due to current favourable market conditions
  - remaining balance is made up of other revenue not budgeted.
7. Payment to staff and suppliers is above budget due to additional provision for the guarantee of Eden Park Trust and increase in temporary staff cost during the year to deliver IS projects.
8. Finance costs over budget primarily due to net loss on early close-out of swaps.
9. Subsidies and grants for capital expenditure over budget due to NZTA budget towards the Onehunga Foreshore project was allocated over 4 years (2011-2014), but payments were still received in 2015.
10. Capital expenditure plan includes a provision for carried forward capital expenditure of \$206 million. The plan excluding the above provision was \$103 million, with actual spend of \$138 million. The increased spend mainly relates to IS projects \$24 million additional spend, due to the governing body approving an increase in funding to the additional IS project following a review of project requirements. Capital expenditure is above budget, which resulted in a higher capital funding requirement.

## Use of surveys in reporting performance measures

The measurement of resident and participant satisfaction levels of the services, events and facilities provided by the council is conducted using external surveys

### External customer surveys

The survey scales used were as follows:



A positive rating is either (4) or (5).

This scale was used for all surveys except the Leisure Customer Satisfaction Research survey, where a seven-point scale was used and the top three were counted as a positive rating.

### Auckland residents' survey

Colmar Brunton New Zealand conducted Auckland Council's annual survey of residents. The survey primarily measures respondents' use of, and satisfaction with, a range of council services. It was conducted using a mix of online, phone and face-to-face interviews. The range of methods addressed the difficulty of achieving robust and representative samples of small populations and hard to reach groups online. The Colmar Burton online research panel was used to get a wide range of respondents across the region.

The Knowledge Management Services sample database is primarily used for marketing, research and analysis, and is a licensed reseller of the White Pages Directory. This database was used to target residents from Waiheke and Great Barrier. In addition, random digit dialling samples were drawn from local board areas with low internet usage or with a high Māori population. Face-to-face intercept interviews were conducted in Great Barrier, at Tryphena around the airport, in and around the main hub and visitor centre, on the ferry over to the island and at the airport.

The population used to select respondents was Auckland residents aged 15+. Demographic quotas were set by age, gender, ethnicity and local board area.

For the face-to-face intercept interviews on Great Barrier, everyone was approached and screened to ensure they were residents of Great Barrier, then asked to participate in the survey.

| Sample size | Margin of error |
|-------------|-----------------|
| 5,282       | ± 1.4%          |

The main data set was post-weighted according to age, gender, ethnicity and regional area to ensure the sample profile matched the population of the Auckland region.

This survey is related to the following performance measures in Volume 1 and Volume 2 (\*are in Volume 1 only):

- percentage of residents who feel they can participate in governing body decision-making\*
- percentage of Māori residents who feel they can participate in governing body decision-making\*





- percentage of residents who feel they can participate in local board decision-making\*
- percentage of Māori residents who feel they can participate in local board decision-making
- percentage of residents satisfied with the cleanliness of their local town centre\*
- percentage of residents satisfied with the quality and maintenance of the street environment
- perception of good balance between built areas and natural environment on the coastline\*
- percentage of customers satisfied with the cemeteries and memorial gardens overall\*
- percentage of residents satisfied with Citizens Advice Bureau services\*
- percentage of respondents who perceive that their neighbourhood is reasonably safe in the daytime
- percentage of respondents who perceive that their neighbourhood is reasonably safe at night time
- percentage of residents satisfied with the provision (location and distribution) of regional parks
- percentage of public satisfied with the quality of care of the volcanic features\*
- percentage of public who have used a regional park in the last 12 months\*
- percentage of residents satisfied with the provision (location and distribution) of local parks and reserves
- percentage of residents satisfied with the quality of parks, reserves, sports fields and beaches
- percentage of residents who visited a local park or reserve in the last 12 months
- percentage of residents participating at least once per week in sport and recreation\*
- percentage of residents who associate Auckland Council with the Auckland Council logo (prompted)\*
- percentage of residents who associate Auckland Council with the Auckland Council logo (unprompted).\*

### Auckland libraries customer satisfaction survey

Gravitas Research and Strategy Limited surveyed library users. The survey primarily measures respondents' satisfaction with libraries' services. The survey used a mixed-method approach using an 'introduced' self-completion survey conducted inside the library. On-site interviewing staff were used to introduce the survey to customers, invite/encourage them to take part, to be available to respondents while they completed the questionnaire in case they had questions, to collect completed questionnaires and thank them for their help. This included a complementary online survey of a sample of the library membership database.

Consistent with 2012, 2013 and 2014, respondents were library customers who had visited an Auckland library in person in the four months prior to the survey. With the exception of library staff and those younger than 15 years, all library customers were eligible to participate in the in-library survey, irrespective of their library membership status, reason or length of visit. Surveys were done in each Auckland library, including the four mobile libraries. Invitations to participate in the online survey were also sent to a random selection of customers identified from the membership database. The data has been weighted so that the demographic and behavioral profile of the online survey sample matches that of the in-library (randomly selected) sample, and the contribution of each library to the total result is relative to its patronage.

| Sample size | Margin of error |
|-------------|-----------------|
| 8,193       | ± 1.1%          |

This survey is related to the following performance measures in Volume 1 and Volume 2 (\*are in Volume 1 only):

- percentage of customers satisfied with the content and condition of collections\*
- percentage of customers satisfied with the services available on library computers including databases and catalogues\*
- percentage of customers satisfied with the overall services provided by libraries.

**Events evaluation research**

Colmar Brunton New Zealand surveyed attendees at various Auckland events throughout 2014/2015. The survey measures respondents’ satisfaction with local and regional events, and Māori participation. It was conducted using a mix of online and face-to-face interviews.

Interviewers approached attendees aged 15 years or over at the event and requested their participation in the survey. Attendees who consented provided an email address and were subsequently emailed a link to an online questionnaire for completion. People without email addresses were interviewed on the spot by completing a paper questionnaire. If an event was focused on the viewing of a film (e.g. Movies in Parks), a postage-paid envelope and questionnaire was supplied.

|                 | Sample size | Margin of error |
|-----------------|-------------|-----------------|
| Regional events | 1,025       | ± 3.1%          |
| Local events    | 3,613       | ± 1.6%          |

This survey is related to the following performance measures in Volume 1 and Volume 2 (\*are in Volume 1 only):

- percentage of attendees satisfied with the council-delivered regional events overall\*
- percentage of Māori participating in council-delivered regional events\*
- percentage of attendees satisfied with council-provided local events overall.

**Leisure customer satisfaction research**

Gravitas Research and Strategy surveyed Auckland Council leisure centre customers. The survey measures respondents’ satisfaction with the swimming pools and programmes, and recreation centre facilities and programmes. The survey used mixed methods – an ‘introduced’ self-completion survey conducted on-site at each nominated swimming pool/recreation facility and an online survey. On-site interviewing staff introduced the self-completion survey to customers, invite/encourage them to take part, to be

available to respondents while they completed the questionnaire in case they had questions, to collect completed questionnaires and thank them for their contribution. A complementary online survey was also done at 48 of the 67 facilities. The survey was made available to a sample of members from the facilities’ membership database.

Respondents were leisure facility customers who had visited a facility in the 12 months prior to the survey. With the exception of leisure facility staff and those under 15 years, all facility customers were eligible to participate in the on-site survey, irrespective of their facility membership status. Invitations to participate in the online survey were sent to a random selection of customers identified from the membership databases of facilities.

|                       | Sample size | Margin of error |
|-----------------------|-------------|-----------------|
| Swimming facilities   | 2,381       | ± 2.0%          |
| Recreation facilities | 2,631       | ± 1.9%          |

Overall results have been weighted so that the contribution of each leisure facility to the total result is relative to its patronage.

The 2014 results are not comparable for two reasons.

1. In previous years, results from centres with both aquatic and recreational facilities were credited to the swimming pool key performance indicator. This year, centres with both facilities will have two results which are credited to their respective measures.
2. In previous years, the results represented the average of all scores. This year, the results represent the proportion of survey scores that were the top three in the seven-point scale.

This survey is related to the following performance measures in Volume 1 and Volume 2:

- percentage of customer satisfied with swimming pools and programmes overall



- percentage of customers satisfied with recreation centre facilities and programmes overall.

### Local arts facilities and programmes survey

TNS/Reid Research surveyed visitors and participants of the council's art facilities and programmes. The survey measures the respondents' satisfaction with our art facilities and programmes. Interviewers approached visitors and programme participants at arts and cultural facilities. The survey used a mix of self-completion, online and face-to-face interviews.

The population of interest for the survey includes all those:

- who have visited a council arts and culture facility for the purpose of seeing an exhibition or performance, and
- who have participated in a class or educational programme, workshop, opening, event or a festival. To qualify, the activity needs to be organised or funded, either in full or part by the council.

|                        | Sample size | Margin of error |
|------------------------|-------------|-----------------|
| Visitors               | 2,333       | ± 2.7%          |
| Programme participants | 1,045       | ± 3.0%          |

This survey is related to the following performance measures in Volume 1 and Volume 2 (\*local only measure):

- percentage of visitors satisfied with council arts facilities overall
- percentage of participants satisfied with community art programmes overall.\*

### Community halls/centres survey

Gravitas Research and Strategy surveyed users of community halls and centres. The survey measured respondents' satisfaction with the halls and centres. The survey used a mixed methodology of online, telephone and self-completion to account for the different types of contact details of hirers that were available on the council database.

The survey was run in 136 community halls/centres across the region.

The population surveyed was defined as individuals who had hired a community centre or hall in the nine-month period from July 2014 to March 2015 (collected under the new integrated booking system). This included both casual and regular hirers.

| Sample size | Margin of error |
|-------------|-----------------|
| 1,111       | ± 2.9%          |

This survey is related to the following performance measure in Volume 1 and Volume 2.

- Percentage of users satisfied with community centres and community houses.

### Customer experience monitor survey

Gravitas Research and Strategy surveyed direct service experiences with service units within the Operations Department. They used a mixed-method customer choice approach with a combination of computer assisted telephone interviewing (CATI) and an online survey. Potential survey respondents were selected from lists, provided monthly by the council, of customers who had had a direct interaction via a range of channels including the council call centre, council website, personal visit to council offices or service centre, or interaction with council staff in the field.

All potential respondents without telephone contact details were emailed an invitation and link to the online survey (cold email). A random selection of customers with telephone details supplied went through the customer choice approach. They were contacted by telephone and given the option of completing the questionnaire either over the phone (via CATI) or online. Prior to starting the survey, all potential respondents were screened for eligibility, with those younger than 15 years or those who could not recall having had an interaction with the council deemed ineligible. Surveys were conducted continuously throughout the year; in most cases customers

were contacted no later than seven weeks after their interaction with the council. To avoid fluctuations in the distribution of interviews that might adversely impact on results, minimum quotas were set for the proportion of online and telephone surveys conducted each month for each service unit.

| Service unit      | Sample size | Margin of error |
|-------------------|-------------|-----------------|
| Alcohol licensing | 586         | ± 4.0%          |
| Animal management | 671         | ± 3.8%          |
| Building control  | 573         | ± 4.1%          |
| Food licensing    | 541         | ± 4.2%          |
| Resource consents | 553         | ± 4.2%          |
| Stormwater        | 491         | ± 4.4%          |

This survey is related to the following performance measures in Volume 1:

- percentage of customers satisfied with the overall quality of the building control service delivery
- percentage of customers satisfied with the overall quality of the resource consents service delivery
- percentage of customers satisfied with the food and alcohol licensing service
- percentage of customers satisfied with animal management service
- percentage of customers satisfied with stormwater management.

#### Community Development Services survey

Colmar Brunton New Zealand surveyed community groups who engage with Community Development Services (CDS). The survey primarily measures the groups' experience of, and satisfaction with, CDS services. Community groups' experiences of CDS services are measured among both Māori and non-Māori community groups. An online survey was sent to community groups that have interacted with one of CDS's five teams (community safety team, strategic community initiatives team, and three community development teams across south, central and north/west Auckland).

|                        | Sample size | Margin of error |
|------------------------|-------------|-----------------|
| Total                  | 115         | ± 8.8%          |
| Māori community groups | 27          | ± 16.5%         |

This survey is related to the following performance measures in Volume 1:

- percentage of customers satisfied with community development programmes
- percentage of Māori customers satisfied with community development programmes.

#### Social housing for older persons survey

Gravitas Research and Strategy surveyed the council's housing for older persons tenants. The survey primarily measures their satisfaction with the housing for older persons service provided by the council. The survey used a mail-out self-completion methodology with a survey form to be completed and posted back (freepost).

Consistent with 2012, 2013 and 2014, respondents were current housing for older persons tenants who completed the questionnaire and returned it by the due date. All current tenants were eligible to participate in the survey, and all tenants (based on the most updated tenant list available, provided by the council) were sent a survey. The overall results have been weighted by housing area (north, south, west) so that the contribution of region to the total result is relative to its proportion of the total housing stock.

| Sample size | Margin of error |
|-------------|-----------------|
| 611         | ± 4.0%          |

This survey is related to the following performance measures in Volume 1:

- percentage of tenants satisfied with the provision and management of housing facilities.



### Community grants survey

Colmar Brunton New Zealand surveyed Auckland Council community grant applicants. The survey primarily measures applicants' satisfaction with the information, advice and assistance provided in relation to the grant application process.

An online survey was sent to all community grant applicants from July 2014 (consisting of successful and unsuccessful applicants and those who have not yet been notified of the outcome of their application).

| Sample size | Margin of error |
|-------------|-----------------|
| 226         | ± 4.7%          |

The final data set was post-weighted by region according to the current (at the time of surveying) outcome of the application. This was to ensure the final sample profile aligned with the sample profile of everyone invited to take part in the research.

This survey is related to the following performance measure in Volume 1 and Volume 2:

- percentage of community groups satisfied with the information, advice and assistance provided.

### Regional Art Programmes Survey

Colmar Brunton New Zealand surveyed the council's Regional Arts Programme. The survey primarily identified levels of satisfaction with regional arts activities. The survey used face-to-face intercept interviews to collect email addresses, followed by an invitation to complete an online survey about the event.

Interviewers approached attendees aged 15 years or over at the event and requested their participation in the evaluation survey. Attendees who consented provided an email

address and were subsequently emailed a link to an online questionnaire for completion. People without email addresses were interviewed on the spot by filling in a paper questionnaire.

| Sample size | Margin of error |
|-------------|-----------------|
| 676         | ± 3.8%          |

This survey is related to the following performance measure in Volume 1:

- percentage of participants satisfied with regional arts activities.

### Mana whenua research

Arapai Limited surveyed mana whenua organisations across the region. The survey generally canvasses the nature and effectiveness of the council's relationship with mana whenua. The research also collects information to inform metrics relating to stormwater management.

The survey involves kanohi-ki-te-kanohi interviews with the chairs or nominated representative(s) of mana whenua organisations within Tāmaki Makaurau. It follows a kaupapa Māori approach that locates Māori as the focus and beneficiary of the research. It also promotes Māori control where the analysis is Māori, which produces Māori knowledge and meets Māori expectations and quality standards.

In 2015, 15 of 19 mana whenua organisations participated in the research.

This survey is related to the following performance measures in Volume 1:

- percentage of Māori organisations who consider they have an appropriate working relationship with council
- percentage of mana whenua satisfied with stormwater management.



HEI KITENGA I TE KATOA O TE PŪRONGO Ā TAU

## Where to find the full annual report 2014/2015

**You can find the full printed report at all:**

- Auckland libraries
- service centres
- local board offices.

**You can find the full annual report on our website:**

[www.aucklandcouncil.govt.nz/annualreport](http://www.aucklandcouncil.govt.nz/annualreport)



Westhaven promenade



## PEHEA TE WHAKAPĀ MAI KI TE KAUNIHERA

# How to contact the council

**We can help you 7 days a week, 24 hours a day.**

|                        |  |
|------------------------|--|
| <b>Telephone</b>       | 09 301 0101 (toll-free for residential landlines within Auckland Council boundaries. Note that toll-free calls are not allowed by all service providers) |
| <b>In person</b>       | At our customer service centres  |
| <b>Via our website</b> | Using our online form at <a href="http://aucklandcouncil.govt.nz">aucklandcouncil.govt.nz</a>  |
| <b>Fax</b>             | 09 301 0100  |
| <b>By post</b>         | Auckland Council<br>Private Bag 92300<br>Auckland 1142   |
| <b>By courier</b>      | Mail room<br>Auckland Council<br>Basement Level B1<br>135 Albert Street<br>Auckland 1010   |



Customer service call centre

