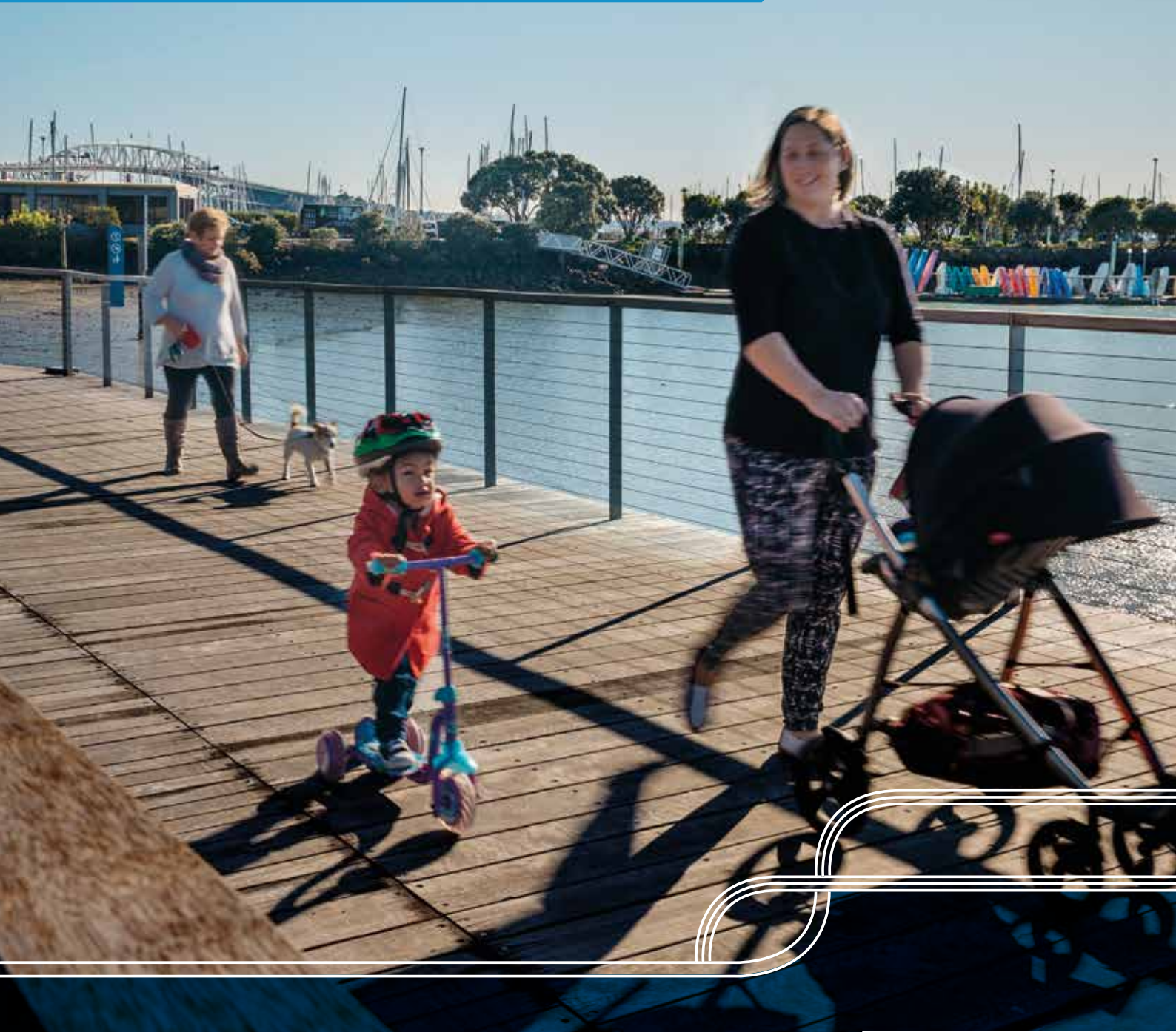


PŪRONGO Ā TAU MŌ TE KAUNIHERA O TĀMAKI MAKĀURAU
Auckland Council
SUMMARY ANNUAL REPORT
2014/2015



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

Contents

Kupu whakataua Welcome	6	Whakahaere tikanga haumarua Risk management	43
He karere nā te koromātua Message from the mayor	8	Ō mātou tautoko ki te iwi Māori Our commitment to Māori	44
He karere nā te tumu whakarae Message from the chief executive	10	Ō mātou tautoko mō te whakapūmautanga Our commitment to sustainability	46
Te haumi ki Tāmaki Makauru Investing in Auckland	12	Ngā rawenga ā poāri ā-rohe Local board highlights	48
Ngā rawenga matua ā tau Highlights from 2014/2015	14	Tirohanga Whānui o ngā mahi whakahaere rātonga Service performance overview	50
Ngā whiwhinga Awards	16	He whakarāpopoto mō te pūtea Financial overview	64
Ngā rawenga ā pūtea Financial highlights	18	Tā te kaitātari kaute Independent auditor's report	78
Kāwanatanga Governance	20	Hei kitenga i te katoa o te pūrongo ā tau Where to find the full annual report	80
Ō mātou manukura me ngā kaimahi Our leaders and people	37	Pehea te whakapā mai ki te kaunihera How to contact the council	81

KUPU WHAKATAU

Welcome to the Summary Annual Report 2014/2015

This summary 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 summary describes how the Group performed, highlights for the year, and our financial position.

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, 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.

This summary is an abridged version of the full Auckland Council Annual Report 2014/2015. It does not include all the disclosures provided in the full annual report. For a more comprehensive understanding of the Group's financial and service performance, financial position and cash flows, you should read the full annual report.

This summary has been audited to ensure accuracy and consistency with the full Auckland Council Annual Report 2014/2015. The full annual report received an unmodified audit report and was adopted by Auckland Council on 24 September 2015, the same date as the adoption of this summary.

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

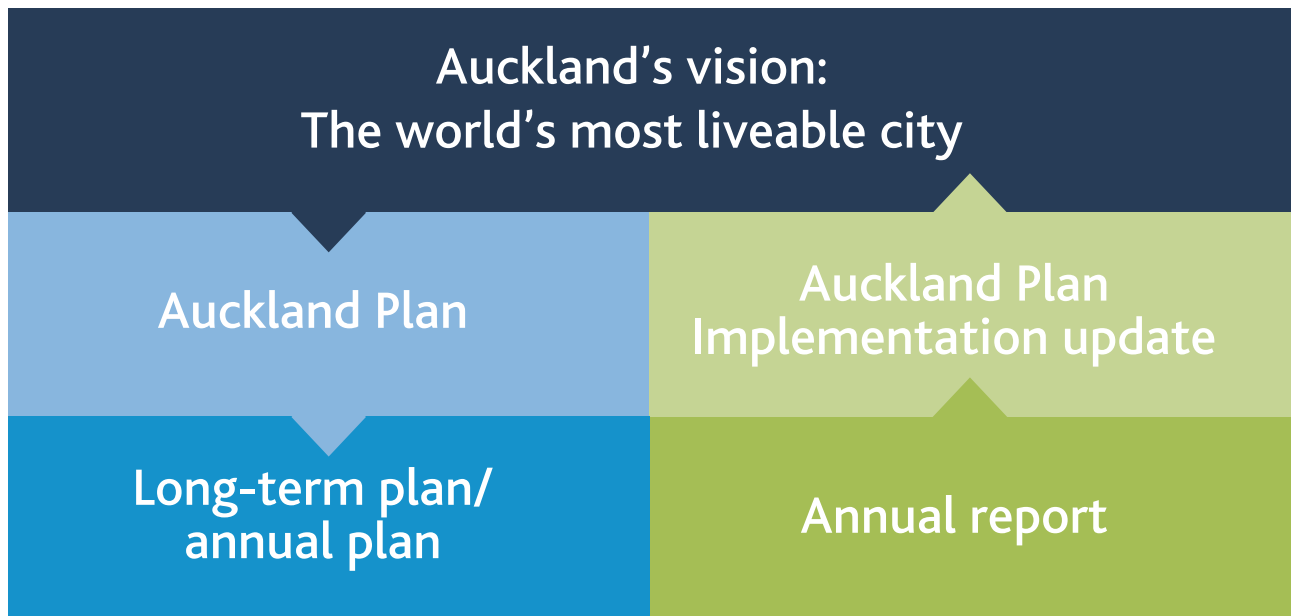
Our performance against financial and non-financial targets for each local board

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.

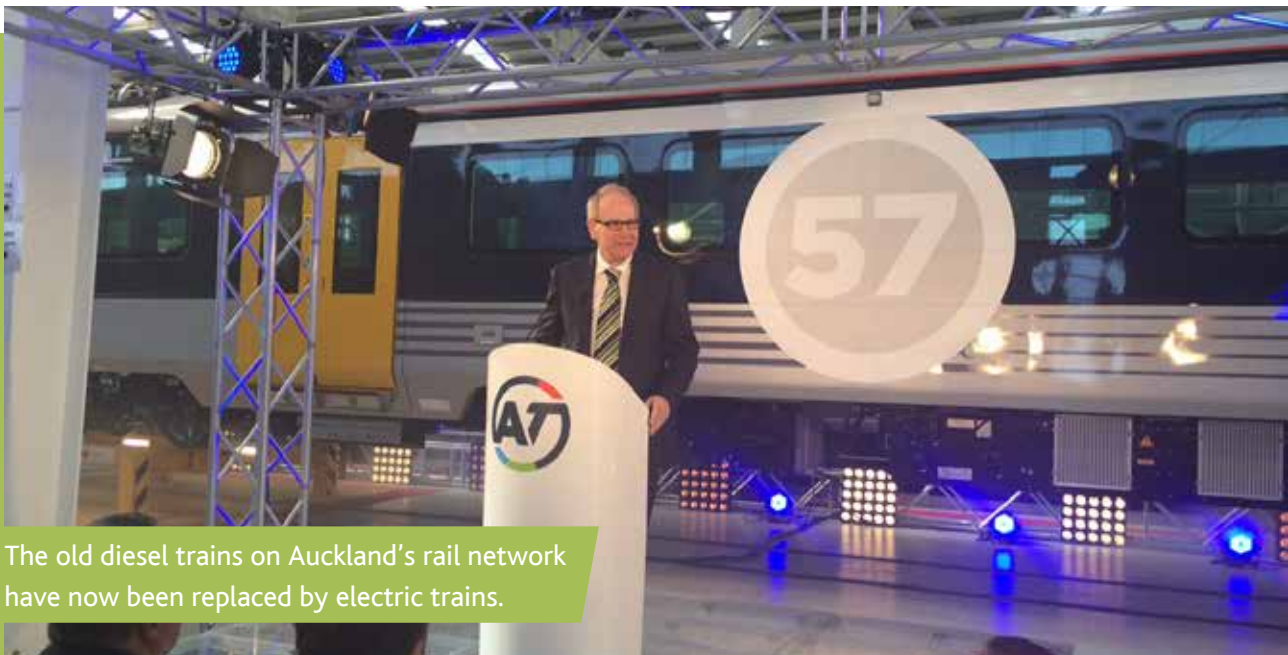
There have been significant improvements across our entire transport network.

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

Yann Riou/Volvo Ocean Race



We hosted major events such as the Volvo Ocean Race stopover



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 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

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



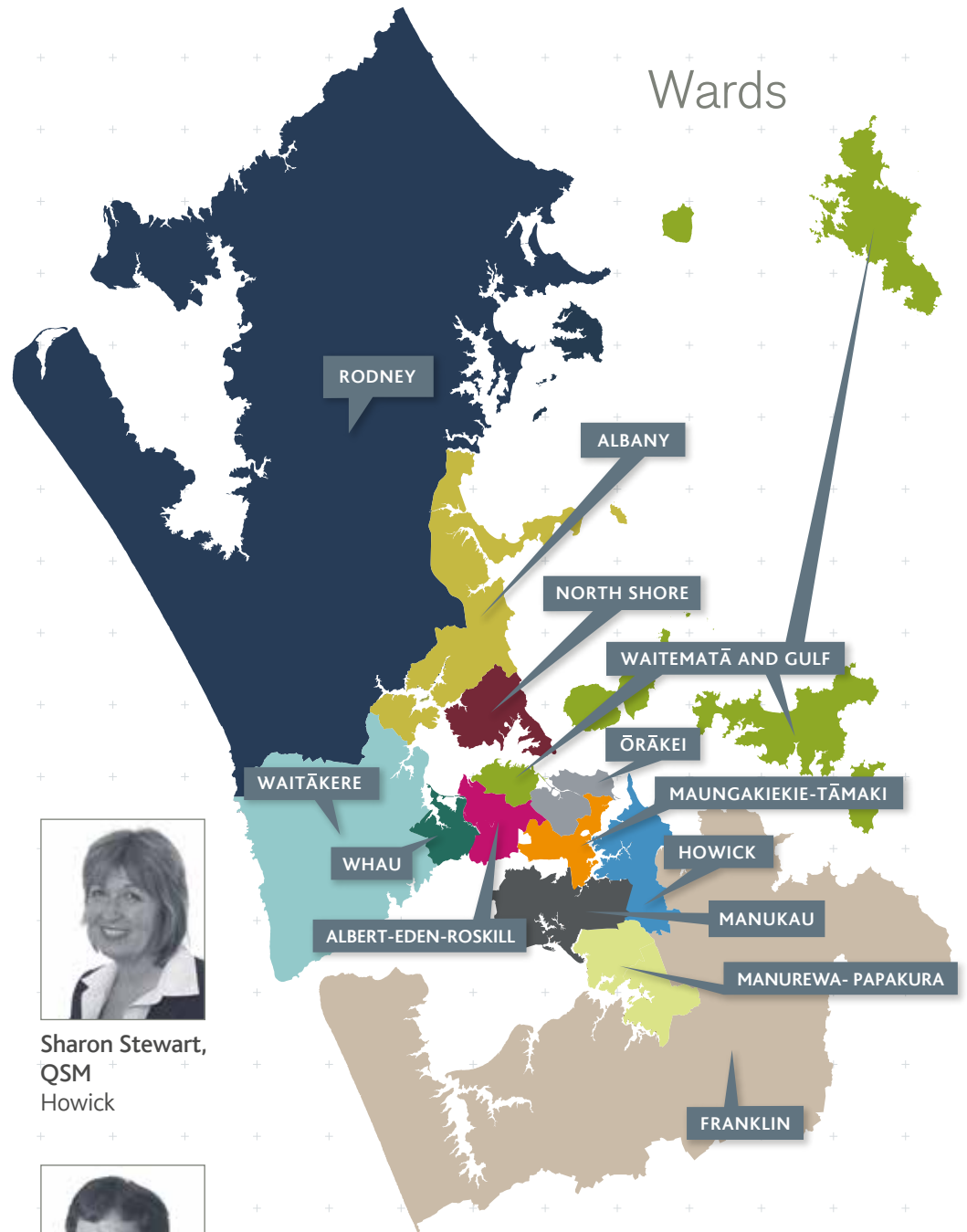
Mike Lee
Waitemata and Gulf



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



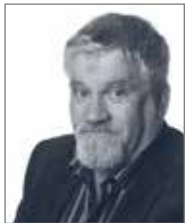
Glenda Fryer
Deputy Chair



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**



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**



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**



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**



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**



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**



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.

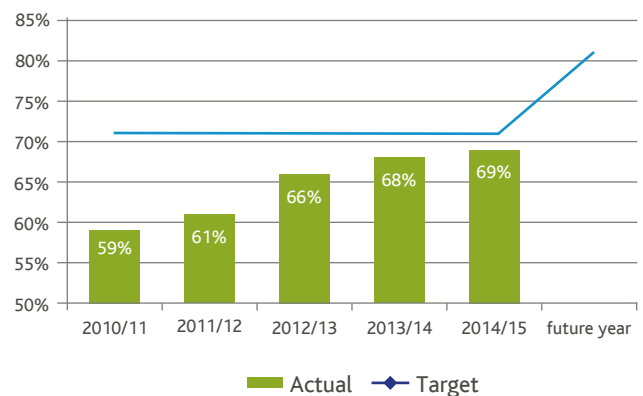
In 2015, we hired 46 graduates, 25 interns for the summer intern programme and 11 cadets. Māori and Pasifika make up 90 per cent of the cadet group and we are piloting a programme with iwi to recruit more Māori cadets with potential for leadership roles.

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

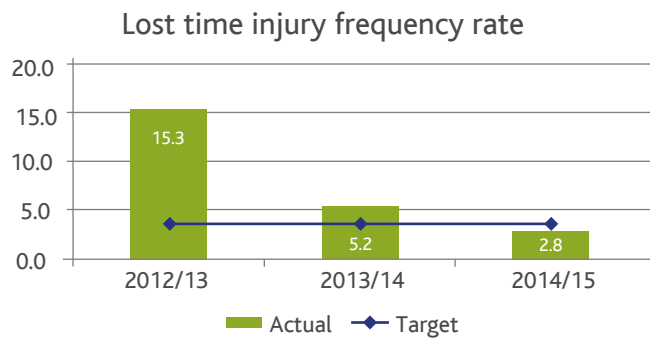
We continue to work constructively with the New Zealand Public Service Association (PSA) and the Amalgamated Workers’ Union of New Zealand. We have a strong partnership with the PSA through which we have committed to creating a high-performance, high-engagement, and high-trust workplace. We are committed 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



Murrays Bay Wharf on the North Shore

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.

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.

[There is more information about key activities contributing to Māori outcomes in Volume 1.](#)



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

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 students 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

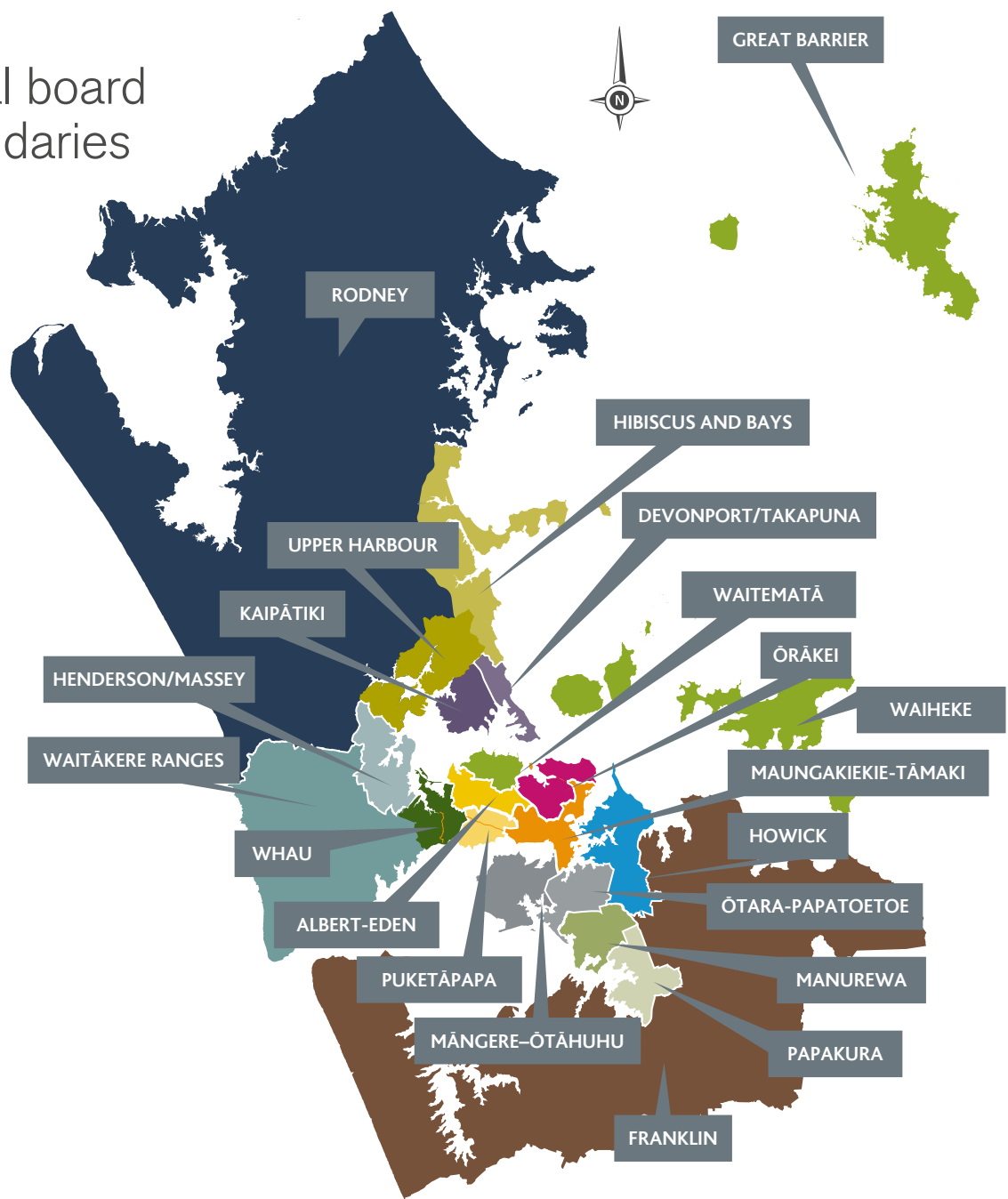
We began building the Weona Coastal Walkway and upgraded the Myers Park playground, lighting and CCTV.

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

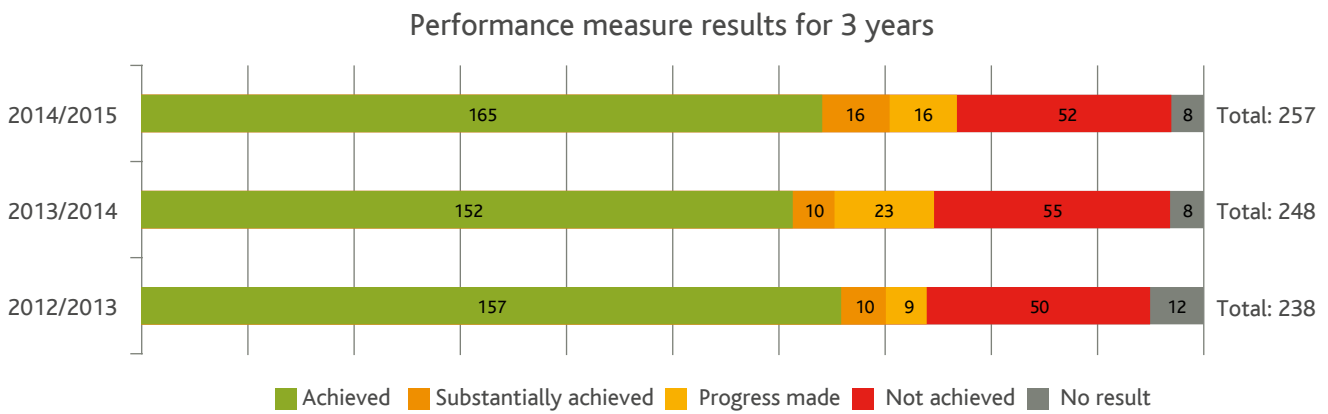


TIROHANGA WHĀNUI Ō NGĀ MAHI WHAKAHAERE RĀTONGA






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 bar 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 [Volume 1 – Themes and groups of activities](#).



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/ 2015	2013/ 2014	2014/ 2015	2013/ 2014	2014/ 2015	2013/ 2014	2014/ 2015	2013/ 2014	2014/ 2015	2013/ 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 Khartoum 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 trialled 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.



Devonport Ferry Terminal



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

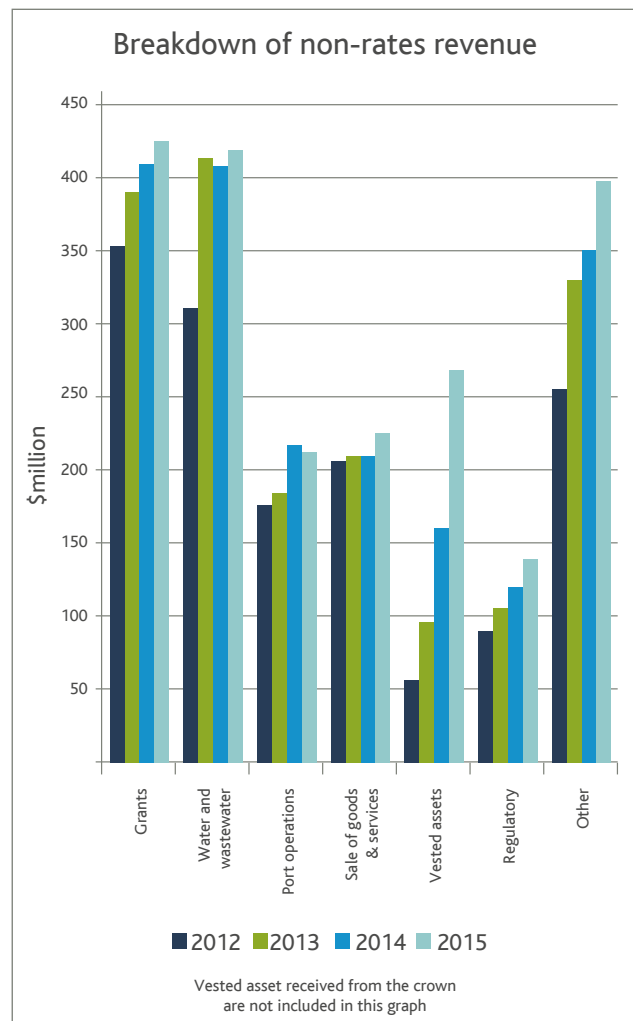
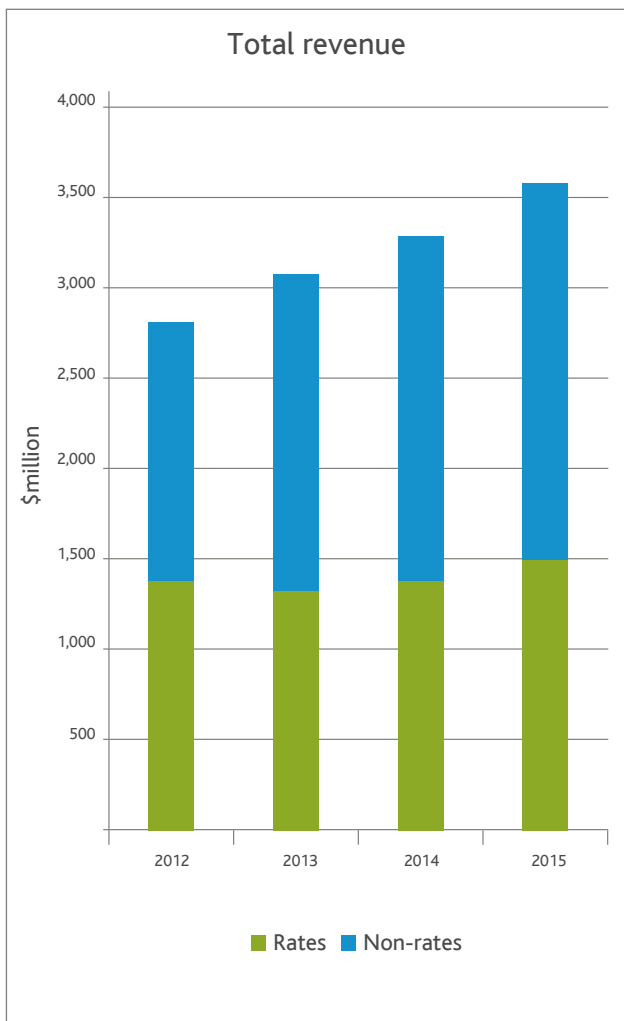
Revenue at a glance

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 per cent 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.



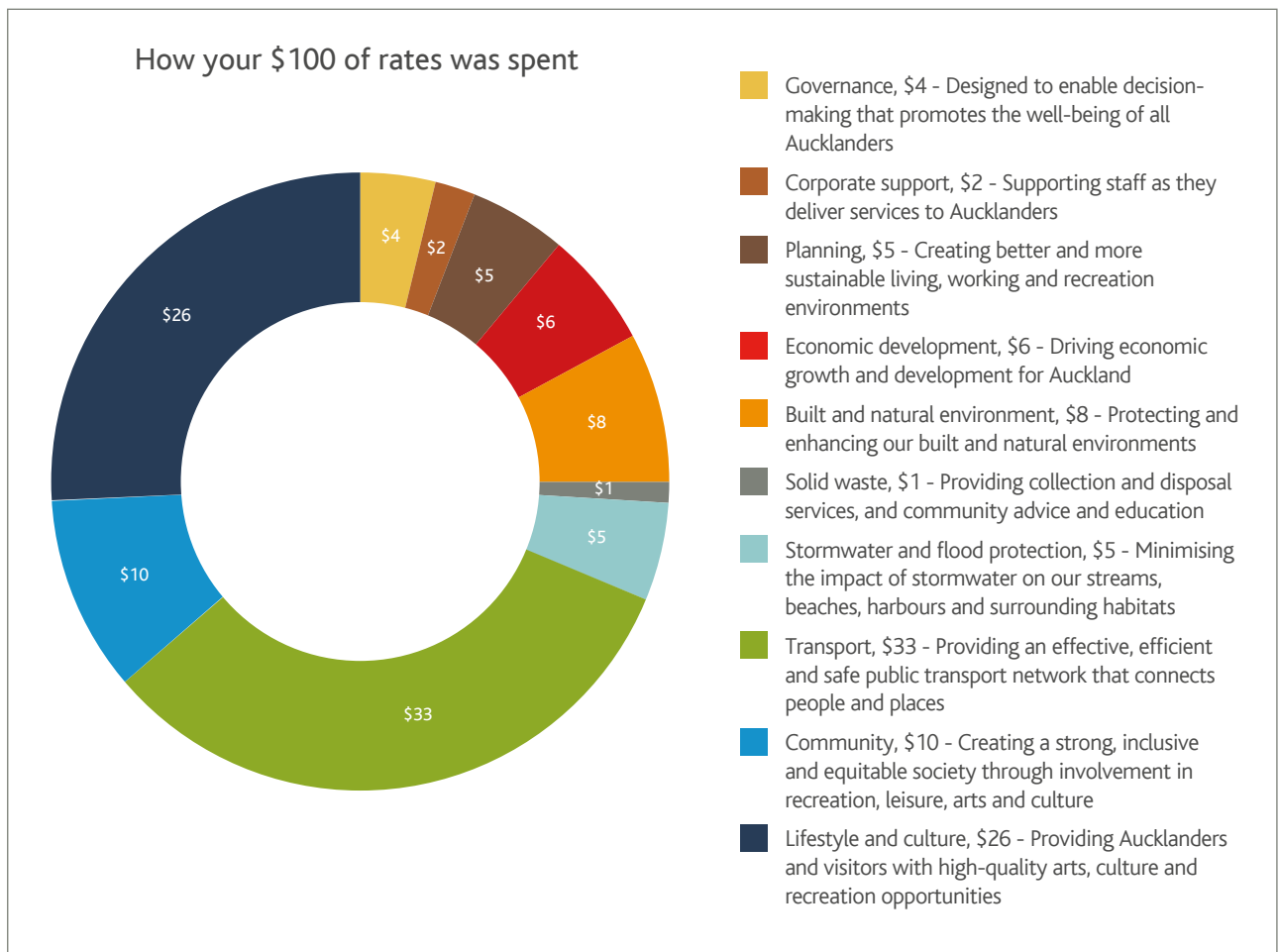


How \$100 of your rates was spent

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, 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

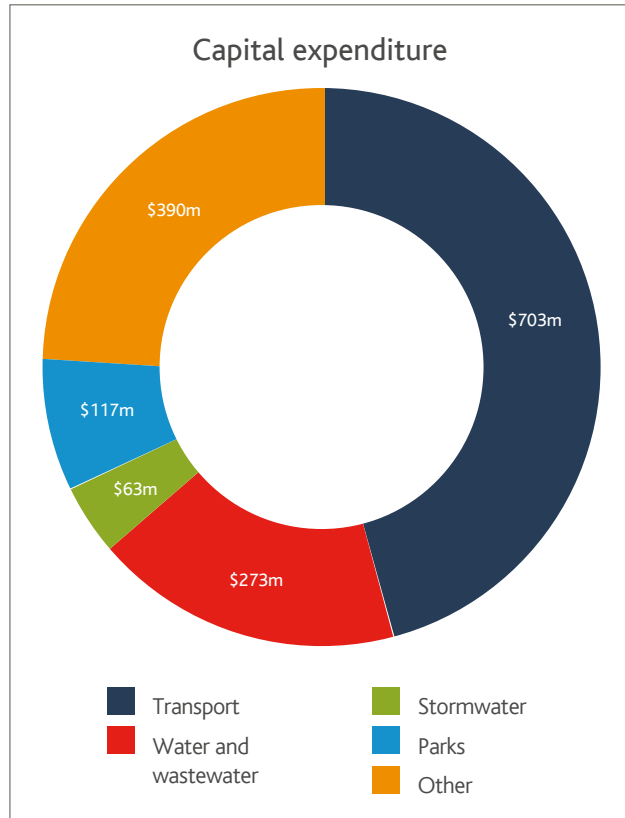
Auckland is not only New Zealand’s most populous region but also the fastest-growing, increasing 8.5 per cent since 2006, the equivalent of adding a city about the size of Tauranga to the region.

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, stormwater 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

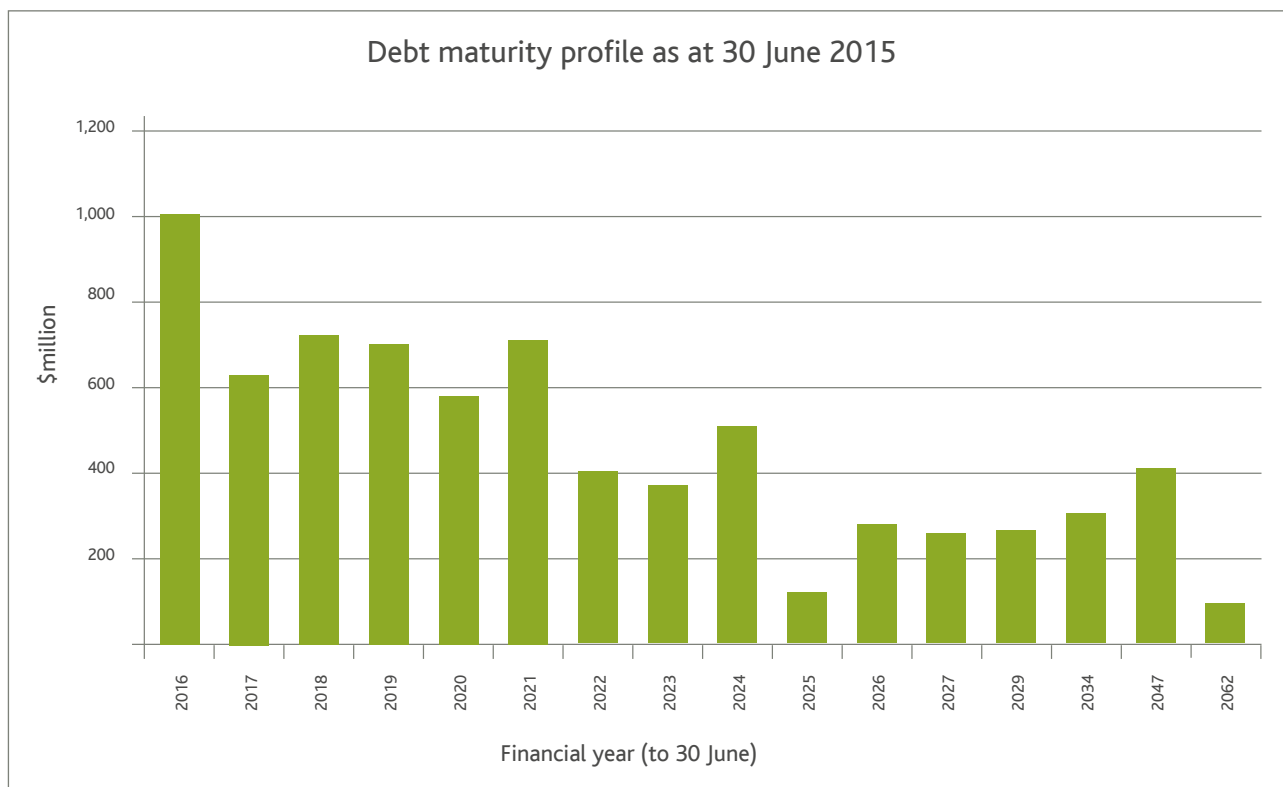
Total group debt as at 30 June 2015 was \$7,334 million, an increase of \$993 million compared to \$6,341 million as at 30 June 2014. Debt is \$131 million below budget primarily driven by lower capital delivery.

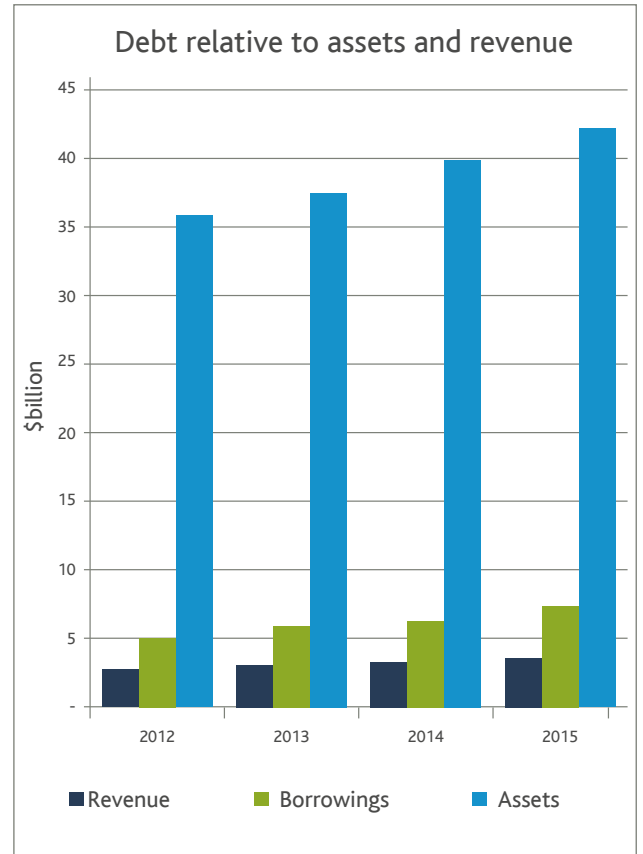
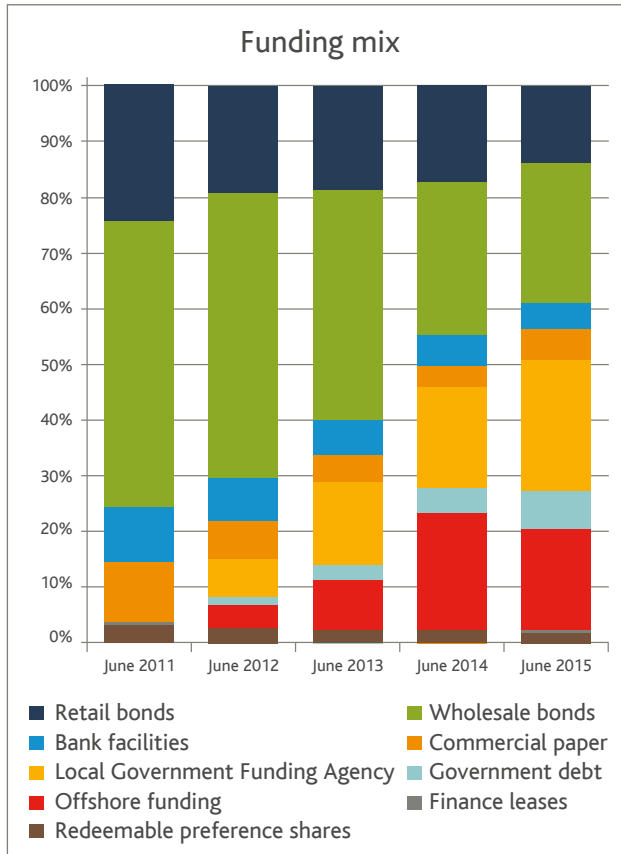
Group borrowing management

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
Revenue						
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
Total revenue excluding other gains	3,558	3,249	3,283	2,273	2,085	2,129
Expenditure						
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
Total expenditure excluding other losses	3,478	3,287	3,133	2,299	2,135	1,955
Operating surplus/(deficit) before gains and losses	80	(38)	150	(26)	(50)	174
Net other (losses)/gains	(230)	-	483	(176)	-	480
Share of surplus in associates and joint ventures	54	42	53	1	-	2
(Deficit)/surplus before income tax	(96)	4	686	(201)	(50)	656
Income tax (benefit)/expense	(24)	18	10	-	-	-
(Deficit)/surplus after income tax from continuing operations	(72)	(14)	676	(201)	(50)	656
Deficit from discontinued operations	-	-	-	-	-	-
(Deficit)/surplus after income tax	(72)	(14)	676	(201)	(50)	656
(Deficit)/surplus after income tax is attributable to						
Ratepayers of Auckland	(72)	(14)	676	(201)	(50)	656
Total other comprehensive revenue/(expenditure)	1,010	661	1,641	768	360	581
Total comprehensive revenue	938	647	2,317	567	310	1,237
Total comprehensive revenue is attributable to						
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 2015	Budget 2015	Actual 2014	Actual 2015	Budget 2015	Actual 2014
Total current assets	1,013	950	898	933	833	843
Non-current assets						
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
Total non-current assets	41,154	39,667	38,976	35,292	33,976	33,452
Total assets	42,167	40,617	39,874	36,225	34,809	34,295
Current liabilities						
Current borrowings	1,006	1,070	1,171	666	886	890
Other current liabilities	832	772	821	730	577	640
Total current liabilities	1,838	1,842	1,992	1,396	1,463	1,530
Non-current liabilities						
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
Total non-current liabilities	8,250	8,073	6,737	6,559	6,294	5,062
Total liabilities	10,088	9,915	8,729	7,955	7,757	6,592
Net assets	32,079	30,702	31,145	28,270	27,052	27,703
Equity						
Total equity	32,079	30,702	31,145	28,270	27,052	27,703



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	-	-	-	-	-
Balance as at 30 June	32,079	30,702	31,145	28,270	27,052	27,703
Components of equity						
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
Total ratepayer equity	32,079	30,702	31,145	28,270	27,052	27,703

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
Net (decrease)/Increase in cash and cash equivalents and bank overdrafts	135	22	(131)	125	2	(140)
Opening cash and cash equivalents and bank overdrafts	202	240	333	157	239	297
Closing cash and cash equivalents and bank overdrafts	337	262	202	282	241	157



Summary of waivers granted by NZX

For the purposes of NZX Listing Rule 10.4.5(f), Auckland Council (the council) discloses that NZX has granted it various waivers, being waivers related to:

- Listing Rule 5.1.2(j) (decision published by NZX on 26 August 2010)
- Listing Rule 5.2.3, 6.3.2 and 11.1.1 (decision published by NZX on 10 December 2012)
- Listing Rule 5.2.3 being extensions of the original waiver granted by NZX on 10 December 2012 (decisions published by NZX on 18 December 2013 and 18 December 2014)
- Listing Rule 5.2.3 (decision published by NZX on 11 March 2014)
- Listing Rule 5.2.3 extension of the original waiver granted by NZX on 11 March 2014 (decision published on 12 March 2015)
- Listing Rule 5.2.3 (decision published by NZX on 9 March 2015)
- Listing Rule 10.4.1(b) and 10.4.4 (decision published by NZX on 3 October 2014)
- Listing Rule 3.2.1(d) (decision published by NZX on 3 March 2015).

Listing Rule 5.1.2(j)

This waiver allows two councillors (who have been approved by NZX) to provide the required acknowledgement rather than all of the councillors of the council.

Listing Rule 5.2.3

This waiver allows the group to have fewer than 500 bondholders for a period of one year from the quotation date of its initial offer of new bonds (which are part of a series of bond offers under its bond programme). NZX considered the waiver appropriate given disclosure in the offer documentation and that debt securities are not subject to the same degree of trading activity as equity securities. The December 2010 waiver was extended in December 2013 and December 2014, each for a further period of 12 months.

This waiver was also granted in March 2014 and March 2015 for further issues of new bonds under the bond programme. The March 2014 waiver was also extended in March 2015 for a further 12 months.

Listing Rule 6.3.2

This waiver extends the period after which a notice sent to a bondholder (who is overseas and who has no address for service in New Zealand) is deemed to be received by that bondholder, from 24 hours to one business day after the time of posting.

Listing Rule 11.1.1

This waiver was granted in respect of an offer of new bonds under the bond programme to enable the group to:

- decline to accept or register a transfer of bonds if such transfer would result in the transferor holding or continuing to hold bonds with a principal amount of less than \$5,000; and
- restrict the transfer of bonds to minimum amounts of \$1,000 and multiples thereof.

Listing Rules 10.4.1(b) and 10.4.4

These waivers were granted to the extent that the Group was required to send to security holders a copy, or a notice that they can request a copy, of its annual report. The waiver contained conditions, including that security holders may request copies of the group's audited consolidated financial statements and the most recent annual report and half-year report are available online and at public locations.

Listing Rule 3.2.1(d)

This waiver allows a meeting of security holders to be called on a requisition in writing signed by holders of not less than 5 per cent of the nominal value of the securities outstanding.



Independent Auditor's Report

To the readers of Auckland Council and group's Summary Annual Report for the year ended 30 June 2015

The Summary Annual Report was derived from the Annual Report of the Auckland Council and group for the year ended 30 June 2015. I have considered whether the Summary Annual Report represents, fairly and consistently, the information regarding the major matters dealt with in the Annual Report.

The Annual Report included full audited statements, and the Summary Annual Report includes summary statements. I have audited the following summary statements reported in the Summary Annual Report on pages 50 to 76:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive revenue and expenditure, statements of changes in equity and statement of cash flows for the year ended 30 June 2015;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision, referred to as the service performance overview, of the Auckland Council group.

I expressed an unmodified audit opinion on the Auckland Council and group's full audited statements in my report dated 24 September 2015.

Opinion

In my opinion:

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

Basis of opinion

My audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require me to carry out procedures to confirm whether the Summary Annual Report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary



statements, therefore, is not a substitute for reading the full audited statements in the Annual Report of the Auckland Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the Summary Annual Report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the Annual Report. This includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*. The Council is also responsible for the publication of the Summary Annual Report, whether in printed or electronic form.

I am responsible for expressing an opinion on whether the Summary Annual Report represents, fairly and consistently, the information regarding the major matters dealt with in the Annual Report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

In addition to reporting on the Summary Annual Report, I have reported on the full Annual Report, and carried out a range of other assurance and tax consultancy assignments. Other than this reporting, and the other assurance and tax consultancy assignments, and in exercising functions and powers under the Public Audit Act 2001 as the auditor of public entities, I have no relationship with, or interests, in the Auckland Council or any of its subsidiaries.

Lyn Provost
Auditor-General
Wellington, New Zealand
24 September 2015

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



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.

Telephone	09 301 0101 (toll-free for residential landlines within Auckland Council boundaries. Note that toll-free calls are not allowed by all service providers)
In person	At our customer service centres
Via our website	Using our online form at aucklandcouncil.govt.nz
Fax	09 301 0100
By post	Auckland Council Private Bag 92300 Auckland 1142
By courier	Mail room Auckland Council Basement Level B1 135 Albert Street Auckland 1010



Customer service call centre

