

TE RIPOATA Ā TAU 2015/2016 Ō TE
KAUNIHERA Ō TĀMAKI MAKĀURAU

AUCKLAND COUNCIL

SUMMARY ANNUAL REPORT 2015/2016





HE MIHI

Noho mai rā Tāmaki Makaurau,
moana waipiata,
maunga kākārīki.
Mai i ngā wai kaukau o ngā tūpuna,
ki ngā puke kawē i ngā reo o te tini,
i puta ai te kī mōu.
Tū ana he maunga,
takoto ana he raorao
heke ana he awaawa.
Ko ō wahapū te ataahua,
ō tāhuna te mahora,
te taiao e whītiki nei i a koe he taonga tuku.
Tiakina kia meinga tonu ai koe
ko 'Te Kāinga Noho Āhuru o te Ao'.

Tāmaki Makaurau tirohia te pae tawhiti
he whakairinga tūmanako
mō ngā uri whakaheke ō āpōpō,
te toka herenga mō te hunga ka takahi ake
mā ō tomokanga,
te piriti e whakawhiti ai
tō iwi ki ngā huarahi o te ora.

Tāmaki Makaurau e toro whakamua,
hikina te mānuka.
Tērā te rangi me te whenua te tūtaki.
Maranga me te rā, he mahi māu me tīmata,
ka nunumi ana ki te pō,
whakatārewahia ō moemoeā ki ngā whetū.

Ko te oranga mutunga mōu
kei tua i te taumata moana.
Tūwherahia ō ringa, kūmea mai ki tō uma.

Tāmaki Makaurau
he tāone ūmanga kurupounamu koe;
tukua tō rongu kia rere i te ao.

Tāmaki Makaurau
who bestrides shimmering seas,
and verdant mountains.
From the bathing waters of our forebears,
and hills that echo with voices
that acclaim.
Your mountains stand lofty,
your valleys spread from them
and your streams run freely.
Your harbours are majestic,
your beaches widespread,
the environment that surrounds you is a legacy.
Take care of it so that you will always be known
as 'The World's Most Liveable City'.

Tāmaki Makaurau looking to the future,
repository of our hopes
for generations to come,
anchor stone for those who venture
through your gateway,
and the bridge that connects
your citizens to life.

Tāmaki Makaurau moving on,
accepting all challenges.
Where even heaven and earth might meet.
Rise with the sun as there is work to be done
and when evening comes,
your dreams to glide among the stars.

Perpetual health and growth
is beyond the horizon of cresting waves.
Open your arms and pull them to your embrace.

Tāmaki Makaurau, you are a city
where valued business and enterprise thrives;
let your good name traverse the world.



KUPU WHAKATAU

Welcome to Auckland Council's Summary Annual Report 2015/2016

Auckland Council's role is to make the region we love even better. We're creating the world's most liveable city, and delivering Aucklanders great value for money. We are here to serve Auckland and build a more prosperous city, one that gives a voice to Aucklanders and makes it a great place to live, visit and invest.

The Summary Annual Report shows the past year's highlights, and performance against the budgets and service targets set out in the Long-term Plan 2015-2025, which is our plan for funding and delivering the services and infrastructure required as Auckland's population grows.

This summary covers the performance of Auckland Council Group for the period 1 July 2015 to 30 June 2016. Auckland Council Group includes the council organisation, council-controlled organisations (CCOs), subsidiaries, associates and joint ventures. For more information about the group's operating structure see pages 40 to 44.

This summary is an abridged version of the Auckland Council Annual Report 2015/2016. It has been audited to ensure accuracy and consistency with the Annual Report. Both the summary and Annual Report received unmodified audit reports and were adopted by Auckland Council on 29 September 2016.

The Annual Report 2015/2016

This includes detailed disclosure information and is split into:

Volume 1: Overview and service performance

Overview information and performance against financial and non-financial targets for regional groups of activities

Volume 2: Local boards

Performance against financial and non-financial targets for local groups of activities and local boards

Volume 3: Financial statements

Financial statements

Where to find the Summary Annual Report and Annual Report 2015/2016

You can find printed copies of the Summary Annual Report and the three volumes of the Annual Report at all:

- Auckland Council libraries
- council service centres
- local board offices.

You can find the Annual Report and Summary Annual Report on our website: aucklandcouncil.govt.nz/annualreport



Auckland Botanic Gardens

RĀRANGI KŌRERO

Contents

 <p>4 Kupu whakataua Welcome</p>	<p>8 He whakamārama mō Tāmaki Makaurau Introducing Auckland</p>	<p>9 Te whakakaupapa mō Tāmaki Makaurau The plan for Auckland</p>	<p>10 Ā tātou rawa me ngā ratonga Our assets and services</p>	
<p>12 Ngā hiranga me ngā whakatutuki matua Key highlights and achievements</p>	<p>16 Ngā pārongo whakahaere rātonga matua Key service performance information</p>	<p>18 Ngā pārongo pūtea matua Key financial information</p>	<p>20 Tirohanga whānui o ngā mahi whakahaere Performance overview</p>	<p>22 Mai i te koromatua me te tumu whakarae Message from the mayor and chief executive</p>
<p>24 Te pou tarāwaho whakahoahoa me te rīpoata Planning and reporting framework</p>	<p>25 Tirohanga whānui o ngā mahi whakahaere rātonga Service performance overview</p>	<p>40 He kōrero mō te kaunihera About the council</p>	<p>41 Kāwanatanga Governance</p>	
<p>45 Te tūhonohono hapori Community engagement</p>	 <p>46 Te whakatutuki hua ki te iwi Māori mō te iwi Māori Achieving better outcomes with and for Māori</p>	<p>48 Ō mātou tautoko mō te whakapūmautanga Our commitment to sustainability</p>	<p>50 Te roopu o te Kaunihera o Tāmaki Makaurau Auckland Council organisation</p>	
<p>52 Te kāwanatanga ā-roto Internal governance</p>	<p>54 Ā mātou kaimahi Our people</p>	<p>56 He whakarāpopototanga mō te pūtea Financial performance overview</p>	<p>64 Tā te kaitātari kaute Independent auditor's report</p>	<p>66 Pēhea te whakapā mai ki te kaunihera How to contact the council</p>



Takapuna

HE WHAKAMĀRAMA
MŌ TĀMAKI MAKAURAU

Introducing Auckland



TE WHAKAKAUPAPA
 MŌ TĀMAKI MAKAURAU

The plan for Auckland

AUCKLAND PLAN
30 years



The world's most liveable city



736,000
more Aucklanders over 30 years,
increasing our population
to 2.2 million



Seven outcomes to affordably manage
growth and achieve the vision

The vision, challenge and foundation for developing our region

LONG-TERM PLAN
10 years

Investment in new
assets for 2015-2025




The infrastructure, facilities and services the council will need
to invest in to cope with expected growth


This investment will be paid for
by a combination of:




Central Government funding + Increased borrowings + User charges + Rates

What we need to do and how we'll pay for it


ANNUAL REPORT
1 year




Infrastructure progress



Progress on plans



Financial performance



Service performance

What we've done, how much we've spent and how we performed

Ā TĀTOU RAWA ME NGĀ RATONGA

Our assets and services

Auckland Council Group's areas of responsibility are divided into seven themes for planning and reporting purposes – here's an overview of what we do for each one.



Parks, community and lifestyle

- Regional and local parks
- Libraries, community facilities, community services and grants
- Arts and cultural facilities, activities and community events
- Swimming pools and recreation centres
- Housing for older people

Assets include

- 30 regional parks
- 2800 local parks
- 212 sports parks
- 55 libraries
- 114 community halls/centres
- 42 recreational/aquatic facilities
- 40 art facilities
- 55 cemeteries
- 1452 housing units for older people



Auckland development

- Unitary Plan and local plans, policy development, waterfront development, town centre development, property management and development
- Enabling housing development through existing and future spatial priority areas



Environmental management and regulation

- Building and maintaining the stormwater network
- Improving the quality of water in streams and harbours
- Waste collection, including recycling and reducing waste to landfill
- Protecting biodiversity
- Undertaking regulatory activities such as resource and building consents, dog control, food licensing and swimming pool inspections

Assets include

- 6000km of stormwater pipes
- 20,000km of streams
- 150,000 manholes
- 492 ponds and wetlands



Economic and cultural development

- Supporting and growing Auckland's economy through major events such as NRL Auckland Nines, Pasifika Festival Auckland, V8 Supercars, World Masters Games 2017
- Working with the business sector to grow jobs
- Managing major attractions, venues and sports stadiums



Water supply and wastewater

- Building and maintaining the network of pipes, dams, treatment plants, and pumps required to provide a high standard of drinking water and sewerage treatment

Assets include

- 12 dams
- 12 bores and springs
- 3 river sources
- 15 water treatment plants
- 73 reservoirs
- 9064km clean water pipes
- 7981km wastewater pipes
- 504 wastewater pump stations
- 18 wastewater treatment plants



Governance and support

- Mayor, councillor and local board support and meeting processes
- Corporate functions such as finance, legal, communications and human resources
- Auckland Council Investments Ltd, including Ports of Auckland
- Grants to Auckland War Memorial Museum, MoTAT and the Auckland Regional Amenities Funding Board



Transport

- Building and maintaining all local and main arterial roads
- Footpaths, cycle paths, bridges, carparks, culverts etc
- Providing public transport services – trains, buses, ferries
- Investing in rail, bus and ferry infrastructure
- Transport safety, education and enforcement
- Key infrastructure projects, including City Rail Link and AMETI

Assets include

- 7565km of roads
- 7287km of footpaths
- 1234 major bridges and culverts
- 42 rail stations on five lines
- 21 wharves and ferry facilities
- 12 bus and busway stations
- 13 multi-storey car park buildings
- 895 pay and display units

NGĀ HIRANGA ME
NGĀ WHAKATUTUKI MATUA

Key highlights and achievements

Infrastructure progress

Transport

- Enabling works are underway for the City Rail Link, which will provide a vital link to unlock the full capacity of Auckland's rail network and encourage growth in connected areas.
- The old Nelson Street motorway off-ramp was transformed into award-winning Te Ara I Whiti cycleway and walkway, part of the 11km of cycleways created this year.
- Construction of the Ōtāhuhu transport interchange is nearing completion.
- The Panmure to Pakuranga busway Notice of Requirement application has been lodged and consenting of the Reeves Road Flyover and the Pakuranga to Botany busway has commenced.
- A new 23-bay bus station is being constructed next to the Manukau Rail Station.
- Consents have been lodged for a bus interchange at Westgate as part of the North West Transformation project.

Water, wastewater and stormwater

- A second Albany reservoir went into service, providing storage for another 10 million litres of water.
- The 32km Hunua 4 water main between Manukau Heights and Grafton is partially complete and already supplying water to parts of East Tāmaki, Manukau and Māngere.

- Kohimarama wastewater storage tank and pipeline upgrades have reduced the frequency and volume of overflows and provided extra capacity for population growth.
- Construction of the 1.1km-long, 2.5m-diameter Artillery Drive stormwater tunnel and Takanini Cascades stormwater channel is underway.
- Resource consent has been received for Te Auaunga Awa/Oakley Creek restoration and flood-mitigation project.
- We are about to go to tender for the design and build of the Northern Interceptor wastewater project, which will enable growth in northwest Auckland.



Hunua 4 water main
under construction

Auckland development

- Westgate's NorthWest Shopping Centre and adjacent Te Pūmanawa Square opened in October 2015, with development of a multipurpose community facility and town park coming up next for the area.
- 154 Special Housing Areas have been created, with potential for



Artist's impression of Ōtāhuhu transport interchange

62,000 dwellings that are subject to fast-tracked consenting.

- A development agreement has been finalised for the 900-home Airfields precinct at Hobsonville Point.
- The first homes and shops have been built at the new Ormiston Town Centre.
- Development of the Park Hyatt Hotel, and 113 townhouses and apartments is underway in Wynyard Quarter.

Parks, community and lifestyle

- The new gallery at Uxbridge arts and cultural centre in Howick is now open, part of the first stage of the centre's redevelopment.

- Ōtāhuhu's new recreational precinct, Tōia, which includes a new pool, library, outdoor play space and indoor recreation centre, was opened in August 2015.
- Onehunga foreshore was redeveloped with new beaches, a boat ramp and a bridge for pedestrians and cyclists.
- We renewed and redeveloped community facilities including Netball Manurewa Community and Events Centre, Rānui Community House, Cameron Pool, Mount Albert Aquatic Centre, West Wave Pools and Leisure, Glenfield Pools and Leisure, Stanmore Bay Pools and Leisure, and Bentley Court housing for older people.



Site of the future Airfields precinct



Tōia recreation precinct

Events and milestones



Following the rollout of the new fleet of electric trains, we have had a 21 per cent increase in rail patronage and passenger satisfaction is up to 84 per cent.



We delivered two successful JobFest events, attracting over 3900 young Aucklanders and more than 65 employers.



The inaugural Tāmaki Herenga Waka Festival was delivered in close collaboration with Tāmaki Makaurau mana whenua on Auckland Anniversary Weekend.



More than 30 major events, such as Pasifika, injected \$43.7 million into the regional economy and generated 284,000 visitor nights. *Image: Pixipic.com*



We celebrated the opening of the new African Savannah precinct at Auckland Zoo.



Nine young tōtara and pōhutukawa were planted on the tihi (summit) of Maungakiekie/One Tree Hill where the former tree stood.

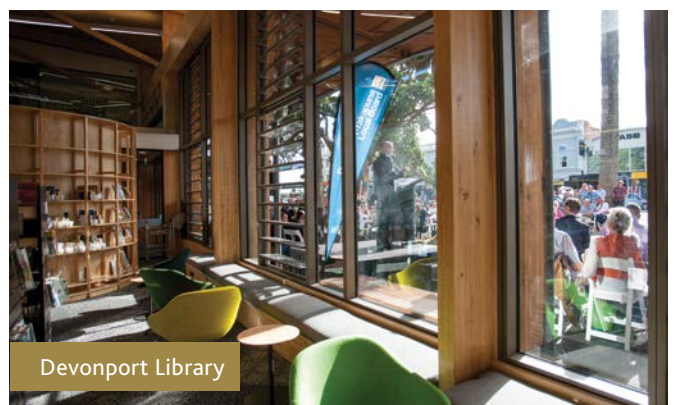


Selected awards

- Auckland received a Special Mention in the prestigious Lee Kuan Yew World City Prize 2016, in acknowledgement of the success of our urban transformation into a design-led city.
- Te Ara I Whiti cycleway and walkway won Best Public Works Project, over \$5 Million at the Institute of Public Works Engineering Australasia NZ Awards, and the supreme award at the Bike to the Future Awards.
- The council's Integrated Bylaws Review and Implementation programme won the Prime Minister's Award at the Institute of Public Administration New Zealand Public Sector Excellence awards.
- The Wai Care programme received a 'highly commended' Air New Zealand Excellence Award for Local Environmental Impact at the Local Government New Zealand Excellence Awards.
- Bledisloe Lane (including the pocket park and Bledisloe House ground-floor renovation) in the central city was a Gold Award Winner in the Commercial and Civic category at the 2016 New Zealand Commercial Project Awards.
- Te Pātaka Kōrero o Te Hau Kapua/Devonport Library won the New Zealand Institute of Architects Award for Public Architecture for Auckland.
- Waiheke Pātaka Kōrero/Waiheke Library was the overall winner at the NZ Wood Resene Timber Design Awards, and received awards for Commercial Architectural Excellence and Green Building Property.
- The Kohimarama wastewater storage tank and pipeline upgrade project was recognised with a Highly Commended award for Best Public Works Project, over \$5 Million by the Institute of Public Works Engineering Australasia.



Te Ara I Whiti cycleway and walkway



Devonport Library

NGĀ PĀRONGO WHAKAHAERE RĀTONGA MATUA

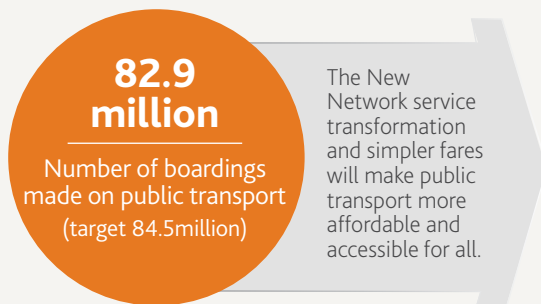
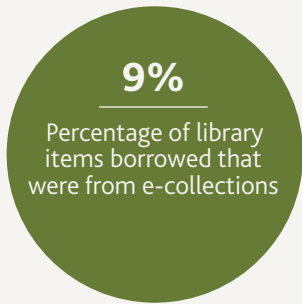
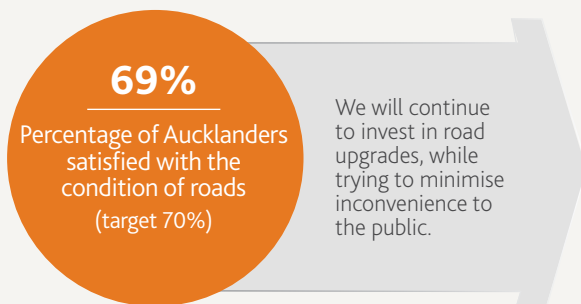
Key service performance information

The Long-term Plan 2015-2025 sets out performance measures with targets that we report on to track and share our progress.

Here's an overview of how we performed in key areas – see the detailed performance results in volumes 1 and 2 of the Annual Report for more information.



- Target achieved
- Result improved/target almost achieved
- Target not achieved



NGĀ PĀRONGO PŪTEA MATUA

Key financial information

Financial strategy

Our focus is on meeting community expectations for service delivery and supporting Auckland’s growth, while maintaining a prudent financial strategy.

We need services, infrastructure and facilities that can cope with increasing demand as the city grows. At the same time, Auckland needs to remain affordable for both current and future Aucklanders, which means we need to be smart about how we fund growth-related investment and keep costs down. To meet this challenge we must make sure that we get the most value out of every dollar we collect through efficiency savings, disposal of non-strategic assets, maximising the return on our investments and partnering with others.

Funding

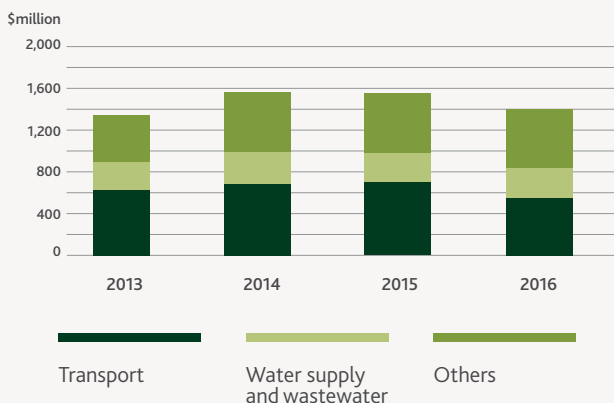
The increasing demand for infrastructure and services is funded by a carefully balanced combination of rates, user charges, borrowings and subsidies from central government.

Debt is largely used to pay for capital projects, so the cost can be spread across the life of the assets. Total Auckland Council Group debt as at 30 June 2016 was \$7.6 billion, slightly below forecast debt levels due to capital expenditure not proceeding as quickly as expected.

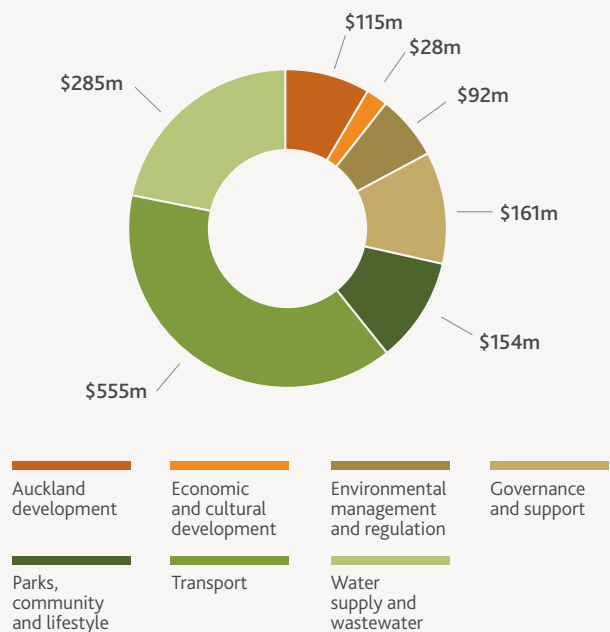
Capital investment

In 2015/2016, Auckland Council Group invested \$1.4 billion in capital projects, including transport, water and wastewater infrastructure, and community facilities.

Capital expenditure trend



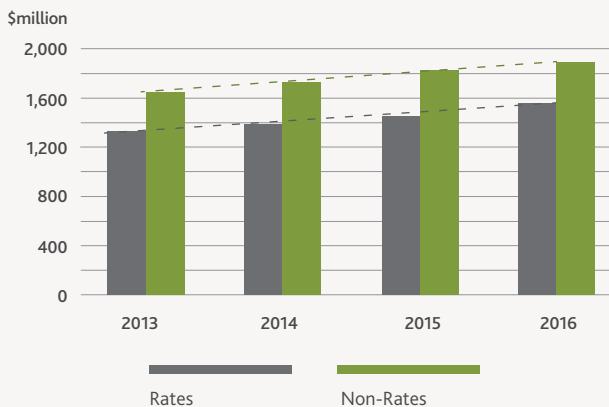
2015/2016 Capital expenditure by theme



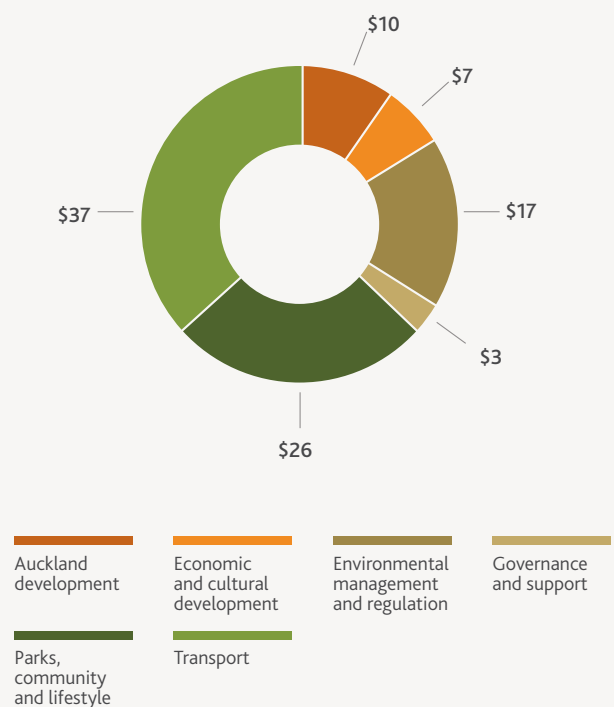
Revenue

Aside from rates, Auckland Council Group has many types of revenue streams, including grants, subsidies, development and financial contributions, user charges and fees. This non-rates revenue has been increasing as a proportion of total revenue, meaning that more services can be funded by the people who use them.

Revenue trend



How each \$100 of rates was spent



To keep rates affordable while absorbing the higher ownership costs associated with new assets (such as interest, depreciation and maintenance costs), we have been working hard to contain our core costs and achieve efficiency gains through:



















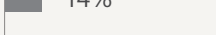
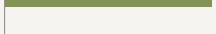



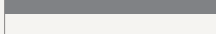
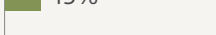








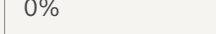

- smarter procurement
- simpler and better information technology
- reducing the number of office buildings we occupy
- bringing more work in-house to reduce reliance on external providers.

Rates are used to pay for things that make Auckland a great place to live, such as public transport, events, parks and other community facilities. General rates revenue is applied to specific areas of spend, with the largest proportion being used to fund transport, followed by parks, community and lifestyle.

Further information about our financial performance can be found on pages 56 to 63, as well as in Volume 1: Overview and service performance, and Volume 3: Financial statements.

TIROHANGA WHĀNUI
 O NGĀ MAHI WHAKAHAERE RĀTONGA

Performance overview

Area of spend	Capital expenditure	Operating expenditure	Source of operating funding
 Auckland development	 \$115m 8% of total	 \$167m 6% of total	Rates  67% Non-rates  33%
 Economic and cultural development	 \$28m 2% of total	 \$150m 6% of total	Rates  62% Non-rates  38%
 Environmental management and regulation	 \$92m 7% of total	 \$326m 13% of total	Rates  58% Non-rates  42%
 Governance and support	 \$161m 11% of total	 \$455m 18% of total	Rates  14% Non-rates  86%
 Parks, community and lifestyle	 \$154m 11% of total	 \$397m 15% of total	Rates  85% Non-rates  15%
 Transport	 \$555m 40% of total	 \$787m 31% of total	Rates  58% Non-rates  42%
 Water supply and wastewater	 \$285m 21% of total	 \$295m 11% of total	Rates  0% Non-rates  100%

Achieved
 Substantially achieved
 Progress made
 Not achieved
 No result

This table provides a summary of our activity in 2015/2016. See volumes 1 and 2 of the Annual Report for more detailed information.

Performance measure results

2015/2016 highlights



- We finalised the five-year consultation on the Unitary Plan, which enabled informed decision-making on the rulebook that will shape Auckland’s growth.
- 19 locations across Auckland were selected for significant urban regeneration.



- More than 30 major events injected \$43.7 million into the regional economy and generated 284,000 visitor nights.
- ATEED attracted business and investment deals worth an estimated \$328.5 million.



- The Integrated Bylaws Review consolidated 158 legacy regulations into 32 region-wide bylaws.
- The number of Special Housing Areas increased to 154, with a potential final yield of 62,000 dwellings.
- We managed increases in the volume of building and resource consents of nearly 30 per cent over the past three years.



- Advocacy by local boards on the Manukau Harbour Forum resulted in funding to improve the harbour’s water quality.
- The first stage of NewCore, our consolidated customer and service management information system, went live.



- The Onehunga foreshore has been redeveloped, creating enduring public access to the Manukau Harbour.
- We completed the new gallery as part of Howick’s Uxbridge arts and cultural centre redevelopment.
- Ōtāhuhu’s recreation precinct, Tōia, opened. The facility includes a pool, library, recreation centre and outdoor play space.



- Construction of the City Rail Link began.
- 53 new double-decker buses were rolled out to increase bus capacity.
- Eleven kilometres of new cycleway were delivered, including Quay Street cycleway and Te Ara I Whiti cycleway and walkway.



- A second Albany reservoir went into service, increasing security of water supply in the North Shore and Rodney.
- Parts of East Tāmaki, Manukau and Māngere are being supplied by the new Hunua 4 watermain.

MAI I TE KOROMATUA
ME TE TUMU WHAKARAE

Message from the mayor and chief executive

It's an incredible privilege to live in Auckland at the moment. Our city is thriving and is without doubt one of the most attractive places to live in the world.

That becomes clear when you look at Auckland's growth in 2015/2016. More than 800 people each week made Auckland their home. Our economy is booming – we saw GDP grow by 3.2 per cent and 27,400 new jobs created.

While undeniably positive, the incredible growth we are experiencing means we face challenges on a scale not seen before. As a council, our job is to manage growth effectively, and strive for Auckland to remain liveable and affordable as we make big decisions about our future.

This past year saw us tackle growth-related challenges on many fronts. We invested \$1.4 billion in capital projects, with a strong focus on transport, water and wastewater infrastructure. Taking a responsible approach to this expenditure and keeping rates increases as low as possible ensured debt stayed within budgeted levels and our strong credit rating was maintained.

We talk to Aucklanders constantly, and they consistently tell us that we need to focus on fixing transport.

So this year we took great strides toward delivering a transport network that will keep us moving as we grow.

After many years of planning, advocacy and consensus-building, the central government confirmed its funding commitment to the City Rail Link (CRL), and works to enable the project are now underway. When it opens in 2023/2024, the CRL will allow the movement of 30,000 people per hour at peak times, and encourage \$7 billion worth of new private investment in areas served by the rail network.

Te Ara I Whiti, our pink cycleway and walkway, has lit up the old Nelson Street motorway off-ramp, lured cyclists back to the city and received multiple awards for its innovative use of urban space. Meanwhile, the New Network, a comprehensive transformation of bus and rail services into an integrated public transport network, is being developed in stages with extensive public input.

We know we face housing challenges. As of 30 June, we had consented nearly 33,870 dwellings and sites towards the three years of targets that were set out in the Auckland Housing Accord in 2013. The 154 Special Housing Areas now in place are estimated to have the potential for up to 62,000 new dwellings, all subject to fast-tracked consenting.

In August 2016 we adopted the Auckland Unitary Plan, the blueprint for the future development of Auckland, which will enable hundreds of thousands of new homes and more housing choices over the next 30 years.



Len Brown (centre) at JobFest

Keeping our town centres lively and attractive has been high on our priority list too.

We have agreed to a programme of significant urban regeneration in 19 centres across Auckland, which will improve liveability, strengthen communities and boost the economy.

The metropolitan centre of Manukau, along with Onehunga's town centre and port, are the flagship locations, and they will undergo transformation similar in scale to the award-winning regeneration of Wynyard Quarter. The potential of Northcote, Takapuna and Henderson town centres will also be unlocked.

Our natural environment is as important as our built environment. During the year we expanded our regional parks network with the purchase of 83ha on Great Barrier, supported community groups to improve the quality of parks and waterways, and worked with the Maunga Authority to co-govern Auckland's tūpuna maunga.

We continue to be impressed by the success of local boards in building relationships with their communities, which has helped them to direct attention and funding to areas where needs are highest and aspirations strongest.

It is also heartening to see local boards frequently and passionately advocating for their communities on a regional level – this commitment will ensure the character and

diversity of Auckland is maintained as the region grows.

2015/2016 has been a busy year for Auckland Council Group staff, particularly those who work in areas where customer demand has increased.

Our strategy has been to focus on efficiency rather than expansion, and our people have been more than up to the challenge, helping to achieve efficiency gains and coming up with innovative solutions for doing more with less.

This year has seen some phenomenal highlights, but there are still challenges ahead.

However, with sound planning, prudent financial management and a council full of committed passionate people, we will continue to make significant progress towards making Auckland the world's most liveable city.

E kō te wā hira o Tāmaki Makaurau me rere te wairua – Auckland's time has come, let our spirit soar.



Len Brown
Len Brown,
Mayor of Auckland



Stephen Town
Stephen Town,
Chief Executive,
Auckland Council

TE POU TARĀWAHO
 WHAKAHOAHOA ME TE RĪPOATA

Planning and reporting framework

How the annual report fits into our planning and reporting processes



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

This is our aspirational vision for the Auckland region.

Auckland Plan

The Auckland Plan is a strategic 30-year plan that sets out how we will transform the vision into reality.

Long-term plan/annual plan

The long-term plan (LTP) is a 10-year plan for our city that sets out the projects, levels of service and levels of funding required to meet community expectations. The LTP is updated every three years, with annual plans created in between to set out more detailed one-year budgets.

Auckland Plan implementation update

This is a yearly report that details progress against the aspirations of the Auckland Plan.

Annual report

The annual report outlines our progress and achievements from the past year, and compares our performance to the targets and budgets set out in the LTP.

TIROHANGA WHĀNUI Ō NGĀ
 MAHI WHAKAHAERE RĀTONGA

Service performance overview

Auckland Council adopted the Long-term Plan 2015-2025 (LTP) in June 2015. The council is required to report back against the performance framework contained in the LTP each year, in the annual report's Statement of Service Performance (SSP).

The purpose of the SSP is to provide accountability to ratepayers and other stakeholders on the council's service performance. Levels of service are assessed using a number of performance measures, and reported by theme and group of activities. The SSP is audited by Audit New Zealand on behalf of the Auditor-General.

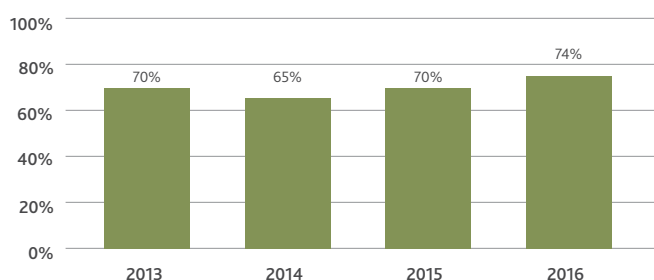
Changes from the previous framework included in the 2012-2022 LTP include a consolidation of activities, and refinement of levels of service and performance measures. These have been reduced in number and some are being reported on this year for the first time.

There are 171 service performance measures that we are required to report on this year. Of these, 151 measures are regional and the results are reported in Volume 1. The remaining 20 measures are local and results are reported in Volume 2, against the targets for each local board.

Regional performance

The following graph summarises our regional performance measure results over the past four years.

Percentage of service performance targets achieved and substantially achieved



The results for 2015/2016 are not directly comparable to prior years, due to the previously mentioned changes in the performance framework. Measures for 2015/2016 belong to the 2015-2025 LTP, while prior year measures belong to the 2012-2022 LTP.

During this reporting year, 74 per cent of measures have been achieved or substantially achieved, which is an improvement on the previous year's results. The majority of measures that did not achieve their targets are within the regulatory areas (such as building control, resource consents, food and alcohol licences, etc), where activity volumes have increased significantly since last year, reflecting the current city and population growth levels.





Detailed information can be found in Volume 1: Overview and service performance.

Throughout the report, the following symbols and criteria are used to display performance measure results compared to targets.

				
Achieved Target has been met or exceeded	Substantially achieved Target has not been met by a slim margin	Not achieved but progress made Target has not been met but the result is an improvement from the prior year	Not achieved Target not achieved and prior-year result has not been improved	No result The measure was not surveyed or no result was available

WHANAKETANGA
 O TĀMAKI MAKAURAU

Auckland development

Theme	Performance summary	Financial summary
	 15 1 0 2 0	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Capital expenditure \$115m 8% of total</p> </div> <div style="text-align: center;">  <p>Operating expenditure \$167m 6% of total</p> </div> </div>



Within this theme we facilitate the creation of great neighbourhoods, centres, parks and public spaces that are loved by Aucklanders, provide choices, reflect Auckland’s Māori identity and connect people to places and to each other.

Key achievements

- We adopted the Future Urban Land Supply Strategy, which guides the release of 11,000ha of land for urban development over a 30-year period.
- The Independent Hearings Panel provided its recommendations on the

Proposed Auckland Unitary Plan (PAUP) to Auckland Council on 22 July 2016, ahead of the plan’s adoption in August. The Unitary Plan will replace the 14 resource management plans Auckland Council inherited in 2010, combining all matters relating to regional policy statements, regional coastal plans, and regional and district plans into a single plan for Auckland.

- We published the 2015 State of the Environment report, which highlights current and potential issues for a growing Auckland.



- Auckland became a member of the C40 Cities Climate Leadership Group. Our new Greenhouse Gas Inventory will track progress towards reducing emissions.
- NorthWest Shopping Centre and adjacent Te Pūmanawa Square opened to the public in October 2015.
- As part of the ongoing Birkenhead Transformation we upgraded the western town centre entrance and car park.
- The Onehunga Mall streetscape upgrade was completed.
- We adopted the new Business Improvement District (BID) Policy and supported the BID programme in over 48 centres and precincts across Auckland.
- Auckland Heritage Festival presented various exhibitions, walks and events across the city.
- 19 locations across Auckland were selected for significant urban regeneration, starting with Manukau and Onehunga.
- We adopted a new Housing for Older People policy, which will see the creation of a partnership with a third-party community housing provider to co-manage and redevelop our 1452 units.
- The first homes and retail spaces have been built at the new Ormiston Town Centre.





- Construction of the \$200 million, 190-room five-star Park Hyatt Hotel, as well as 113 townhouses and apartments of a planned total of up to 600 dwellings, is underway in Wynyard Quarter.

Challenges

- Securing funding for the transport initiatives from the Auckland Transport Alignment Project, to enable future urbanisation.
- Influencing and implementing national and regional policies to achieve environmental goals in urban development projects.
- Effectively influencing strategic housing policy at multiple levels, maintaining momentum on the current housing work programme and developing affordable housing solutions for Auckland.
- Improving public satisfaction with historic heritage management in Auckland.
- Ensuring business associations meet all of their obligations under the Business Improvement District Partnership Programme.
- The effect of market uncertainties due to the long-term nature of development projects.
- Effective partnering and alignment of objectives with the private sector and central government.
- Remediation of contamination at waterfront sites to enable development.

WHANAKETANGA
 ŌHANGA ME TE AHUREA

Economic and cultural development

Theme	Performance summary	Financial summary
		<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Capital expenditure \$28m 2% of total</p> </div> <div style="text-align: center;">  <p>Operating expenditure \$50m 6% of total</p> </div> </div>



Auckland Lantern Festival

Within this theme we work to increase prosperity and social wellbeing in Auckland by providing opportunities for employment, investment, business development and entertainment.

Key achievements

- We hosted the second Tripartite Economic Alliance Summit between Auckland, Guangzhou and Los Angeles, attracting around 700 delegates.
- More than 30 major events injected \$43.7 million into the regional economy and generated 284,000 visitor nights.

- We attracted business and investment deals worth an estimated \$328.5 million.
- Filming permits and new screen productions generated an estimated \$212 million for the economy.
- More than 50 companies signed the Youth Employment Pledge.
- The inaugural Tāmaki Herenga Waka Festival was delivered in close collaboration with Tāmaki Makaurau mana whenua on Auckland Anniversary Weekend.

- We delivered two successful JobFest events, attracting over 3900 young Aucklanders and more than 65 employers.
- The FoodBowl – Te Ipu Kai food production facility delivered record revenue, with nearly 100 companies holding trials or production runs.
- Wero, one of the world’s best artificial whitewater parks, opened at the Vodafone Events Centre in April 2016.
- The new African Savannah precinct opened at Auckland Zoo.
- We delivered over 1200 events as part of our performing arts programme, including the free, family-friendly Summer in the Square that featured busking, dancing and theatre.
- Auckland Conventions hosted the International Australian and New Zealand College of Anaesthetists, drawing more than 1500 international delegates.

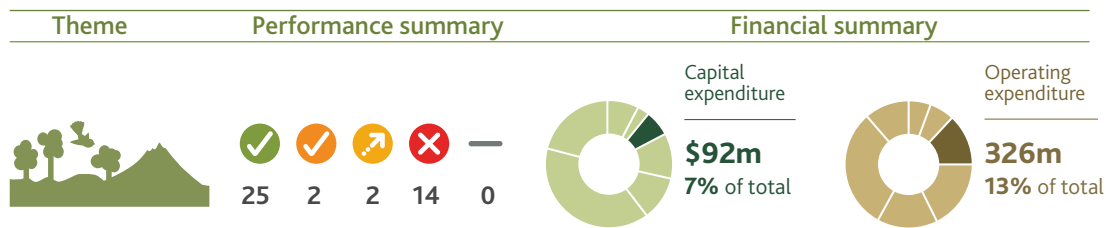


Challenges

- ATEED is reviewing its business and funding model, to look at how partnerships with public and private sector organisations could be developed to help better achieve targets and organisational outcomes.
- Strong growth in the tourism sector and screen industry presents infrastructure challenges for Auckland.
- The growth potential of Auckland is constrained by the lack of skilled workers, particularly in the information and communication technology, engineering and construction sectors.
- We need to consider ways to rapidly upskill young people, to improve their future prospects and fill skills gaps in our workforce.
- Revenue from regional venues is at risk due to market volatility, capacity constraints and planned renewal works.

NGĀ WHAKAHAERE
 TAIAO ME ŌNA HERENGA

Environmental management and regulation



Volunteer planting at Ōtara Creek

This theme covers the ways we protect and enhance our built and natural environment, and ensure the safety and wellbeing of Aucklanders.

Key achievements

- The Integrated Bylaws Review consolidated 158 legacy regulations into 32 region-wide bylaws.
- We completed the review of alcohol bans for all local board areas.
- The number of Special Housing Areas increased to 154, with a potential final yield of 62,000 dwellings.
- We have managed increases in the volume of building consents and resource consents of approximately 27 per cent and 30 per cent respectively over the past three years.
- We mentored operators to assist with compliance with the new Food Act.
- The Menacing Dogs Amnesty resulted in 1529 previously unknown menacing dogs signed up for registration, micro-chipping and de-sexing.
- We held two successful events focusing on adoption of dogs from the council

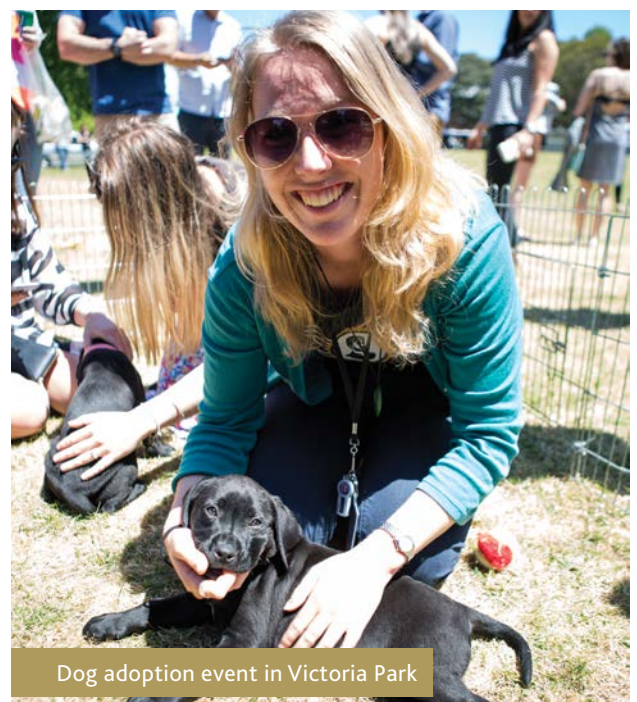
shelters, which resulted in all available shelter dogs being adopted.

- The regional Resource Recovery Network was expanded with a new recycling centre in Devonport. Waiuku Community Recycling Centre diverted from landfill 71 per cent of all material processed.
- New recycling collections were introduced in parts of Rodney, Waitākere and the North Shore, providing a consistent region-wide recycling collection service.
- The new bookable inorganic collection service was rolled out.
- We worked in partnership with over 400 community groups to deliver local environmental projects.
- Our pest-control programme in the Hunua Ranges resulted in reduced levels of rats and possums, helping to protect vegetation and threatened species.
- The council's Retrofit Your Home programme celebrated its 10,000th home insulation in March 2016.
- We rolled out tsunami signage and information boards in Ōrewa and held a tsunami practice walk.
- An integrated pest-management plan was implemented on 13 tūpuna maunga (ancestral mountains) on behalf of the Maunga Authority.
- We facilitated the Enviroschools sustainability education programme, which reached approximately 100,000 students.
- We delivered an annual stormwater capital work programme of over \$73 million, building capability for future service growth.
- We delivered flood mitigation initiatives in several locations, protecting buildings and properties from flooding.

Challenges

- Pressure to process plan variations relating to the Housing Accords and Special Housing Areas Act in the tight statutory timeframes prescribed.
- Demand for building control services is high and is expected to continue growing.





- Loss of technical staff to private organisations and other regions.
- Continuing poor industry practice in the building sector, including the use of fraudulent documentation and substandard construction.
- Successfully communicating the introduction of new waste collection services and potential changes.
- Reducing the increasing levels of non-recyclables in kerbside recycling collections.
- Implementing controls to stop the spread of kauri dieback disease.
- Motivating and empowering Aucklanders to reduce carbon emissions.
- Supporting Auckland's growth without degrading the natural environment.
- Being able to coordinate a large group of organisations in case of a region-wide civil defence emergency.
- Building community understanding so Aucklanders are prepared for an emergency.
- Integrating environmentally sensitive urban design into our infrastructure strategies.



Dog adoption event in Victoria Park

TUMU WHAKARAE
 ME NGĀ TAUTOKO

Governance and support

Theme	Performance summary	Financial summary
	 2 1 0 3 1	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Capital expenditure \$161m 11% of total</p> </div> <div style="text-align: center;">  <p>Operating expenditure \$455m 18% of total</p> </div> </div>



Auckland War Memorial Museum

This theme covers the functions that provide advice and support for our 170 elected members and co-governance partners, as well as all back-office organisational operations.

Key achievements

- Over 7000 submissions were received for the various public consultations run via our online engagement channel Shape Auckland.
- More than 7600 students registered for Kids Voting, an education programme that raises awareness of the local

government elections process to encourage future participation.

- We increased transparency of our operations by proactively publishing information of interest to the public on the council website, including awarded contracts, staff costs and information requests.
- The People’s Panel, which is regularly surveyed for opinions on council issues, increased its membership to more than 24,000 people.
- The council continued to actively implement its Te Tiriti o Waitangi/

Treaty of Waitangi post-settlement responsibilities with mana whenua and initiate opportunities for collaboration with tribal entities.

- Seven marae and three papakāinga (settlements or developments on land with ancestral connections) received funding to support upkeep and development.
- The council supported the Maunga Authority in its co-governance responsibilities for administering the tūpuna maunga (ancestral mountains).
- Auckland War Memorial Museum now has almost 800,000 museum collection records online.
- Advocacy by the nine local boards in the Manukau Harbour Forum enabled funding for a three-year research programme to study the potential for improving the harbour's water quality.
- We developed the Quality Advice Programme, which aims to embed a culture of high-quality advice for elected members to support more effective decision-making.
- The first stage of NewCore, our consolidated customer and service management information system, went live.
- The Warkworth Service Centre was fully refurbished and reopened in June 2016.
- Auckland Council continues to have one of the highest credit ratings in New Zealand – AA from Standard & Poor's and Aa2 from Moody's (both on stable outlook). Both ratings were reaffirmed in November 2015.
- The Auckland Council Organisation Performance Plan 2017-2019 was published, setting out a three-year

strategic plan that outlines the priorities and goals to meet our high-performing council objective.

Challenges

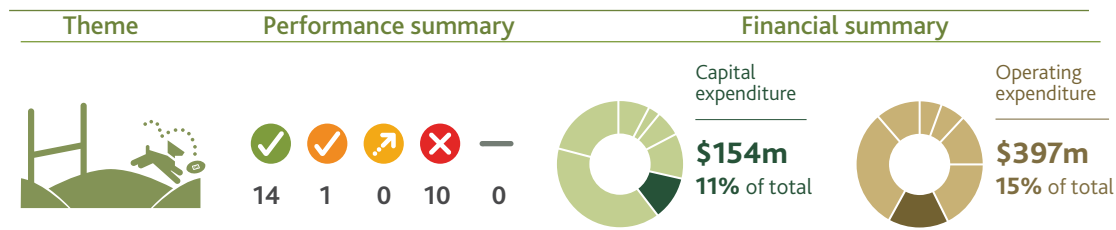
- Increasing the percentage of residents who feel they can participate in Auckland Council decision-making, both at governing body and local board level.
- Improving voting rates for Auckland local government elections, especially for communities with traditionally low participation.
- Managing the continuous increase in the number, scope and complexity of official information requests made under the Local Government Official Information Act.
- Improving our elected members' satisfaction with the council's specialist advice and support.
- Maintaining savings achieved through our procurement and information system initiatives while implementing a significant programme of service delivery and system change.
- Achieving service-level targets for handling customer calls and emails.



The Maunga Authority delivered the Love Your Maunga event on Maungawhau/Mt Eden

NGĀ PAPA ĀTEA,
 ME TE ĀHUA NOHOANGA Ā-HAPORI

Parks, community and lifestyle



This theme covers services, facilities and events that provide recreation and wellbeing opportunities for Aucklanders.

Key achievements

- Library opening hours were aligned across the region, resulting in several libraries providing Sunday opening hours for the first time.
- We launched a new and improved library catalogue search tool.
- We developed our libraries' Māori collections with extra books, tribal resources, CDs and DVDs, historic

manuscripts, and Māori magazines and newspapers.

- Ōtāhuhu's recreation precinct, Tōia, opened in August. The facility includes a pool, library, recreation centre and outdoor play space.
- We adopted Toi Whītiki, our strategic action plan for arts and culture, to help develop a culturally rich and creative Auckland.
- Music and Movies in Parks events attracted nearly 80,000 Aucklanders, with attendance up 30 per cent for music and 70 per cent for movies from the previous year.



Uxbridge arts and cultural centre





- Our online booking system for community venues went live, allowing Aucklanders to book facilities more quickly and easily.
- We completed the new gallery as part of Howick's Uxbridge arts and cultural centre redevelopment.
- Over 12,000 people attended the Auckland International Cultural Festival in Mount Roskill, 20 per cent more than in 2015.
- We refurbished Rānui Community House.
- The 83ha Glenfern Sanctuary on Great Barrier Island has been purchased and will become a regional park.
- The redeveloped Onehunga foreshore opened in November 2015, creating enduring public access to the Manukau Harbour.
- The Wairau Stream Bridge was opened, improving pedestrian access to Milford beach.
- We upgraded the playground at Madills Farm Reserve in Kohimarama and the entrance and playground at Glover Park in St Heliers.
- The Netball Manurewa Community and Events Centre has been transformed into a multi-use facility.
- The new artificial field at Greville Reserve in Forrest Hill has been opened, catering for soccer, rugby and rugby league.
- The Maunga Authority improved pedestrian access and reduced vehicle transit on Maungawhau/ Mt Eden, and held a replanting ceremony on Maungakiekie/One Tree Hill.
- Expansion plans for the cemetery network have commenced, with the aim of ensuring capacity for our growing population.
- Upgrades were completed at pools in Mount Roskill, Mount Albert, Henderson, Glenfield and Stanmore Bay.
- We taught over 113,000 children and young people skills for how to be safe and confident in the water.

Challenges

- Keeping our library technology up to date and upskilling staff to support the changing needs of customers.
- Accommodating the needs of a wide variety of users as our libraries become more frequently seen as social and digital hubs for communities.
- Providing better assistance to applicants of local arts grants, as well as publicising the availability of our grants more widely.
- Meeting the needs of increasingly diverse communities through our empowered communities approach.
- Balancing expected population growth with budgets and plans for delivering community services and facilities such as cemeteries, parks and arts venues.
- Engaging with a more diverse range of community groups.
- Minimising the loss of amenity and public safety risks related to coastal erosion.
- Managing health and safety risks in our regional parks, particularly around waterfalls and streams.

NGĀ
 KAWEKAWENGA

Transport

Theme	Performance summary	Financial summary
		<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Capital expenditure \$555m 40% of total</p> </div> <div style="text-align: center;">  <p>Operating expenditure \$787m 31% of total</p> </div> </div>



Artist's impression of the redevelopment of Britomart Station as part of the CRL project

This theme looks at maintaining and improving the transport network as a whole, with an emphasis on moving to outstanding public transport and encouraging active transport modes.

Key achievements

- Construction of the City Rail Link began in June 2016. The central government confirmed its funding commitment to the project, and the major construction phase will take place between 2018 and 2023.
- As part of the Auckland Manukau Eastern Transport Initiative (AMETI), consenting is underway for transport solutions around Pakuranga Town Centre.
- Consents have been lodged for a bus interchange at Westgate.
- Work has started on a new 23-bay bus station next to the Manukau Rail Station.
- Construction of the integrated bus and rail station in Ōtāhuhu will soon be completed.
- Simplified, zone-based fares for bus and rail travel were developed, ahead of their launch in August 2016.



Albany bus station





- Following the rollout of the new fleet of electric trains, we have had a 21 per cent increase in rail patronage and passenger satisfaction is up to 84 per cent.
- The first bus routes of the New Network, a comprehensive transformation of public transport in Auckland, began operating on the Hibiscus Coast in October 2015.
- 53 new double-decker buses were rolled out as part of a wider programme to increase bus capacity and meet demand on the busiest routes.
- Pine Harbour ferry services were increased by 25 per cent, and a larger vessel is now operating for West Harbour services.
- Construction at the Half Moon Bay ferry facility is on track to be complete by the end of 2016.
- Eleven kilometres of new cycleway were delivered, including Quay Street cycleway and the transformation of the disused Nelson Street motorway off-ramp into Te Ara I Whiti cycleway and walkway. More than 100,000 cycle journeys were taken on Te Ara I Whiti in its first four months.
- Twelve routes encompassing 131 intersections were assessed as part of a new traffic signal optimisation programme.
- The Albany Highway upgrade works are underway and on track to be completed late in 2016.
- Works on the Te Atatū Corridor are on track for completion in the first half of 2017.
- We will soon launch AT Park, a new mobile technology for parking management.

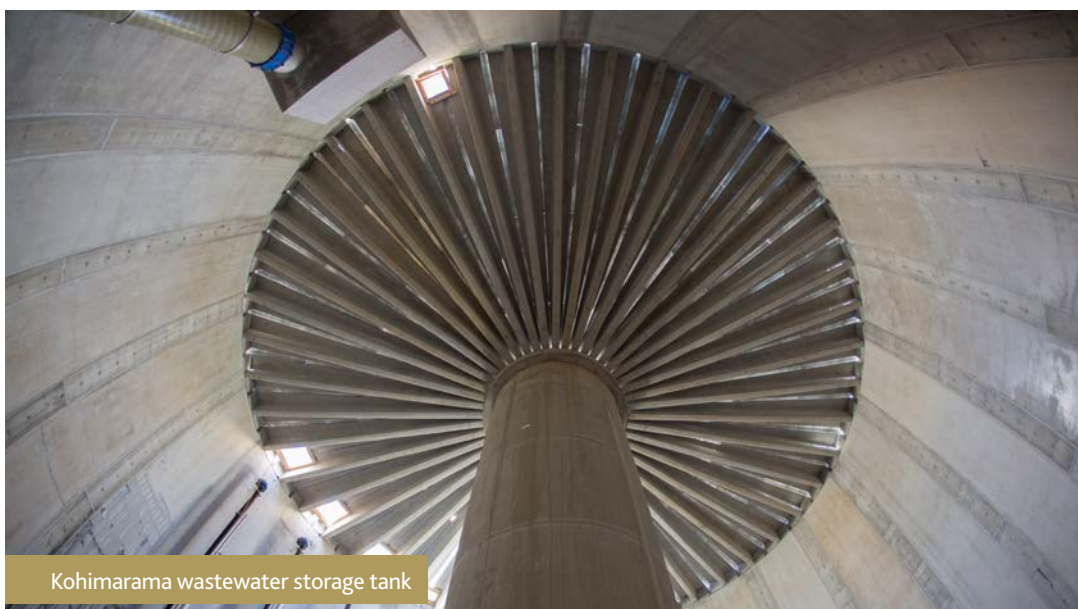
Challenges

- Ensuring service provision and infrastructure development matches demand as Auckland grows.
- Managing disruption to the city centre during construction of the City Rail Link.
- Integrating the new electric train fleet into the rail system and timetable.
- Punctuality of rail services affected by major incidents.
- Maintaining and improving actual and perceived individual safety on public transport.
- Improving safety on local roads across the region.
- Educating drivers to share the road safely with the growing number of walkers, cyclists and public transport users.

TE WAIORA, TE RĀWEKEWEKE
 ME TE WHAKAREINGA WAIPARA

Water supply, wastewater treatment and disposal

Theme	Performance summary	Financial summary
		<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Capital expenditure \$285m 21% of total</p> </div> <div style="text-align: center;">  <p>Operating expenditure \$295m 11% of total</p> </div> </div>



Kohimarama wastewater storage tank

This theme covers the delivery of clean and reliable drinking water, and the safe and efficient handling of wastewater.

Key achievements

- A second Albany reservoir went into service, providing storage for another 10 million litres of water and increasing security of water supply in the North Shore and Rodney.
- Construction of the 32km Hunua 4 watermain between Manukau Heights and Grafton is underway. Parts of East Tāmaki, Manukau and Māngere are

already being supplied by the pipeline. The next stage to Market Road in Grafton is due to be completed by the end of 2016.

- The Kohimarama wastewater upgrade was completed in September 2015, reducing the frequency and volume of overflows into the local stream and providing extra capacity for population growth.
- Consents for the first phase of the Northern Interceptor (Hobsonville to Rosedale) have been granted. The interceptor will divert wastewater flows



Waitākere reservoir

from northwest Auckland, which are currently sent to the Māngere Wastewater Treatment Plant, to the Rosedale Wastewater Treatment Plant, allowing for growth in northwest Auckland.

Challenges

- Managing risks around delivering long-term strategic projects, including being able to cater for growth
 - Managing overflows occurring during wet weather as a result of illegal activities from private owners.
 - Minimising delays derived from obtaining regulatory approvals on our highly complex projects.
- as and where it occurs. This is often subject to development uncertainty, as actual developments may differ from the plans in regards to location, timing, type, size and rate of development.

HE KŌRERO MŌ TE KAUNIHERA

About the council

Auckland Council was established in 2010 as the result of a merger of the seven territorial authorities and one regional council that covered the region.

Responsibilities

The Local Government Act 2002 states that the purpose of local government is:

1. to enable democratic local decision-making and action by, and on behalf of, communities
2. to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Auckland Council's role combines the areas usually associated with both regional councils and territorial authorities. As such, the council has a wide range of

responsibilities, including:

- local roads
- water reticulation
- sewerage
- refuse collection
- libraries
- parks and recreation services
- local regulatory services including building control and resource consents
- community and economic development
- town planning
- environmental resource management
- flood control
- air and water quality
- pest control
- public transport
- regional parks
- bulk water supply.

Operating structure

Mayor of Auckland	The mayor is responsible for promoting a vision for Auckland, providing leadership to achieve this vision, leading the development of region-wide council plans/policies/budgets, and ensuring the council engages effectively with all Aucklanders.
Governing body	The governing body consists of the mayor, who is elected at large, and 20 councillors, elected by voters who live in the ward they represent. They focus on the big picture and regional strategic issues.
Local boards	The 21 local boards each have between five and nine members, elected by voters who live in the area they represent. They are responsible for decision-making on local issues and activities, and provide input into Auckland-wide strategies and plans.
Auckland Council organisation	The Auckland Council organisation is led by the chief executive, with support from an executive team. Council staff support the governing body and local boards by providing advice, implementing decisions and delivering services.
Council-controlled organisations (CCOs)	There are six substantive CCOs that look after specific council assets, infrastructure or activities on behalf of the council. They operate independently, but with accountability to the council.

KĀWANATANGA

Governance

Elected members

Auckland Council's governance structure consists of two complementary decision-making parts – the governing body and the local boards. This structure is designed to:

- enable elected members to perform their regional and local governance roles effectively
- enable effective regional and local decision-making that promotes the wellbeing of Aucklanders
- ensure the democratic process operates smoothly and includes participation by the public, mana whenua and all stakeholders.

Local government elections are held every three years. The next election takes place on 8 October 2016, with the new council term beginning on 1 November.

Governing body

The governing body consists of the mayor, elected at large, and 20 councillors, elected by voters from the 13 wards they represent. The governing body operates on a committee basis, focusing on the big picture and strategic initiatives that are relevant to the whole Auckland region.

A list of governing body members can be found in Volume 1: Overview and service performance.

The mayor

The mayor's responsibilities include:

- promoting a vision for Auckland
- providing leadership to achieve the vision
- leading development of region-wide council plans, policies and budgets
- ensuring effective engagement with all Aucklanders.

The mayor appoints the deputy mayor, and establishes the committees of the governing body and their chairpersons.

Committees

There are three committees of the whole, of which the mayor and all councillors are members, as well as two Independent Māori Statutory Board members. These are:

- Auckland Development Committee
- Finance and Performance Committee
- Regional Strategy and Policy Committee.

The other committees, which focus on specific areas and report to the committees of the whole, are:

- 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

The 21 local boards each have between five and nine members, elected by voters who live in the area they represent. The local boards hold monthly public meetings, and may hold additional meetings to address specific topics.



Local boards are responsible for:

- providing leadership and creating 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)
- adopting local board plans every three years in consultation with their communities
- providing local input into regional strategies, policies and plans
- proposing local bylaws for their area
- performing civic duties such as Anzac Day activities and citizenship ceremonies
- engaging with and representing their communities.

Local boards and the governing body make annual individual local board agreements, which set out the local activities and levels of service that will be provided in each local board area during the year. The agreements are included in the council's annual budget.

Council-controlled organisations (CCOs)

These are organisations that undertake activities on behalf of the council and are managed by an independent board of directors or trustees. The council appoints all voting directors/trustees on the boards of

its six substantive CCOs as it is the 100 per cent owner.

CCOs enable the council to manage assets and services efficiently using specialist expertise. The independent boards of directors/trustees operate at arm's length from the council, but are still accountable to the council, which agrees on the objectives and targets for each CCO and monitors 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/trustees 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. Each year, the public can provide input to each board's consideration of its SOIs at meetings the CCOs must hold in public.

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 six substantive CCOs.

- Auckland Transport provides all of Auckland's transport requirements, including roads and footpaths, traffic signals, management of bus and train services, and parking (but excluding state highways and motorways).
- Auckland Council Investments Limited manages the council's investments in Ports of Auckland Limited and Auckland Film Studios Limited, and a large shareholding

Detailed information on key local board activities and budgets, along with a list of local board members, can be found in Volume 2: Local boards.

For more information about governing body committees and local boards, including a schedule of public meetings, see the 'About council' section at aucklandcouncil.govt.nz.

in Auckland International Airport Limited, with the aim of securing a good economic return for the benefit of ratepayers.

- Auckland Tourism, Events and Economic Development Limited promotes economic performance and growth, including managing tourism initiatives and major events that attract visitors and revenue.
- Panuku Development Auckland* partners with the private sector and other stakeholders, including other CCOs, to redevelop nominated town centres, including the central waterfront. These redeveloped locations will accommodate more housing and commercial development. It also manages the council's commercial property portfolio.
- Regional Facilities Auckland manages major arts, culture, heritage, leisure, sport and entertainment venues, and facilitates significant events.
- Watercare Services Limited provides water supply and wastewater treatment and disposal services.

**On 1 September 2015, Panuku Development Auckland was established as the result of a merger between CCOs Auckland Council Property Limited and Auckland Waterfront Development Agency Limited.*

Other CCOs

Three smaller CCOs are required to meet the governance requirements of the Local Government Act 2002 (LGA 2002), including the provision of annual Statements of Intent and half yearly reports:

- Community Education Trust Auckland (COMET Auckland)
- Māngere Mountain Education Trust
- The Contemporary Art Foundation.

The following CCOs are exempt from the LGA 2002 requirements, but still report on the achievement of financial and non-financial outcomes:

- Arts Regional Trust (ART)
- Highbrook Park Trust

- Te Puru Community Charitable Trust
- Manukau Beautification Charitable Trust
- Mount Albert Grammar School Community Swimming Pool Trust
- Te Motu Hiaroa (Puketutu Island) Governance Trust.

Independent Māori Statutory Board (IMSB)

The IMSB is an independent board established by the Local Government (Auckland Council) Act 2009 to:

- promote cultural, economic, environmental and social issues of significance for mana whenua (Māori with ancestral relationships in certain areas of Auckland where they exercise customary authority) and mataawaka (Māori living in the Auckland region whose ancestral links lie outside the region)
- ensure the council acts in accordance with statutory provisions referring to Te Tiriti o Waitangi (the Treaty of Waitangi). The board must identify issues significant to Māori and give priority to each issue, to guide the board in carrying out its purpose
- advise the council about issues that affect Māori in Auckland.

Other bodies

Advisory panels

Nine advisory panels provide the council with input on relevant issues and support for engaging with the groups and communities they represent.

- Auckland City Centre Advisory Board
- Disability Advisory Panel
- Ethnic Peoples Advisory Panel
- Heritage Advisory Panel
- Pacific Peoples Advisory Panel
- Rainbow Communities Advisory Panel
- Rural Advisory Panel
- Seniors Advisory Panel
- Youth Advisory Panel.

Co-governance entities


Largely as a result of Te Tiriti o Waitangi (Treaty of Waitangi) settlements legislation, Auckland 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 the statutory authority established under Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 to co-govern our tūpuna maunga (ancestral mountains). The authority is comprised of six representatives from Ngā Mana Whenua o Tāmaki Makaurau and six representatives from the council (three governing body members and three local board members), along with Crown (non-voting) representation.

Other entities

Hauraki Gulf Forum

This special joint committee of the council promotes and facilitates integrated management, protection and enhancement of the Hauraki Gulf/Tikapa Moana/ Te Moananui a Toi under the Hauraki Gulf Marine Park Act 2000. It has 21 members – five Auckland councillors, two island local board members, and representatives of tangata whenua, central government and Waikato councils.



Maungawhau/Mt Eden is one of 14 tūpuna maunga co-governed by the Maunga Authority.

TE TŪHONOHOHO
 HAPORI

Community engagement

Auckland Council seeks information about the views and preferences of Aucklanders and uses this information when developing plans, policies and budgets.

Engagement may be formal or informal, take place in person, online or on paper, and relate to a particular project or be part of a long-term dialogue.

These conversations help the council to make better decisions that reflect the aspirations of our stakeholders and communities, including Māori residents and ratepayers, and encourage confidence in what the council does.

Long-term Plan 2015-2025 consultation

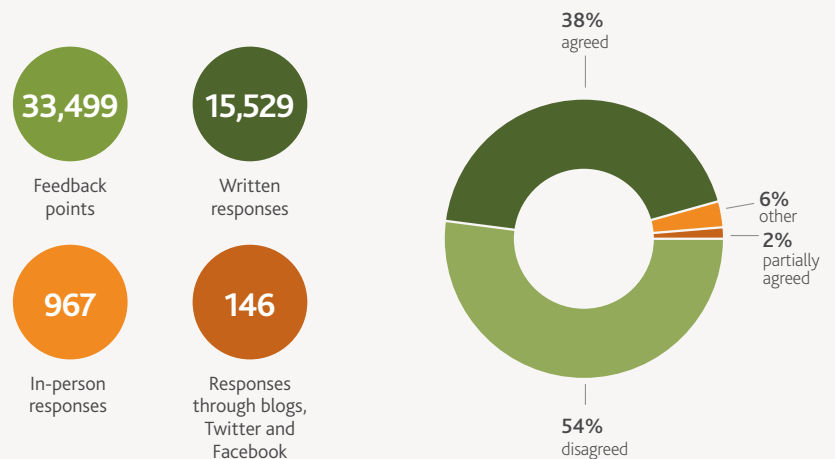
In early 2015, Auckland Council carried out a seven-week consultation on the proposed Long-term Plan 2015-2025 (LTP).

The summary consultation document was translated into eight languages. 1412 people attended one of 37 Have Your Say events, and around 900 people attended local community feedback events.

Some of the changes made as a result of feedback:

- the general rates increase was reduced from 3.5 per cent to an average of 2.5 per cent for the 2015/2016 year
- a three-year interim transport levy was introduced to enable additional spending on transport
- the proposed reduction of library hours did not happen
- the Auckland Stadium Strategy was deferred to allow for further engagement with stakeholders.

Feedback on the key proposals related to investing in Auckland in the draft LTP



Challenges

While the LTP consultation attracted a record level of engagement, the responses overall were not demographically representative of Auckland's population.

Reflecting Auckland's increasing diversity when making decisions is an important consideration for the council, and engagement processes are being refined to make them more accessible to groups and communities that have often been less involved in council decisions.

TE WHAKATUTUKI HUA
KI TE IWI MĀORI MŌ TE IWI MĀORI

Achieving better outcomes with and for Māori

Auckland Council has an important role in enabling Māori communities to fully contribute to and benefit from Tāmaki Makaurau/Auckland becoming te pai me te whai rawa o Tāmaki (the world's most liveable city). The council highly values its relationships with Māori and is committed to achieving better outcomes with and for Māori.

Te Toa Takitini

Te Toa Takitini is a top-down approach to better enable Auckland Council Group to identify, invest in, and track progress on activities that deliver on the Auckland Plan, transform the organisation and deliver Aucklanders great value for money.

The council has committed to contribute significantly to lifting Māori economic, social and cultural wellbeing, strengthen the council's effectiveness for Māori, and optimise post-Treaty of Waitangi settlement opportunities that will benefit Māori and the wider public. A key outcome identified through the Auckland Plan is "a Māori identity that is Auckland's point of difference in the world".

The name Te Toa Takitini is a call to action for the entire Auckland Council Group and draws from the whakatauki (proverb):

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

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

Through Te Toa Takitini we have delivered activities that contributed to achieving better outcomes with Māori.

Celebrating Auckland's Māori identity

- The council successfully delivered the inaugural Tāmaki Herenga Waka Festival in collaboration with Tāmaki Makaurau mana whenua (Māori with ancestral relationships to the Auckland region) on Auckland Anniversary Weekend, as well as other events such as Waitangi Day celebrations and the annual Matariki Festival.

Working with mana whenua to identify, protect, and manage waahi tapu (sacred ancestral sites and places of significance to Māori)

- The Sites of Significance project seeks to recognise and protect Māori cultural heritage. The council is working with mana whenua to identify and assess more than 150 sites of significance for potential protection and management.

Thriving and self-sustaining marae

- Marae are a focal point for communities. The council has provided support to seven marae for the development and upkeep of the marae facilities, enabling them to become self-sustaining and to continue to provide essential community services.

Establish papakāinga throughout Tāmaki Makaurau

- The council provided enhanced support to Māori housing and papakāinga (settlement or development on land with ancestral connections) projects. This included guidance and assistance to unlock the potential to develop papakāinga.

Enable mana whenua kaitiakitanga

- The council has worked with mana whenua across a range of kaitiakitanga (guardianship) initiatives throughout Tāmaki Makaurau on both a collective



Tāmaki Herenga Waka Festival was delivered by the council in collaboration with Tāmaki Makaurau mana whenua.

and individual basis. The kaitiaki rangers programme pilot that involved four mana whenua youth training in the Hunua Regional Park, the establishment of the Regional Mana Whenua Kaitiaki Forum

and other initiatives have enabled mana whenua aspirations and recognised their roles and responsibilities to care for and protect our natural environment.

Māori contribution to decision-making processes

Auckland Council values its relationships with Māori and is committed to achieving better outcomes with Māori. One of the mechanisms to achieve better outcomes with Māori is through participation in our decision-making processes. The following arrangements in 2015/2016 enabled Māori to directly influence decision-making or participate in decision-making processes.

Regional governance	<ul style="list-style-type: none"> • Two Independent Māori Statutory Board members on 16 governing body committees • Māori membership on advisory panels – Seniors Advisory Panel, Rainbow Community Advisory Panel • Two Māori trustees on the Regional Arts Trust and three Māori trustees on the Community Education Trust Auckland (COMET) • Establishment of mana whenua kaitiaki forum
Local governance	<ul style="list-style-type: none"> • Māori engagement on the Manukau Harbour Forum • Māori contribution to local board decision-making project • Māngere Mountain Education Trust – one council-appointed Māori trustee and two mana whenua-appointed Māori trustees
Council-related governance arrangements	<ul style="list-style-type: none"> • Eight co-governance and co-management arrangements between council and mana whenua organisations • Appointment of seven Māori commissioners to the pool of independent hearing commissioners • Māori representation in the Port Future Study • Seven Māori appointments to the six substantive CCO boards • One Māori appointment to the Tāmaki Redevelopment Company
Organisational arrangements	<ul style="list-style-type: none"> • Kaitiaki forums – Auckland Council departments, Auckland Transport/NZTA, Panuku Development Auckland, Watercare Services • Collaborative partnering/co-design of projects for delivery • Participation and engagement on multiple projects and processes across the organisation



Te Ara I Whiti walkway and cycleway opened in December 2015.

Ō MĀTOU TAUTOKO MŌ
TE WHAKAPŪMAUTANGA

Our commitment to sustainability

A fast-growing population, climate uncertainty, scarce resources, volatile fossil fuel prices and dependence on imported energy are some of the challenges that call for decisive action and innovation as Auckland works towards becoming the world's most liveable city.

In December 2015, Auckland affirmed its commitment to addressing climate change by becoming a member of C40 Cities Climate Leadership Group. This global network of more than 80 cities focuses on tackling climate change and driving action that reduces greenhouse gas emissions and climate risks, while increasing the health, wellbeing and economic opportunities of citizens.

Low Carbon Auckland, the council's 30-year pathway and 10-year action plan, sets out how we will address these challenges and start the transformation towards a future of energy resilience – secure, sustained access to clean, efficient and affordable energy – and reduced greenhouse gas emissions.

Here's an overview of the progress we made on each of Low Carbon Auckland's five focus areas in 2015/2016.

Transforming the way we travel

- The City Rail Link (CRL) project will seek an 'Excellent' rating from the Infrastructure Sustainability Council of Australia by meeting criteria for areas such as emissions, pollution, waste,
-

resource use and ecology. The project also has a goal of zero waste to landfill. When complete, the CRL will open up more parts of Auckland to sustainable and efficient public transport, encouraging development of areas connected to the rail network and reducing reliance on private vehicles.

- The Auckland Urban Cycleways Programme, a joint initiative between the council and the government, is delivering extensive additions and improvements to Auckland's cycling infrastructure that are providing more sustainable and reliable travel options. In 2016, 11km of new cycleway were delivered.
- The council added eight e-bikes to its fleet, and reduced its car fleet by 21 vehicles while increasing the proportion of low-emissions vehicles with the purchase of seven hybrid vehicles to replace petrol vehicles.

Transforming the way we use and generate energy

- Auckland Council is helping the Ministry of Education to phase out coal-fired boilers in schools by issuing interim resource consents for existing boilers that require them to be replaced with more sustainable heating sources by a specified date.
- The council continued to champion renewable energy sources with the installation of solar photovoltaic arrays on the new Rānui Library and Tōia recreation precinct in Ōtāhuhu.

Transforming our built environment and green infrastructure

- Auckland Council's new procurement policy contains sustainability as a core principle, meaning that procurement planning must consider social, economic, environmental and cultural outcomes or impacts in the early stages, and take a longer-term look at costs and benefits.
- Through the Retrofit Your Home programme, which offers financial assistance for homeowners to improve the energy performance and quality of their home, 1214 homes were insulated and 969 homes had some form of clean heating installed. Since 2011 more than 10,000 households have accessed

the funding, which is repaid through a targeted rate.

- Puketāpapa, Whau and Maungakiekie-Tāmaki local boards are supporting a scheme that provides subsidies for insulation and other improvements to rental homes, including a free assessment by Auckland Council's Eco Design Advisor.

Transforming to Zero Waste

- The emerging recovered-material industry received a boost with the opening of resource recovery centres in Helensville and Devonport. These are the latest in a growing network of centres where people can drop off unwanted materials to be assessed for their potential to be reused, recycled or otherwise diverted from landfill.
- The new council recycling collections in the north and west of Auckland allow paper and cardboard to be deposited in the same bin as other recyclables, making the service consistent across Auckland. The new region-wide inorganic collection service diverted 26 per cent of collected material from landfill.

Transforming forestry, agriculture and natural carbon assets

- Guided by green infrastructure principles, the council has created a strategy for the development of parks that focuses on reducing waste, and energy and water use. Examples of the strategy in action include the use of 100 per cent LED lighting at Warkworth Showgrounds, and the installation of a hybrid natural/synthetic turf at Nixon Park in Kingsland.



Structure and executive team



Chief Executive

Stephen Town

Auckland Council's executive leadership team is responsible for leading our organisation's direction and delivery.



Finance is led by Group Chief Financial Officer Sue Tindal and is responsible for:

- financial strategy, planning and policy
- treasury
- transaction services
- financial accounting
- corporate property
- procurement
- information services.



Planning is led by Chief of Strategy Jim Quinn and is responsible for development of plans and strategies to guide the spatial and community development of Auckland.



Governance is led by director Phil Wilson and is responsible for:

- advice and support for elected and appointed members
- advice, relationship management and support for CCOs
- ensuring delivery of our commitments to Māori
- internal auditing.



Legal and Risk is led by director Katherine Anderson and is responsible for legal services and risk management.



Transformation is led by director Patricia Reade and is responsible for customer services and management of corporate transformation/change programmes.



People and Capability is led by director Christine Etherington and is responsible for human resources, organisational development, and health and safety.



Communication and Engagement is led by director Karl Ferguson and is responsible for internal and external communication projects and strategies, market research, consultation and engagement.

TE ROOPU O TE KAUNIHERA
O TĀMAKI MAKĀURAU

Auckland Council organisation

Delivering high performance

Auckland Council aspires to be a trusted and fit-for-purpose organisation with a talented workforce delivering exceptional services in a cost-effective way, and providing quality advice and expertise to our decision-makers.

The council is proud of the work done to date in bringing eight councils and 1.5 million Aucklanders together as one region, establishing a shared vision and developing a foundation of plans and strategies to take Auckland through the next 30 years, while continuing to provide day-to-day services and develop new assets.

To ensure we can effectively manage projected growth, the council's executive team has created an organisational strategy and performance plan for the next three years that details goals, prioritises resources and sets out a reporting framework so the council can meet the expectations of Aucklanders, elected members and staff.

This section relates to the Auckland Council organisation. Similar information about the council-controlled organisations can be found in their individual annual reports, which are published online.

Visit aucklandcouncil.govt.nz/performanceandtransparency for more information.



Operations is led by Chief Operating Officer Dean Kimpton and is responsible for public-facing projects and services including:

- community services
- regulatory services
- infrastructure and environmental services
- civil defence and emergency management
- community facilities.



Community Services is led by director Ian Maxwell and is responsible for parks, sport and recreation services, libraries, and arts and events.



Regulatory Services is led by director Penny Pirrit and is responsible for building control, licensing and compliance, and resource consents.



Infrastructure and Environmental Services is led by director Barry Potter and is responsible for major infrastructure development, environmental management, stormwater and solid waste.

TE KĀWANATANGA Ā-ROTO

Internal governance

Auckland Council operates based on principles of accountability and transparency, and has a framework of procedures and policies in place to govern the conduct of staff and elected members, including the key internal governance mechanisms outlined here.

Transparency

All council committee and local board meetings are open to the public (except where legally, commercially or personally sensitive information is under discussion), and meeting agenda and minutes are published on the council's website. Additionally, key committee meetings are streamed live via the council's website.

In the 2015/2016 year, the council launched a section on its website to proactively share information of interest to the public, including details of the council's performance against targets, spend, procurement activity and staff numbers.

The council fully complies with its obligations under the Local Government Official Information and Meetings Act (LGOIMA) 1987 and Privacy Act 1993 to make information available to members of the public when requested. Additionally, the council publishes on its website responses to LGOIMA requests that may be of interest to the general public.

Risk management

The council has a risk-management framework designed to enable sustained

and intelligent decision-making that assists with achieving objectives. This is enabled through the integration of risk-management practices in day-to-day management, and good governance.

The Audit and Risk Committee and senior staff provide guidance on the council's risk appetite and tolerance. Staff are trained on risk management, including identification, analysis, evaluation and treatment of risks. There is a continuous process of escalation, monitoring and reporting of risks, and regular interface with other teams such as Internal Audit, Financial Control, Health, Safety and Wellbeing, and Legal. The principles and guidelines used for risk management are based on AS/NZ ISO 31000:2009.

Internal audit

The council's Internal Audit team provides independent assurance to the Audit and Risk Committee and chief executive that risk-management controls are operating in an efficient, effective and ethical manner. The team works to reduce the risk of error, waste, theft and fraud through:

- financial and operational assurance
- probity oversight for projects, procurement and contracts
- legislative compliance
- ethics and integrity
- conflict-of-interest management.

The council also has a policy to encourage and manage the reporting of misconduct, in line with the Protected Disclosures Act 2000.

See pages 56 to 63, and Volume 3: Financial statements for more information about our financial policies.

Financial accountability

All council staff are subject to a range of policies relating to areas such as procurement, purchasing, payments and reimbursements. These policies set out rules and expectations for appropriate use of council funds, and requirements for disclosing conflicts of interest.

The Treasury Management Policy sets out how the council manages borrowings, investments and related risks. To ensure adherence to the policy, the treasurer reports monthly to the Treasury Management Steering Group and quarterly to the councillors.

A Continuous Disclosure Committee is responsible for ensuring the council complies with its continuous disclosure obligations in respect of bonds quoted on the NZX and other overseas exchanges under the listing rules and the Financial Market Conduct Act 2013.



Auckland Town Hall

Ā MĀTOU KAIMAHI

Our people

Key to the council's success is a healthy and engaged workforce that has the capacity and capability to deliver on the organisation's performance plan.

Number of employees

The council carefully considers the size of its workforce, balancing the need to respond to growth with the goal to do more with less. As of 30 June 2016, Auckland Council (excluding CCOs) had 6102 full-time equivalent employees, 14 more than the previous year.

This number reflects increases in some departments that experienced new or additional service demand – including a 13 per cent increase in the volume of building consent applications, a nine per cent increase in the volume of resource consent applications, the opening of new waste resource recovery centres and changes in library opening hours – balanced by reductions in other back-office support functions.

Workforce diversity

Auckland Council has a three-year goal for its senior management workforce to have a similar composition to that of Auckland's working-age population, for gender and people of Māori, Pasifika, Asian, and Middle Eastern, Latin American and African identity. Fulfilling this goal will help to address historical under-representation of certain population groups, and will allow the council to more effectively serve the people of Auckland by creating a basis for engagement, decision-making and service delivery that reflects the diversity of our region. The council will begin reporting on its progress towards this goal in the next year.

Health, safety and wellbeing

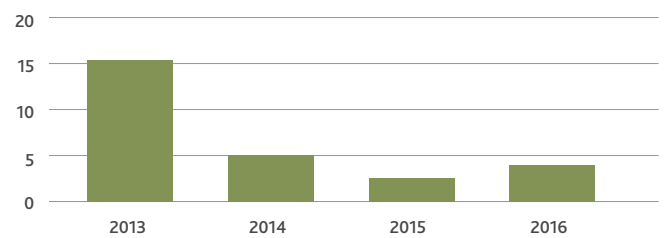
Auckland Council is committed to maintaining workplaces where employees, contractors, volunteers

and members of the public are safe and all major risks are reduced and managed appropriately. Over the past year we focused on embedding legislation and policy, and improving health and safety culture by getting the basics right, which included improvements to reporting, contractor management, incident management and staff inductions.

We successfully managed the initial transition to the new Health and Safety at Work Act (2015), including revising contract terms to reflect our responsibilities, and providing training for more than 380 staff and all elected members.

In preparation for the ACC Workplace Safety Management Practices audit, we undertook a number of department and CCO pre-audits. This work will contribute to an ongoing health and safety self-assessment framework that will see departments peer-reviewing health and safety practices.

Lost time injury frequency rate



Lost time injury frequency rate (LTIFR) is the number of injuries resulting in lost work time per 1,000,000 hours worked.

This year we audited our processes for monitoring lost-time injuries, and found discrepancies that led to improvements in how we report LTIFR. While the increased LTIFR is not a good result, we are now more confident about the accuracy of our data and our ability to support and provide effective return-to-work programmes for staff who have been injured.

Community days

Every year, all permanent employees are entitled to take one day of work as a community day, to be used in support of a local community or volunteer organisation. In 2015/2016, 1122 days were used for a variety of activities including tree planting and community education.

Career development

Our programmes for graduates, interns and cadets offer the opportunity for people who are finishing study and entering the workforce to gain experience in their chosen field and develop into specialists with the potential to lead Auckland in the future. A survey by GradConnection New Zealand and Talent Solutions saw Auckland Council ranked as the country's "most desirable government graduate employer".

In the 2015/2016 year, we hired 52 graduates, 32 interns and 20 cadets.



Odysse Posimani
Building Control

While studying architecture at Victoria University, Odysse Posimani developed an interest in the building industry's issues with leaky buildings and poor building practices, so the opportunity to learn more as a graduate in the council's Building Control department was an ideal next step.

During her two years in the programme, Odysse worked on building inspections, consent processing, reclad and weathertightness, building compliance, policy, certification and more. This experience led to her taking on a permanent role as a Quality Assurance Adviser for Building Control.

"My new role allows me to apply the technical building knowledge as well as knowledge of building legislation and policies that I gained throughout the graduate programme," says Odysse. "My resolve to be involved in improving the building industry has not diminished and I hope to make a valuable contribution in my new role."

HE WHAKARĀPOPOTOTANGA MŌ TE PŪTEA

Financial performance overview

The following pages provide a summary of financial performance for Auckland Council Group (the Group) for the year ended 30 June 2016. The Group consists of the council and its controlled entities.

Financial performance

The Group had sound financial performance over the year, with an operating surplus before gains and losses of \$250 million, against \$211 million in the first year of the Long-term Plan 2015-2025 (LTP).

Total revenue excluding other gains of \$3,705 million was ahead of the LTP forecast of \$3,657 million by \$48 million.

Revenue included rates of \$1,564 million, down on LTP by \$7 million, mainly due to lower penalties as a result of better debt collection.

Other revenue items have decreased against the LTP forecasts. These items include:

- \$60 million fees and user charges, mainly due to lower sales volume of Ports of Auckland, partially offset by increased consenting income
- \$23 million grants and subsidies, due to reduced NZTA funding as a result of lower capital expenditure
- \$34 million development and financial contributions due to a number of unfinalised development agreements.

The above decreases have been offset by increases against the LTP for the following:

- \$84 million other revenue, which includes rentals, dividends and Watercare infrastructure growth charges
- \$77 million vested assets, which were not expected or fully budgeted for.

Total expenditure, excluding other losses, of \$3,455 million was higher than the LTP budget of \$3,446 million by \$9 million. This increase can be attributed to an increase in employee benefits and depreciation and amortisation, partly offset by lower finance costs and other minor movements.

The increased employee benefits are primarily driven by additional staff employed to cope with the increased consenting activities, which are largely funded by user charges. The number of building consents and resource consents processed has increased by 13 per cent and 10 per cent respectively from last year.

Depreciation and amortisation expense was higher than the LTP due to the increased capitalisation of projects during the year.

The above are partly offset by lower finance costs due to favourable interest rate movements and a lower debt level as compared to budget.

Financial position

The Group's total assets of \$44.7 billion increased by \$2.5 billion from the previous financial year, primarily due to increase in property, plant and equipment of \$2.3 billion. The increase is mainly driven by revaluation of operational land and buildings (\$885 million), restricted land and buildings (\$690 million) and train stations (\$51 million).

Funding our capital programme

Capital expenditure for the Group was \$1,390 million (2015: \$1,546 million), representing 77 per cent of the budgeted programme. It was primarily funded from operating cash flow, cash reserves and debt. Funding 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 rates and other revenue. These are agreed by Auckland Council's governing body as part of the LTP.

Prudential limits	Risk limit	Actual 2016	Actual 2015
Net debt to total revenue	275%	195%	192%
Net interest to total revenue	15%	11%	12%
Net interest to annual rates income	25%	18%	21%

These prudential limits and our large asset base contribute to Auckland Council continuing to have one of the highest credit ratings in New Zealand – AA from Standard & Poor's and Aa2 from Moody's (both on stable outlook). Both ratings were reaffirmed in November 2015. We also prudently manage the council's exposure to interest rate changes by fixing the interest rate on a portion of the 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 borrowings

Total Group debt as at 30 June 2016 was \$7,611 million, an increase of \$277 million compared to \$7,334 million as at 30 June 2015. Debt is \$436 million below budget, primarily due to lower capital delivery.

The council's borrowings are subject to the liability management policy, and the revenue and financing policy set out in the LTP. There are three key risks around the Group's borrowings – interest rates, liquidity, and funding and refinancing.

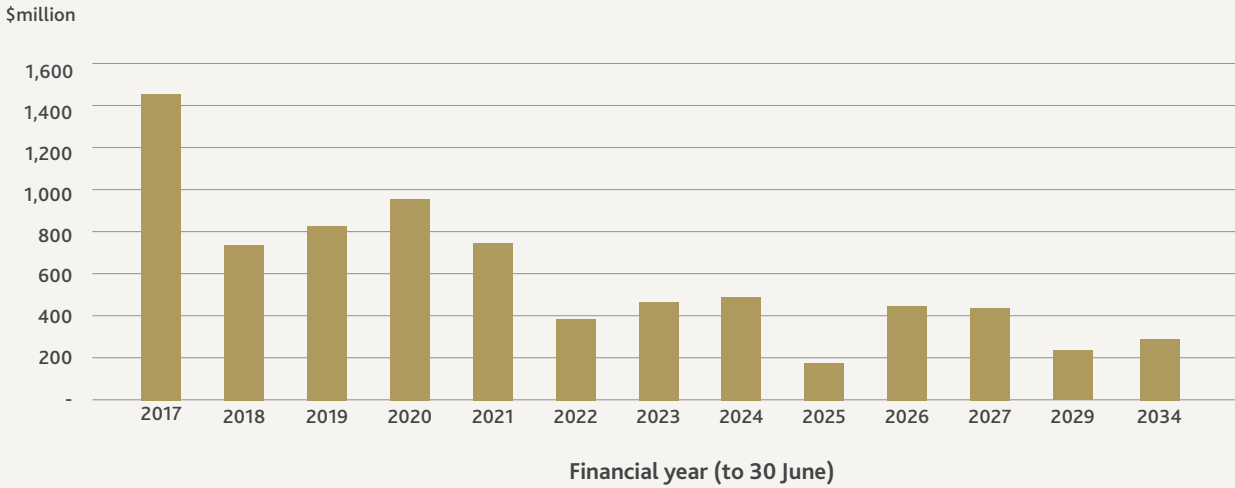
Interest rate risk is the risk that net interest expense (due to adverse movements in market interest rates) materially underperforms the projections in the council's plans, negatively affecting the council's financial performance and position. Interest rate risk is managed by matching the interest rate 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 commitments when due and is managed by maintaining adequate liquid assets and bank standby facilities, and having a range of funding sources available.

Interest rate risk and liquidity risk are explained more fully in the financial risk management notes to the Group's financial statements.

Debt maturity profile as at 30 June 2016

A debt maturity profile shows the time period when financial instruments will cease to exist and when the principal is due to be repaid with interest.



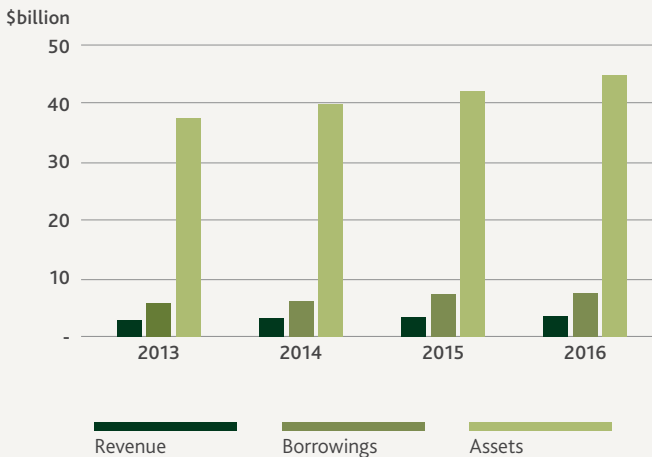
Funding and refinancing risk is the risk that the council will not be able to take on new borrowings when required. The Group manages funding and refinancing risks through borrowing from a range of domestic and international lenders. This enables the Group to spread its funding sources, borrow for longer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

The three main borrowing sources are New Zealand investors, the Local Government Funding Agency

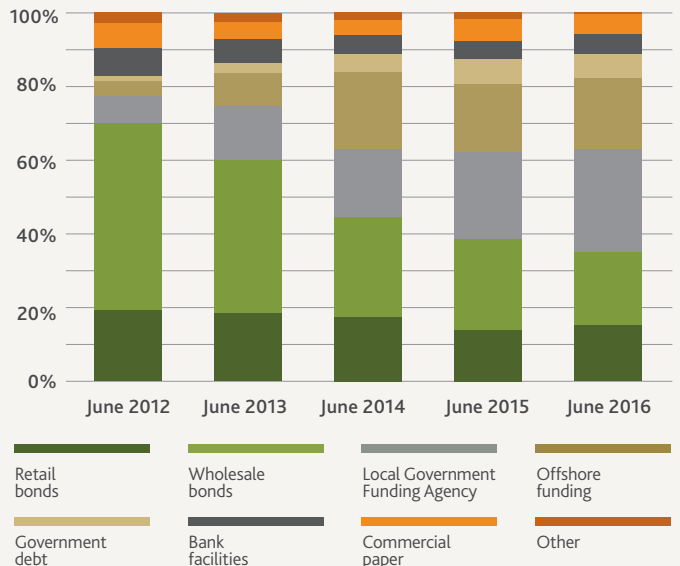
(an organisation jointly owned by most local authorities in New Zealand and the Crown to borrow on behalf of the sector) and offshore markets. The Group mitigates all foreign currency risks on offshore borrowings by entering into derivative contracts with approved counterparties that convert foreign currencies to New Zealand dollars.

The Group's current debt level and annual interest cost remains prudent relative to the Group's annual revenue and total assets.

Group debt relative to assets and revenue



Auckland Council Group funding mix



Summary statement of comprehensive revenue and expenditure

For the year ended 30 June 2016

\$million	Group			Council		
	Actual 2016	Budget 2016	Actual 2015	Actual 2016	Budget 2016	Actual 2015
Revenue						
Rates	1,564	1,571	1,458	1,574	1,584	1,470
Fees and user charges	1,083	1,143	1,030	243	230	221
Grants and subsidies	404	427	425	22	28	57
Development and financial contributions	131	165	107	131	165	107
Other revenue	260	176	253	179	166	222
Vested assets	247	170	268	64	60	85
Finance revenue	16	5	17	100	103	111
Total revenue excluding other gains	3,705	3,657	3,558	2,313	2,336	2,273
Expenditure						
Employee benefits	803	771	792	484	481	489
Depreciation and amortisation	828	823	778	237	234	220
Grants, contributions and sponsorship	126	128	150	909	971	644
Other operating expenses	1,281	1,283	1,336	516	479	582
Finance costs	417	441	422	360	376	364
Total expenditure excluding other losses	3,455	3,446	3,478	2,506	2,541	2,299
Operating surplus/(deficit) before gains and losses	250	211	80	(193)	(205)	(26)
Net other losses	(552)	-	(230)	(443)	-	(176)
Share of surplus in associates and joint ventures	63	43	54	-	-	1
(Deficit)/surplus before income tax	(239)	254	(96)	(636)	(205)	(201)
Income tax (benefit)/expense	(8)	28	(24)	-	-	-
(Deficit)/surplus after income tax	(231)	226	(72)	(636)	(205)	(201)
(Deficit)/surplus after income tax is attributable to						
Ratepayers of Auckland	(231)	226	(72)	(636)	(205)	(201)
Other comprehensive revenue/(expenditure)						
Net gain on revaluation of property, plant and equipment	1,626	5	1,031	1,156	-	768
Tax on revaluation of property, plant and equipment	(4)	-	(74)	-	-	-
Movement in cashflow hedge reserve	(9)	-	37	-	-	-
Tax on movement in cash flow hedge reserve	2	-	1	-	-	-
Share of associates and joint ventures' reserves	171	-	16	-	-	-
Net unrealised gain on revaluation of financial assets classified as available-for-sale	2	-	(1)	-	-	-
Total other comprehensive revenue	1,788	5	1,010	1,156	-	768
Total comprehensive revenue/(expenditure)	1,557	231	938	520	(205)	567
Total comprehensive revenue/(expenditure) is attributable to						
Ratepayers of Auckland	1,557	231	938	520	(205)	567

Summary statement of financial position

As at 30 June 2016

\$million	Group			Council		
	Actual 2016	Budget 2016	Actual 2015	Actual 2016	Budget 2016	Actual 2015
Total current assets	873	941	1,013	797	975	933
Non-current assets						
Property, plant and equipment	41,156	39,766	38,897	13,410	12,077	12,064
Investment in subsidiaries	-	-	-	21,080	20,622	20,800
Investment in associates and joint ventures	1,074	853	890	14	5	18
Other non-current assets	1,576	1,266	1,367	2,334	2,391	2,410
Total non-current assets	43,806	41,885	41,154	36,838	35,095	35,292
Total assets	44,679	42,826	42,167	37,635	36,070	36,225
Current liabilities						
Current borrowings	1,447	1,491	1,006	1,169	1,275	666
Other current liabilities	814	901	832	694	685	730
Total current liabilities	2,261	2,392	1,838	1,863	1,960	1,396
Non-current liabilities						
Non-current borrowings	6,164	6,556	6,328	5,772	5,901	5,890
Other non-current liabilities	2,602	1,664	1,922	1,210	490	669
Total non-current liabilities	8,766	8,220	8,250	6,982	6,391	6,559
Total liabilities	11,027	10,612	10,088	8,845	8,351	7,955
Net assets	33,652	32,214	32,079	28,790	27,719	28,270
Equity						
Total equity	33,652	32,214	32,079	28,790	27,719	28,270

Summary statement of changes in equity

For the year ended 30 June 2016

\$million	Group			Council		
	Actual 2016	Budget 2016	Actual 2015	Actual 2016	Budget 2016	Actual 2015
Opening equity as at 1 July	32,079	31,983	31,145	28,270	27,924	27,703
Total comprehensive revenue/(expenditure)	1,557	231	938	520	(205)	567
Deconsolidation of subsidiaries	-	-	(23)	-	-	-
Found assets	16	-	19	-	-	-
Closing equity as at 30 June	33,652	32,214	32,079	28,790	27,719	28,270
Components of equity						
Contributed equity	26,728	26,734	26,728	26,569	26,569	26,569
Accumulated funds	290	921	517	(633)	(235)	20
Reserves	6,634	4,559	4,834	2,854	1,385	1,681
Total equity	33,652	32,214	32,079	28,790	27,719	28,270

Summary statement of cash flows

For the year ended 30 June 2016

\$million	Group			Council		
	Actual 2016	Budget 2016	Actual 2015	Actual 2016	Budget 2016	Actual 2015
Net cash inflow/(outflow) from operating activities	771	847	726	(75)	(93)	262
Net cash outflow from investing activities	(1,338)	(1,729)	(1,445)	(569)	(692)	(1,119)
Net cash inflow from financing activities	358	874	854	465	785	982
Net (decrease)/increase in cash and cash equivalents	(209)	(8)	135	(179)	-	125
Opening cash and cash equivalents	337	248	202	282	225	157
Closing cash and cash equivalents	128	240	337	103	225	282

Basis of reporting

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 based on International Public Sector Accounting Standards, with amendments for the New Zealand environment. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice, PBE Accounting Standards and other applicable financial reporting standards, as appropriate for public benefit entities. The summary financial statements comply with Public Benefit Entity Financial Reporting Standard 43: *Summary Financial Statements*.

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

The summary financial statements and associated disclosures have been extracted from the Annual Report 2015/2016. However, the summary financial statements do not include all the disclosures provided in the financial statements and cannot be expected to provide as complete an understanding as provided by the financial statements.

These summary financial statements have been audited, and an unmodified audit opinion has been received and included in this volume. The financial statements and summary financial statements for the year ended 30 June 2016 were authorised for issue by the council's governing body on 29 September 2016.

Subsequent events

On 14 September 2016, the council and the Crown entered into a Heads of Agreement for the equal co-funding and delivery of the City Rail Link. The total cost of the project is estimated to be between \$2.8 billion and \$3.4 billion. Specific implementation details will be agreed in a "Sponsors Agreement" to establish a separate legal entity to manage the project and will be jointly owned by the council and the Crown. Establishment of the new entity is expected in early 2017.

There were no other material events after reporting date that would require adjustment or disclosure for the council or the Group.

For more information on the Group's financial results please refer to Volume 3 of the Annual Report.

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 6.3.2 and 11.1.1 (decision published by NZX on 10 December 2012)
- 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 5.2.3 (decision published by NZX on 21 March 2016)

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 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% of the nominal value of the securities outstanding.

Listing Rule 5.2.3

In March 2016, NZX granted the Group a waiver from Listing Rule 5.2.3 with respect to its bonds quoted under ticker AKC090 to allow the Group to have fewer than 100 bondholders who are Members of the Public holding at least 25% of the number of securities for a period of six months 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.



Independent Auditor's Report

To the readers of Auckland Council and group's Summary Annual Report for the year ended 30 June 2016

The Summary Annual Report was derived from the Annual Report of the Auckland Council (the Council) and group for the year ended 30 June 2016. 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 25 to 39 and 56 to 62:

- the summary statement of financial position as at 30 June 2016;
- the summaries of the statement of comprehensive revenue and expenditures, statement of changes in equity and statement of cash flows for the year ended 30 June 2016;
- 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 service performance overview of the Auckland Council group.

I expressed an unmodified audit opinion on the Auckland Council and group's full audited Annual Report in my report dated 29 September 2016.

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 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 interest in, the Auckland Council or any of its subsidiaries.



Lyn Provost
Auditor-General
Wellington, New Zealand
29 September 2016

PEHEA TE WHAKAPĀ MAI

How to contact the council

Customer service centres allow Aucklanders to interact with us in person. We have over 25 customer service centres operating around Auckland. Currently, there are a variety of different services delivered to different levels across the centres, but overall they deliver:

- general information on all council services, products and events
- property information
- payments for dog registration rates and other services
- lodgement of building and resource consents
- dog registration renewal
- lodgement of licences and LIM applications
- copies of publications and reports
- payment of parking infringements
- specialist advice.

Customer service centres

Albany	30 Kell Drive, Albany
Birkenhead	Nell Fisher Reserve - Hinemoa Street, Birkenhead
Browns Bay	Corner of Bute and Glen Roads, Browns Bay
Central city	Bledisloe House, 24 Wellesley Street, Auckland Central Graham Street, 35 Graham Street, Auckland
Devonport	3 Victoria Road, Devonport
Glen Eden	39 Glenmall Place, Glen Eden
Glenfield	90 Bentley Avenue, Glenfield
Great Barrier Island	Hector Sanderson Road, Claris
Helensville	49 Commercial Road, Helensville
Henderson	6 Henderson Valley Road, Henderson
Huapai	296 Main Road (SH16) Huapai
Manukau	Ground Floor, Kotuku House, 4 Osterley Way, Manukau City Centre
New Lynn	31 Totara Avenue, New Lynn
Ōrewa	50 Centreway Road, Ōrewa
Papakura	35 Coles Crescent, Papakura
Pukekohe	82 Manukau Road, Pukekohe
Takapuna	1 The Strand, Takapuna
Waiheke Island	10 Belgium Street, Ostend
Waiuku	Corner of King Street and Constable Road, Waiuku
Warkworth	1 Baxter Street, Warkworth
Whangaparāoa	9 Main Street, Whangaparāoa

Visit aucklandcouncil.govt.nz for information about Auckland Council, including our services, facilities, plans, news and events.

Contact us:

Telephone:

09 301 0101
(toll-free)

In person:

At our customer
service centres

Via our website:

Using our
online form at
**aucklandcouncil.
govt.nz**

Fax:

09 301 0100

Write to us at:

Auckland Council
Private Bag 92300
Auckland 1142

To find out what
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ISSN 2253-136X (Print)
ISSN 2253-1378 (Online, PDF)
