

Te Rīpoata ā-Tau 2016/2017

O TE KAUNIHERA O TĀMAKI MAKAURAU

AUCKLAND COUNCIL

Annual Report 2016/2017



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



Westhaven Boardwalk

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 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 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 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 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.	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.
Ko te oranga mutunga mōu kei tua i te taumata moana. Tūwherahia ō ringa, kūmea mai ki tō uma.	Perpetual health and growth is beyond the horizon of cresting waves. Open your arms and pull them to your embrace.
Tāmaki Makaurau he tāone ūmanga kurupounamu; tukua tō rongō kia rere i te ao.	Tāmaki Makaurau, you are a city where valued business and enterprise thrives; let your good name traverse the world.

Kupu whakatau Welcome

Auckland Council's Annual Report 2016/2017

Auckland Council's role is to make the region we love even better. We are here to deliver the services and infrastructure required for Auckland to grow into a more prosperous region, one that gives a voice to our communities and is a great place to live, visit and invest.

This report is for the Auckland Council Group (the group), which includes the council, council-controlled organisations, subsidiaries, associates and joint ventures. For more information about the group's operating structure see pages 54 to 55.

Auckland Council Group is required by the Local Government Act 2002 to prepare and adopt an annual report that demonstrates to Aucklanders how we are fulfilling our role by reporting on the past year's highlights and performance against budgets and service targets.

The Annual Report 2016/2017 covers the period 1 July 2016 to 30 June 2017, and reports against the Long-term Plan 2015-2025 and the Annual Plan 2016/2017.

Annual Report 2016/2017

The Auckland Council annual report received unmodified audit opinion and was adopted by Auckland Council on 28 September 2017.

The full annual report includes detailed disclosure information and is split into three volumes.

Volume 1: Overview and service performance

Volume 1 contains an overview of the performance results for the year, together with detailed results against financial and non-financial targets for our regional groups of activities.

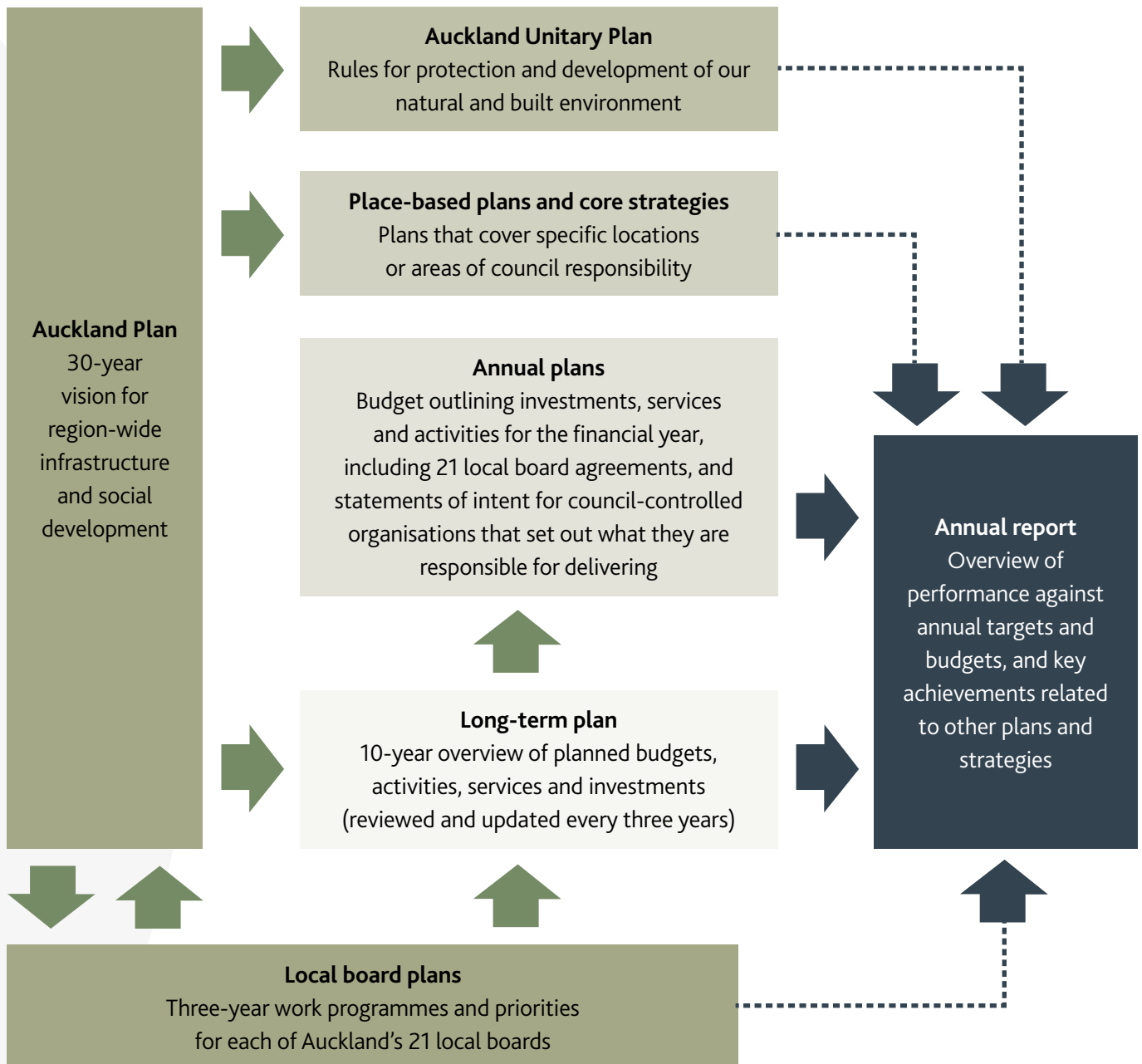
Volume 2: Local boards

Volume 2 contains detailed results against financial and non-financial targets for our local groups of activities and local boards.

Volume 3: Financial statements

Volume 3 contains our financial statements.

How the annual report fits into our planning and reporting framework



You can find the annual report and summary annual report on our website at aucklandcouncil.govt.nz/annualreport. Printed copies are available to view at all Auckland Council libraries, service centres and local board offices.

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Cover: Outdoor cinema at Silo Park, Central Auckland, by Todd Eyre



Takapuna playground

He whakamārama mō Tāmaki Makaurau Introducing Auckland



A population of
1,614,400
that represents



200
ethnic groups and
44% are under age 30



An environment featuring
three major harbours,

3200km
of coastline and



40,000ha
of regional parks

An economy that generates



37%
of the national GDP, experienced

4.1%
employment growth in 2016 and
is home to



60%
of New Zealand's
top 200 companies



International recognition that includes
being ranked the world's

**3rd most
liveable city**
(Mercer Survey 2017)



Auckland Council's role

Auckland is a
modern city
that is
diverse,
inclusive and
dynamic

We engage with Aucklanders
to help decide how we'll provide
services and how we'll pay for them.
This year we received

8058

submissions
on our proposed annual budget

We provide the
infrastructure,
facilities and **services**



required as Auckland's population grows to

2,200,000

over 30 years

We also advocate and facilitate the involvement of
other stakeholders such as central government, housing
developers and community groups

We get to work... then report back on our progress, which in 2016/2017 included

\$1.66
billion

of investment
in capital projects

support for

84,860

volunteer hours worked
in regional parks and facilitating
major events that contributed

\$76
million

to the economy
(ATEED)



He karere nā te koromātua Message from the mayor

As Aucklanders we are privileged to live in a region with a beautiful environment and a diverse and rich culture. It gives us all choice and opportunity in where we can work, learn and relax, and enjoy a stable, prosperous and peaceful life.

Our high levels of growth are a reflection of this being a great region in which to live, but growth also poses its own challenges.

Those challenges include addressing housing shortages and affordability, traffic congestion, and protecting our environment.

While there are no quick fix solutions, we have made a strong start to tackling these problems and to ensure Auckland is a world-class city where talent wants to live.

Responsible fiscal management was at the heart of the first annual budget of this term of the council. Passed by the Governing Body in June, the Annual Budget 2017/2018 reduced general rates increases to 2.5 per cent and provided relief to ratepayers following higher increases of previous years.

Annual Budget 2017/2018 also broadened the council's revenue base via a targeted rate on accommodation providers, freeing up more than \$100 million over 10 years for infrastructure investment. In total the budget increases capital investment in infrastructure by \$200 million, and helps vulnerable Aucklanders by addressing homelessness and committing to delivering a Living Wage for low-paid council staff during this term of the council.

We are also systematically reviewing all services across the council group to ensure our organisation is providing value for money to Aucklanders. Conducted under section 17A of the Local Government Act 2002, these reviews seek to identify savings and operational improvements that make the council more efficient and provide better outcomes for Aucklanders. A review of council-controlled organisation (CCO) processes and detailed statements of intent for those organisations aims to better align our CCOs to council strategy and their accountability to the people of Auckland.

Housing affordability is a major challenge for Auckland. It affects us, our children and grandchildren with increasing numbers of people locked out of the Auckland housing market. As house prices skyrocketed in Auckland over recent years more people and families are excluded from the hope of home ownership while low income families struggle to meet the high cost of renting.

In seeking solutions to our housing issues, I convened the Mayoral Housing Taskforce early in 2017. It brought together key public and private housing and construction sector stakeholders

to develop practical solutions to increase the speed of house building in Auckland, and improve affordability and quality. If we can match supply of housing to demand as the population grows, we can reduce the inflation of house prices.

The taskforce report contained 33 recommendations across all parts of the sector with key recommendations around how to get more houses built, creating infrastructure to unlock the availability of land, and promoting quicker and easier consent processes. The council is currently working through the recommendations it is responsible for and pressing the government for the changes it needs to facilitate.

In recent months we have made progress with the government to secure investment for major housing developments in Auckland.

The Housing Infrastructure Fund will provide a \$300 million investment in transport, wastewater and stormwater projects that will enable us to bring forward the construction of 10,500 new homes in Whenuapai and Redhills. Further, the creation of a Special Purpose Vehicle (SPV) to fund additional critical housing infrastructure in Auckland will enable us to bring forward construction of around 23,300 new homes in south Auckland and Wainui much earlier than would otherwise be possible.

The SPV allows the council to access more capital to invest in infrastructure without adding further debt to the council's books which would jeopardise our credit rating. It is significant progress and shows the council and government working together to address Auckland's housing challenges.

The council is also working with the government to tackle Auckland's growing traffic congestion.

Our population grows by 45,000 people per year and 800 new cars on Auckland's roads each week is placing pressure on our roading system. While the new Waterview Tunnel has made a real difference in helping improve traffic flows, our city's growth towards a population of two million people will continue to place further pressure on our roads and future progress on reducing congestion must come from a stronger public transport system.

This year we opened the Ōtāhuhu bus and rail interchange, the Half Moon Bay ferry pier and began construction on the Manukau bus station. Auckland Transport's new bus network went live with over 300 new bus stops and a 15 per cent increase in service kilometres. We constructed another 19km of new bus lanes and delivered \$39.1 million of cycling infrastructure.

The City Rail Link project started last year and when completed in 2023 it will double the capacity of the rail network, enabling 30,000 people an hour to move by rail during peak travel times.

The North Shore busway now sees more residents from the North Shore travelling to the CBD during peak times by bus rather than private car with nearly 84.5 million trips in the 12 months to November 2016. Cycling patronage in Auckland is up by eight per cent on the previous year.

We are now updating the Auckland Transport Alignment Project with the government to bring forward key transport infrastructure projects and increase government and council investment over the coming decade to \$27 billion for the Auckland transport network.

It's an impressive amount of work, but the truth is that in the face of a rapidly rising population we have to run fast to stand still. And while we have succeeded in winning more support from the government, we as Aucklanders will have to contribute more through road pricing to pay for the investment in the transport infrastructure we need.

Aucklanders love their region for its stunning natural environment and trust us to protect it for future generations to enjoy.

'Million Trees' is a mayoral initiative to green our city and make Auckland more beautiful. It will also act to absorb carbon emissions and reduce erosion and siltation. Over three years we will plant one million predominantly native trees and shrubs across Auckland in partnership with iwi, schools, public and private-sector organisations and the public. The programme will incorporate new and existing initiatives, and enable us to measure and improve environmental protection at a regional level.

We also continue with our drive to minimise waste in Auckland through a combination of reducing waste like plastic bags, recycling, trialling food waste collection, and an annual inorganic refuse collection. The results are encouraging with household waste down by 10 per cent and 30 per cent of inorganic waste diverted from landfills.

This coming year will be important for Auckland. We will be developing and consulting on the Long-term Plan 2018-2028, which will set out the budget, policies and council work programme for the next 10 years.

We know there will have to be trade-offs between what we want and need, and what we can afford. I look forward to hearing what's important from Aucklanders so we can plan and start work on funding and infrastructure that will continue to make Auckland a great place to live.



A handwritten signature of Phil Goff in black ink.

Phil Goff,
Mayor of Auckland



(L-R) Tāmaki MP Simon O'Connor, Transport Minister Simon Bridges and Mayor Phil Goff open the first stage of the Glen Innes to Tāmaki Drive Shared Path.

He karere nā te tumu whakarae Message from the chief executive

Last year, one of our priorities was getting our three-year performance plan in place. This year, we put our heads down and got on with it – and I am pleased to report some great successes.

A particular highlight was the 143 per cent increase in the number of submissions received during consultation on the Annual Budget 2017/2018. A focus area in the performance plan is engaging and enabling communities. Council staff have developed innovative ways of doing this, and Aucklanders responded enthusiastically.

A lot of effort has gone into improving our services for Aucklanders as both customers and community members.

We developed more options for people to carry out common transactions and get information online, while in the background making system improvements to provide quicker and more consistent service.

We've continued our plan to create empowered communities where everyone can take a more active role in planning and decision-making.

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Volume 2 of this report in particular includes some amazing examples of projects delivered by community members working with their local board and council staff.

Our role is to provide expert advice, support and delivery services to elected members as they work on behalf of Aucklanders, and the strength of these relationships is improving all the time. We are now more frequently working in harmony, and spending more time getting the job done. The comprehensive and high-quality induction programme for incoming elected members following the November election laid the groundwork for three years of productive collaboration.

We're developing much closer internal working relationships too. Many of our large infrastructure plans and projects require collaboration between the council, Auckland Transport, Watercare and Panuku, and we are working well together. We've also put a lot of effort into negotiating savings and additional benefits on contracts across the council group, an example of how we can use our size to our advantage.

In 2016/2017 we completed or progressed \$1.66 billion of capital projects, including:

- the start of construction on the 1.1km Artillery Drive stormwater tunnel and the 2.1km Takanini Cascades stream system, and completion of stormwater network upgrades in Three Kings – projects that support development in Special Housing Areas
- the opening of the two stages of the 32km Hunua 4 watermain from Manukau to central Auckland, which will ensure security of supply and cater for growth
- the opening of Ōtāhuhu Station bus and rail interchange

- \$39.1 million investment in cycling infrastructure as part of the 2015-2018 Urban Cycleways Programme
- the opening of Albany Stadium Pool.

I am energised by the 2017/2018 budget, not just because of the community input I mentioned above, but because it builds on this year's progress with another exciting and ambitious programme of work that will provide benefits to all parts of Auckland.

This includes \$1.4 billion budgeted for investment in assets such as Silverdale park-and-ride, Westgate Library and Community Centre, Westhaven promenade, Ormiston town centre, the Māngere Wastewater Treatment Plant upgrade and, of course, the next stage of the City Rail Link.

I echo the mayor's encouragement for Aucklanders to have their say on the Long-term Plan 2018-2028 we'll be developing over the coming year. The best results will happen when we are all on the same page, and this is our chance to create a shared plan of action for the next decade.



A handwritten signature in black ink that reads "Stephen Town".

Stephen Town,
Chief Executive, Auckland Council

He aronga whakatupu Responding to growth

Auckland, along with other highly liveable and economically strong cities around the world, is growing faster than predicted. Auckland's population is expected to grow to two million by 2028.

In its 2016 National Policy Statement on Urban Development Capacity, the government mandated local authorities to respond to urban growth. That statement requires councils to plan enough development capacity to ensure demand can be met, and supported by infrastructure. It encourages integration between land use and infrastructure planning. And it promotes a better understanding of land and development markets and the impact planning has on these.

Auckland's Unitary Plan and Future Urban Land Supply Strategy provides the framework to open up land and intensify development to build the approximately 400,000 homes required to house Auckland's population in a variety of housing types over the next 30 years. To support urban development, large-scale investment is required in public infrastructure such as transport, water supply, and storm and waste water. Infrastructure planning is integrated with development through initiatives such as the Auckland Transport Alignment Project (ATAP) and Transport for Future Urban Growth, and the application of the Local Residential Growth Fund and Housing Infrastructure Fund. These initiatives are described in the following sections.

The council's role in managing growth is also directed in legislation. The Local Government Act 2002 mandates councils to play a broad role in meeting the current and future needs

of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions. The act sets out the core services a council must provide, including transport, network and community infrastructure. It sets out the regulatory role that councils perform, and empowers them to source funds using mechanisms such as rates, fees and development contributions.

The Resource Management Act 1991 promotes the sustainable management of natural and physical resources. Auckland's Unitary Plan, which is operative in part (with some parts excluded from being operative mainly due to Environment Court and High Court appeals), is our plan on how the council does this and how it will manage growth in the region. The Building Act 2004 regulates building work, established a licensing regime for building practitioners, and set performance standards for buildings. It also promotes the accountability of owners, designers, builders, and building consent authorities who have responsibilities for ensuring building work complies with the building code. Auckland Council's resource and building consents teams manage our obligations under these acts.

Auckland faces real challenges providing enough housing development with the supporting infrastructure to meet demand. Funding, partnering, and market constraints are three of the key challenges.

Funding the infrastructure to meet the growth is a major challenge which the council cannot meet alone from its traditional revenue sources such as rates, development contributions and fees. It requires joint investment with the government.

The council has successfully negotiated funding support from the government with two significant investments announced in July 2017. The \$300 million investment from the Housing Infrastructure Fund will fund infrastructure to support the development of 10,500 houses at Red Hills and Whenuapai over the next 10 years. The \$600 million investment by Crown Infrastructure Partners will deliver infrastructure to support the eventual development of 5500 homes in Wainui and 17,800 homes in Pukekohe, Paerata and Drury.

Auckland is struggling to manage the transport requirements of its current population, with traffic congestion creating a major drag on our economic potential. A NZIER report in August 2017 estimated there would be a \$0.9 billion to \$1.3 billion annual productivity benefit from decongesting Auckland's roads. Building the roading network and public transport infrastructure to meet Auckland's growth needs requires massive investment from both the council and government, and will most likely require different revenue sources. Revenue options could include congestion charges, road pricing, tolls, and regional fuel taxes.

ATAP, a joint project involving the council, Auckland Transport, the Ministry of Transport, the New Zealand Transport Agency (NZTA), the Treasury and the State Services Commission, recommended an aligned strategic approach to Auckland's transport system over the next 30 years. This project will bring forward key transport infrastructure projects in response to accelerated growth projections. This update increased the required government and council investment in the transport network over the coming decade to \$27 billion. However, there is still a \$5.9 billion funding gap and solutions to bridge this gap are being negotiated between council and the government.

There is significant government investment in transport infrastructure, notably the City Rail Link. Work has begun on this project to significantly increase the capacity of the train network, with half of the \$2.8 to \$3.4 billion cost being funded by government, and the other half by council. The updated ATAP investment requirement includes \$1.2 billion over the next decade for mass transit.

Meeting the growth challenge requires coordinated partnership between council, government, and the private sector. For example, the Mayoral Taskforce on Housing, a taskforce set up by Mayor Phil Goff and including developers, builders, bankers, economics, architects, and central and local government officials, has identified barriers and constraints to building new homes in Auckland at the speed and scale needed to meet the demand and council is identifying actions to address these. Panuku Development Auckland (Panuku) was established to facilitate the redevelopment of urban locations. This partnership approach is covered in more detail in the following sections.

The council has opened up more greenfield and brownfield opportunities for housing in its unitary plan, but the delivery of more housing depends on private sector developers who are constrained by capacity in the construction industry, and the supply of funding from financial institutions.

The next sections summarise the work being done by both council and its partners to address two key strategic challenges posed by this rapid growth: how to provide enough housing to accommodate the population growth; and how to provide the transport infrastructure needed to improve the flow of people and freight around the region.



Rautaki Aronga: Take ā-whare

Strategic focus: Housing

Key Issues

The key housing issues facing Auckland are:

- the large volume of housing required to address Auckland's population growth is putting pressure on the housing supply pipeline
- identifying sufficient funding for large-scale infrastructure, the long lead time required to get the infrastructure in place, and the need to align delivery of infrastructure with developments
- difficulty for developers in acquiring capital for medium large-scale developments and rising construction costs.

A summary of the activities and the services levels we deliver related to housing can be found on pages 151-154.

Strategic Initiatives and projects

One of the most important goals of the Auckland Plan, our plan to deliver on the vision to be the most liveable city in the world, is to improve the supply, choice, quality, and affordability of housing.

While the council does not build houses, we have regulatory and facilitation responsibilities related to all parts of the development process. Our focus is on getting our part right, so that developers can confidently create high-quality plans and construction can proceed swiftly.

Auckland Council's direct contribution to addressing the housing shortage includes:

- The Auckland Unitary Plan will open up 15,000ha of new urban land and allow more intensive development over the next 30 years, with the potential to build over 400,000 new homes.

- The Auckland Housing Accord, established by the government and Auckland Council to cover the period until the Unitary Plan came into effect, targeted the consent of 39,000 net sections and dwellings between October 2013 and May 2017. Over that period, 55,384 net sections and dwellings were consented.
- Under the Resource Management Act 1991 and the Building Act 2004 the council manages resource and building consents. In the first half of 2016/2017 there was a surge in the volume of resource and building consent applications received leading up to the adoption of the Unitary Plan. Over the year, 21,204 building consents and 12,445 resource consents were issued. This surge, coupled with issues embedding new systems, meant the council did not meet its performance targets of 100 per cent of consents be processed within 20 working days. We achieved 80 per cent of building consents and 77 per cent of non-notified resource consents processed within the 20 working day timeframe.
- The council is using its Consenting Made Easy programme to improve customer experience with the consenting process. This includes lodging, tracking and paying for consents online; a streamlined service for fast processing of simple consents; a partnership approach for selected customers with a large work programme; and a streamlined service for complex, large-scale and high-value projects. The percentage of customers satisfied with the overall quality of building control service delivery increased by 10 per cent from the previous year, with 55 per cent of customers satisfied, against a target of 60 per cent. For resource consents, satisfaction rose 9 per cent compared with the previous year, with 58 per cent of customers satisfied against a target of 55 per cent.
- The council's Development Programme Office (DPO) was established to provide a single point of contact for developers on projects that have scale and complexity and need to plan, integrate and deliver infrastructure to enable development. Over 2016/2017, 51 developers worked with the DPO.
- Area plans and guidance such as the Auckland Design Manual are providing a clear blueprint to help developers create housing that Aucklanders will choose to live in.
- Auckland Transport is aligning its transport infrastructure and service delivery to planned housing development, and actively investigating and promoting transport solutions that will reduce dependence on private vehicles and minimise congestion.

Where the council cannot act directly on an issue, we take a partnership, facilitation, advisory or advocacy role.

- Property developers plan and construct housing on a large scale. Doing so in a commercially sustainable way is often a challenge due to availability of funding, skilled staff and materials – issues that the Mayoral Housing Taskforce is focusing on.
- The Government's Housing Infrastructure Fund will provide \$300 million for transport, wastewater and stormwater infrastructure to support the construction of 10,500 new dwellings in Whenuapai and Redhills on Auckland's North Shore.
- Crown Infrastructure Partners is investing \$600 million to deliver infrastructure to support the eventual development of 5500 homes in Wainui and 17,800 homes in Pukekohe, Paerata and Drury.

- Panuku is working to facilitate the redevelopment of urban locations, working with public and private sector partners to transform metropolitan centres, unlock development potential and support projects led by other stakeholders. The goal is to attract development investment that results in more high-quality, affordable housing in attractive and safe neighbourhoods.
- Auckland Council has a 41 per cent ownership interest in Tāmaki Regeneration Company (with the government owning the other 59 per cent). Tāmaki Regeneration Company is tasked with replacing 2500 social houses in Tāmaki with 7500 social, affordable and private market houses over the next 10 to 15 years.
- Together with community housing providers, we support delivery of social housing. Examples include a joint housing partnership, Haumaru Housing, where the Selwyn Foundation will manage and develop the council's 1412 housing for older people units, and support Ngāti Whātua o Orākei papakāinga (development on land with ancestral connections).

The Mayoral Housing Taskforce has taken the lead in bringing together key participants and interest groups from all industries associated with housing development to identify options to overcome the barriers and constraints to building more homes in Auckland at a pace and scale which meets the demands of population growth. The taskforce released a report in July 2017 which recommended actions to:

- enable the construction sector to develop at scale, including identifying investors who can build through the dips to lift construction in the peaks
- make more land available with appropriate zoning and infrastructure, at the right price, to enable more development, faster
- deliver efficient and certain planning, consenting, and risk management to reduce costs, enable innovation in construction and delivery, and create communities with high quality buildings and good urban design.

The council is currently identifying actions that it can do to respond to these recommendations.

Ongoing challenges

The council is addressing the housing challenge by increasing the supply of appropriately zoned land, and working to ensure its consenting processes are more streamlined to enable fast development.

To retain momentum, the council will need to partner with others, including the government, developers and investors, to:

- find ways to bring new international partners into the market, and give them confidence to build at scale
- explore new options for alternative financing, including public-private partnerships, to bring forward large-scale infrastructure projects
- align investment in infrastructure (transport, waste water and water provision) with development.



Rautaki Aronga: Ngā kawekawenga

Strategic focus: Transport

Key issues

The key transport issues facing Auckland are:

- building a transport system that adequately supports growth, particularly in Special Housing Areas and greenfield areas zoned for development
- developing the transport system to meet the demands of accelerated growth and rising travel, and to maintain easy access to jobs for people living in large parts of the west and parts of the south
- managing demand for travel to relieve congestion, improve reliability and decrease travel times
- improving the use of public transport by building parts of the strategic public transport network, and investigating ways of getting road users to pay the full costs they impose on the system (including the cost of adding to congestion);

- improving interactions between users of the transport system to mitigate adverse health, safety, cultural and environmental effects.

A summary of the council's activities and services levels related to transport can be found on pages 85-98. Auckland Transport's Annual Report also provides more detailed information on transport related activity.

Strategic initiatives and projects

- Auckland Transport, a council-controlled organisation, directly contributes to delivering transport infrastructure in Auckland. It provides local roads, footpaths and cycle lanes; parking and parking enforcement; and public transport and travel demand management.
- Solving Auckland's key transport issues requires integrated action by Auckland Transport, Auckland Council, NZTA and other key stakeholders.

Auckland Transport is working with a range of stakeholders to address these issues, including;

- **Transport for Future Urban Growth:** The council, Auckland Transport and NZTA worked together on the Transport for Future Urban Growth project, and have now formed an alliance to develop roading and public transport networks to support the significant greenfield growth in housing enabled by the Auckland Unitary Plan. The alliance will make the existing transport network safer, more efficient and open to different transport modes; better integrated with a wider variety of public transport; and provide certainty that growth areas will have transport networks in place and ready for urban development.
- **Local Residential Growth Fund and Housing Infrastructure Fund:** Transport infrastructure needs to be planned before areas are fully developed. Both Auckland Transport and the council are struggling to respond quickly enough to stay ahead of developments in some areas. This fund enables 'just in time' matching of core infrastructure with developments. The fund, which is gathered from development contributions, provides for \$35 million per annum through to 2025, for local transport infrastructure for Special Housing Areas and other residential growth areas. The Housing Infrastructure Fund has also provided \$300 million to fund transport, wastewater and stormwater infrastructure to support the construction of 10,500 new dwellings in Whenuapai and Redhills on Auckland's North Shore.

- **Auckland Transport Alignment Project (ATAP):** This joint project involving the council, Auckland Transport, the Ministry of Transport, NZTA, the Treasury and the State Services Commission, recommended an aligned strategic approach to Auckland's transport system over the next 30 years. ATAP is proposing better use of existing networks, targeting investments to the most significant challenges, and maximising new opportunities to influence travel demand. The ATAP approach puts a strong focus on completing a strategic public transport network, smarter pricing and increased vehicle occupancy. The approach is targeting a fall in time spent in peak congestion to 21 per cent, and a doubling in the number of jobs accessible within 45 minutes by 2036.

The existing long-term plan and Regional Land Transport Plans (2015-2025) contain a joined up programme between the council, Auckland Transport and NZTA to address congestion, improve public transport mode share, promote alternative means of transport, and provide infrastructure to growth areas. For example:

- The City Rail Link will improve the capacity and journey times for a large number of Aucklanders when it is completed in 2023. In the past decade, train use has grown from 5.7 million trips a year to 19 million (for the 12 months to April 2017). But further growth is constrained because Britomart station is a dead-end, limiting the entire rail network's capacity. The CRL will join up the network, allowing trains to run both ways through Britomart. This will significantly increase the number of trains that can run across the rail network.

- NZTA's Waterview Tunnel has significantly decreased travel times between the airport and the CBD, with travel time savings of up to 20 minutes compared to the previous Gillies Avenue/Manukau Road route.
- Auckland Transport introduced Simpler Fares, allowing people to change modes or break journeys, coupled with bus/rail interchanges at Ōtāhuhu and Manukau and a new bus network to promote the use of public transport.
- Work is underway on the next stages of delivery for AMETI, Mill Road and the Northern Busway extension. These projects will indirectly serve new housing areas.

As part of the development of the 2018-28 Regional Land Transport Plan all Auckland regional transport projects are being prioritised against a set of criteria based on the ATAP recommendations. This will help ensure that the projects and programmes funded are those which contribute the most to resolving the five key issues listed on the previous page.

Ongoing challenges

While the council and Auckland Transport are committed to implementing the ATAP proposals, current funding levels limit the speed of implementation. At the same time, Auckland's population is increasing faster than that factored into the ATAP modelling, suggesting that the transport system will become constrained and congested faster than expected. This will have a flow-on effect to economic productivity. New funding sources, such as congestion charges on road users and regional fuel taxes, are being considered to fund future transport infrastructure.










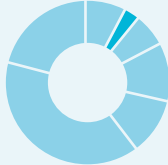




Constrained funding is not the only issue impacting on the resolution of Auckland's transport issues. Large-scale infrastructure improvements have long lead times as they go through the processes of options analysis, design, property acquisition, consenting, procurement, and construction.

Delivering projects within an urban environment is challenging. The road corridor is highly valued and contested. Any change results in trade-offs between different parties who value parking, walking and cycling, bus lanes, and lanes for freight and single occupancy vehicles. The Auckland Plan also puts emphasis on improved amenity, sustainability, liveability and economic growth within our street environments.

There are also market constraints on the delivery of infrastructure projects. A competitive procurement environment is needed to ensure we receive good value for money. For large projects, we require companies able to work effectively in consortia, offer innovative solutions, and manage their finances over a multi-year environment.

Tirohanga whānui o ngā mahi whakahaere

Our performance at a glance

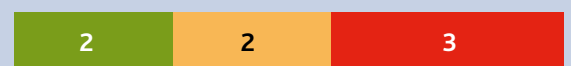
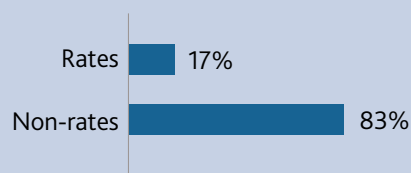
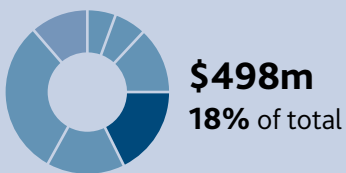
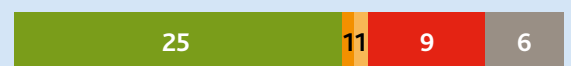
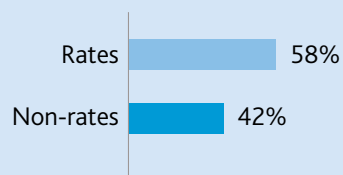
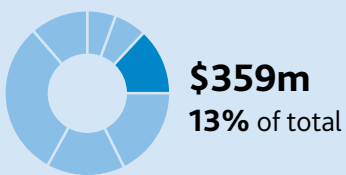
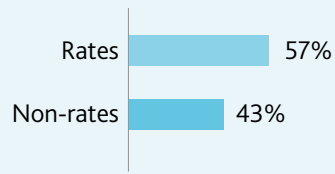
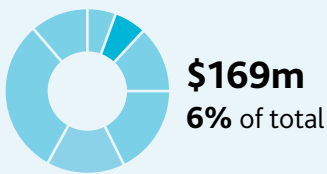
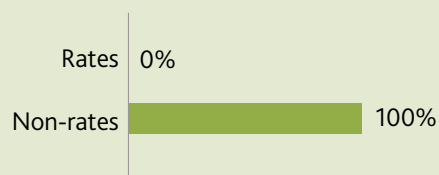
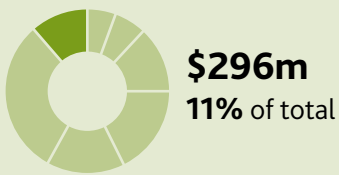
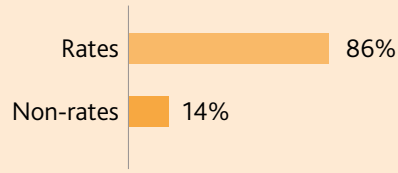
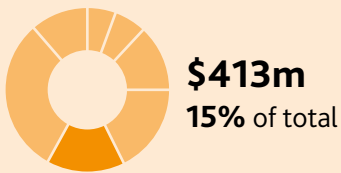
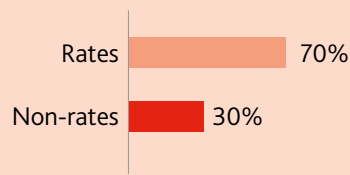
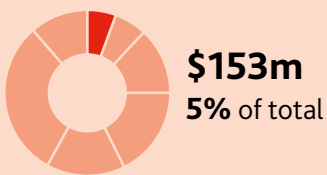
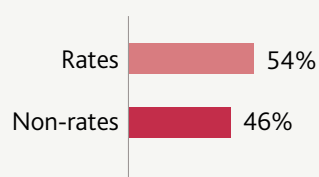
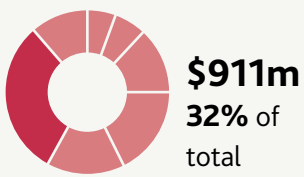
Theme	What we do	Capital expenditure
 Transport	We are transforming Auckland by moving to outstanding public transport within one network. We are improving the speed, accessibility, frequency, affordability, reliability and attractiveness of public transport.	 \$724m 43% of total
 Auckland development	We are developing great neighbourhoods, centres, parks and public spaces that are loved by Aucklanders. We want to provide choices, reflect Auckland's Māori identity as our point of difference in the world, and connect people to places and to each other.	 \$95m 6% of total
 Parks, community and lifestyle	We provide a range of facilities, services and events that help people to be healthy and have fun. These include sports, arts, culture, recreation and leisure experiences. For example, we provide a wide range of libraries, pools, fields, parks and community centres.	 \$201m 12% of total
 Water supply and wastewater	We plan, build and maintain the network of pipes, dams, treatment plants and pumps required to provide a high standard of drinking water and sewerage treatment.	 \$311m 19% of total
 Economic and cultural development	We are raising living standards by delivering events, attracting visitors and business investment, progressing training and innovation programmes, and providing major cultural and sporting facilities.	 \$38m 2% of total
 Environmental management and regulation	We support Auckland's environments to be safe and sustainable, and to enable thriving communities. We work alongside iwi and community partners to restore and enhance our natural environment. We also collect rubbish and recycling, and minimise the risk of homes and businesses flooding when it rains.	 \$127m 8% of total
 Governance and support	We provide a variety of administrative, management and support functions that are necessary to keep Auckland running. This includes providing funding support for external organisations such as the Auckland War Memorial Museum and MOTAT.	 \$164m 10% of total



Operating expenditure

Source of operating funding

Performance measure results



Ngā pārongo pūtea matua

Key financial information

This section provides a summary of our financial strategy and performance for 2016/2017. See pages 63-73 for more detail and Volume 3 for the full financial statements.

Financial strategy

Our strategy is to balance financial prudence with community expectations for service delivery that supports Auckland's growth. Auckland needs 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. This means we need to be smart about how we fund growth-related investment and keep costs down. To meet this challenge we are focused on getting 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.

What we spent

In 2016/2017, Auckland Council Group invested \$1.66 billion in capital projects, including transport, water and wastewater infrastructure, and community facilities.

How we paid for it

Auckland Council Group has many revenue streams, including debt, grants and subsidies, and fees and user charges.

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 2017 was \$8.3 billion, below forecast debt levels primarily due to lower investment in capital assets than budgeted.

Grants and subsidies covers revenue received from an external agency to help fund activities and services. For Auckland Council Group, the majority of this relates to government funding for transport.

Fees and user charges covers revenue from services that are paid for directly by those who use them, such as water and wastewater, licensing and consent applications, and venue hire. Increasing the proportion of funding for services that comes directly from users allows more rates revenue to be allocated to projects and services that benefit everyone.

Rates funding pays for the things that make Auckland a great place to live, work and invest in. This includes transport, environmental management, community services and facilities, and economic and cultural development.

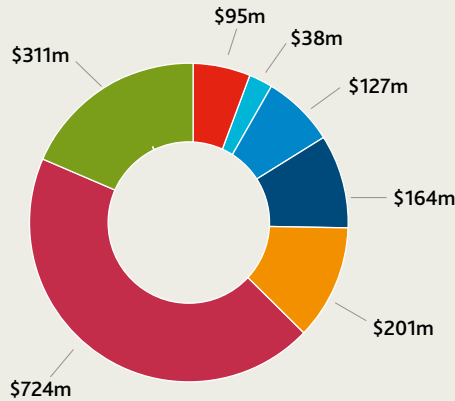
To keep rates affordable while absorbing the higher ownership costs associated with new assets (such as interest, depreciation and maintenance costs), we have been working hard to contain our costs through:

- smarter procurement, including leveraging the size of Auckland Council Group to negotiate contracted savings
- simpler and better information technology and operating processes, including looking at ways to consolidate and share common services across the group
- reducing floorspace and using our office buildings more efficiently.

What we spend

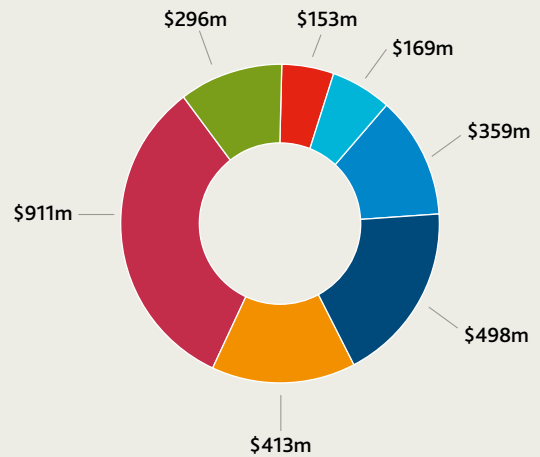
Capital expenditure

Spend to develop, purchase and significantly upgrade assets, such as infrastructure and property

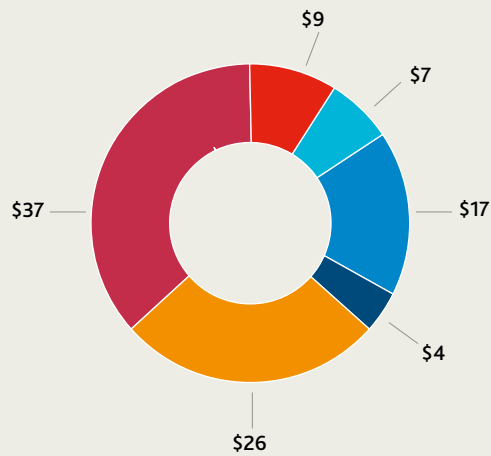


Operating expenditure

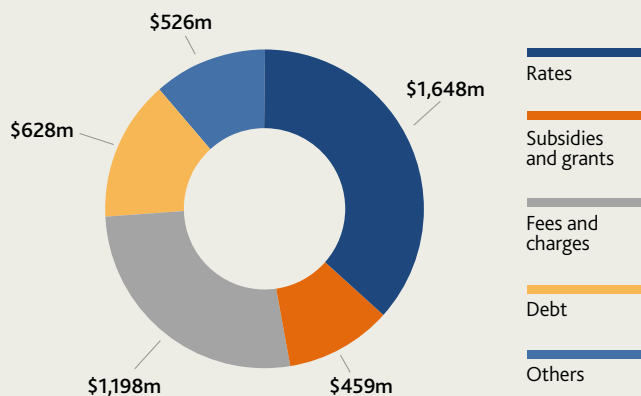
Spend on providing services and running the organisation to maintain and operate our assets



How each \$100 of rates was spent



How we paid for it






Further information about our financial performance can be found on pages 63 to 73, as well as in Volume 1: Overview and service performance, and Volume 3: Financial statements.

Tirohanga whānui o ngā whakahaere ratonga





Service performance overview

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 volumes 1 and 2 of the annual report for detailed performance results.

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 Target not achieved and prior-year result has not been improved

Transport

88.4 million trips made on public transport <i>Target: 89 million 2016: 82.9 million 2015: 79.2 million</i>		While not quite reaching the target, the result is a significant increase on last year, indicating the success of the New Network roll-out to date and a variety of service and infrastructure improvements.
61% of Aucklanders satisfied with the condition of roads <i>Target: 70% 2016: 69% 2015: 69%</i>		Satisfaction has been affected by construction projects such as Watercare’s Hunua 4 watermain, the CRL, SH20 works, Point Chevalier interchange, and remodelling of SH16 near St Lukes.
30% of travel time targets met on selected key freight routes <i>Target: 85% 2016: 90% 2015: 100%</i>		The routes that were not achieved were all still within one minute of the target time. Next year’s work programme includes improvements on some of these routes.
1,742,305 journeys made by bike <i>Target: 1,200,000 2016: 995,828 2015: 906,518</i>		This year, \$39.1 million was spent on delivering cycling infrastructure, including projects in the 2015-2018 Urban Cycleways Programme.

Parks, community and lifestyle

96% of people satisfied with their visit to a regional park <i>Target: 96% 2016: 96% 2015: 97%</i>		This year Green Flag Awards were awarded to six regional parks in recognition of the highest standards of park management in terms of community involvement, public safety, maintenance and sustainability.
84,860 volunteer hours worked to help maintain and improve our regional parks <i>Target: 80,000 2016: 88,343 2015: 90,080</i>		A particular highlight was working with partner groups on several initiatives to reintroduce native bird species to our parks.

<p>28% of peak booking time utilised at community centres and venues <i>Target: None 2016: 28% 2015: New</i></p>	✓	Our new online venue booking system has made it easier for customers to check availability and make reservations.
<p>11% of library items borrowed were from e-collections <i>Target: 10% 2016: 9% 2015: 8%</i></p>	✓	The continued upward trend represents the shift away from traditional library business, as more people use online resources and e-reader technology.
Water supply and wastewater		
<p>0.4 dry weather overflows for every 1000 connections to the sewerage system <i>Target: ≤10 2016: 0.45 2015: New</i></p>	✓	This is a measure of the wastewater network's ability to meet demand.
<p>100% of drinking water met NZ standards <i>Target: 100% 2016: 100% 2015: New</i></p>	✓	Comprehensive treatment, testing and reporting processes mean we are continually able to achieve this target.
Economic and cultural development		
<p>1,204,433 visitors to Auckland Zoo and Auckland Art Gallery <i>Target: 1,170,000 2016: 1,149,876 2015: 1,183,715</i></p>	✓	While the zoo was below its individual target due to wet weather and construction, an extremely successful year for the gallery meant the target was achieved.
<p>1074 public performing arts events delivered by Auckland Live <i>Target: 825 2016: 1264 2015: New</i></p>	✓	We hosted award-winning international productions including Joseph and the Amazing Technicolour Dreamcoat, and Priscilla Queen of the Desert.
<p>\$76 million* contributed to Auckland's economy by major events <i>Target: \$86m 2016: \$43.7m 2015: \$73.1m</i></p>	✓	With highlights such as the World Masters Games, DHL New Zealand Lions Series and Adele's three concerts, this was an exceptionally successful year for major events. However, we were unable to get an up-to-date measure of economic value at the time of going to print.
Environmental management and regulation		
<p>80% of building consent applications processed within 20 working days <i>Target: 100% 2016: 96% 2015: 98%</i></p>	✗	A surge of demand leading up to the adoption of the Auckland Unitary Plan along with system issues affected service delivery. Issues are being addressed with control process reviews, the Consenting Made Easy programme and better workforce planning.
<p>4366 dwellings and sites consented towards Auckland housing targets <i>Target: 4,250 2016: 13,935 2015: New</i></p>	✓	4366 is the number of consents between July and September 2016 when the accord was due to complete.
<p>144kg of domestic waste collected per Aucklander <i>Target: ≤160kg 2016: 153kg 2015: 152kg</i></p>	✓	This significant reduction indicates support from Aucklanders for our aspiration for zero waste to landfill by 2040.
<p>66% of stormwater manholes fixed within two hours after popping open in floods <i>Target: 100% 2016: 91% 2015: 100%</i></p>	✗	The series of extreme weather events led to requests for service exceeding our capacity to respond within the target timeframe.
Governance and support		
<p>10.3% return on equity for Auckland Council Investments Limited <i>Target: 6.8% 2016: 22% 2015: 12.3%</i></p>	✓	This is a strong result, but does not match 2016, which included asset revaluations by Auckland International Airport and Ports of Auckland.

* This result has been marked as achieved as we estimate that GDP from the DHL New Zealand Lions Series 2017 for games in June to exceed \$10 million.

Ngā mea i oti i a mātou What we delivered

The following pages contain selected highlights delivered and challenges faced over the past year for each of our service delivery themes. More information can be found in volumes 1 and 2 of the annual report.



Transport

Highlights

- The south New Network went live, with over 300 new bus stops, 39 new bus routes and 180 AT Metro-branded buses delivering a 15 per cent increase in service kilometres.
- A new Simpler Fares system launched for most bus and train services, making it easier for customers to travel by bus, train or combo, and only pay one fare for the entire journey.
- We opened Ōtāhuhu bus and rail interchange, which incorporates the existing rail station, linking the platform with two new bus platforms and a terminal building.
- Construction began on the Manukau bus station, a 23-bay bus station next to the train station.
- Half Moon Bay ferry pier was opened, improving the connection between south-east Auckland and the central city.
- We delivered \$39.1 million of cycling infrastructure, including Quay Street Cycleway, the first section of the Glen Innes to Tāmaki Drive shared path, and Mt Roskill Safe Route.
- We invested \$209 million in road-related assets renewals including streetlights, footpaths and bridges.

Challenges

- Improving the overall quality of transport in Auckland involves influencing mode share (the percentage of travellers using each type of transportation) by providing and promoting fit-for-purpose options. We try to balance the requirements of each transport mode against the need to reduce overall traffic congestion.
- The scale of growth in Auckland means we cannot build our way out of congestion. We need to optimise the use of the current network, particularly on key routes. This may involve reducing performance in some areas in order to benefit the network as a whole.
- Introducing and communicating changes related to the New Network as it progressively comes into service for all modes of public transport across Auckland.



Ōtāhuhu bus and rail interchange



Auckland development

Highlights

- The Auckland Unitary Plan became 'operative in part' in November 2016, and over half the appeals that prevented the plan from becoming fully operative have now been resolved. This has been the largest planning exercise ever done in New Zealand.
- Adoption of the Auckland Transport Alignment Project, a joint project involving Auckland Council, Auckland Transport and multiple central government agencies sets out a 30-year transport programme for Auckland.
- We continued to develop our Māori Design work programme, working with mana whenua and mataawaka to promote Māori design outcomes within all major public realm developments.
- In the midst of extensive construction across multiple sites, we enlivened central Auckland with projects such as Griffiths Garden, Shortland Street polka dots and the moa periscope at the Freyberg Square building site.
- We established the Māori Housing Unit within council to lead the delivery of our Māori Housing Programme.
- We completed consultation and began design work for the Karangahape Road cycling and streetscape enhancements.

Challenges

- Ensuring that land use and infrastructure are planned and developed in a way that supports growth and provides value for money.
- Effectively influencing strategic housing policy at multiple levels, maintaining momentum on the current housing work programme, and developing affordable housing solutions for Auckland.
- Securing funding for transport initiatives identified by the Auckland Transport Alignment Project.
- Increasing the diversity of Aucklanders engaging in the upcoming refresh of the Auckland Plan.



Moa periscope at Freyberg Square construction site



Parks, community and lifestyle

Highlights

- More than 10,000 children aged between five and 13 enrolled in Dare to Explore / Kia Māia te Whai, Auckland Libraries' summer reading programme.
- We held 46 Movies and Music in Parks events which attracted a record 86,000 attendees.
- We established Haumarū Housing as a joint venture with the Selwyn Foundation to manage the council's housing for older people, and improve both the quality of housing and the level of service for tenants.
- We opened community assets such as the final stage of Uxbridge Creative Centre, Stoney Homestead community facility, a youth facility in the old Marlborough Park Hall, and the restored Warkworth Town Hall.
- We reintroduced bird species into regional parks including:
 - ▶ 20 little spotted kiwi and North Island robin (toutouwai) at Shakespear Regional Park
 - ▶ additional takahē at Tawharanui Regional Park
 - ▶ six brown kiwi at Hunua Ranges Regional Park.
- Zion Hill in Birkenhead won bronze in the Public and Institutional Spaces category at the Best Design Awards 2016, and Opaketai Beach Haven Garden won the Community Design category at the 2017 New Zealand Institute of Landscape Architects Awards.
- There were nine million visits to council-owned pools and leisure centres, up seven per cent on the previous year.
- Albany Stadium Pool opened in January.

Challenges

- Improving the digital literacy and connectedness of Aucklanders, especially where communities are most impacted by services moving online.
- Ensuring we provide grants to applicants for activities that are community-aligned and fit for purpose.
- Managing community demand for new programmes and services as Auckland's population grows.
- Repairing damage to park infrastructure caused by severe weather early in 2017.
- Ensuring there is sufficient open space and recreational facility capacity to meet the needs of developing communities.



Albany Stadium Pool



Movies in Parks at Point England Reserve



Water supply and wastewater treatment and disposal

Highlights

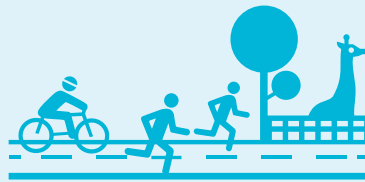
- Planning began for the Northern Interceptor project which involves construction of a new wastewater pipeline to divert flows from Māngere Wastewater Treatment Plant to Rosedale Wastewater Treatment Plant.
- Two sections of the 32km Hunua 4 watermain were brought into service, and planning began on the final section from Newmarket to the Khyber reservoirs. The watermain stretches from Manukau to central Auckland, and will ensure security of water supply and cater for growth.
- The Waikato Water Treatment Plant expansion is increasing the capacity of the existing treatment plant to cater for additional demand arising from growth.
- Huia Water Treatment Plant is reaching the end of its design life and we are working on a replacement project to provide improved treatment processes that will maintain supply and improve levels of service.
- Restoration of Puketutu Island continued using treated biosolids from the adjacent Māngere Wastewater Treatment Plant.

Challenges

- Managing long-term (20- or 50-year) infrastructure plans alongside current development uncertainty caused by planning or consenting processes, market conditions, funding issues and construction sector capacity.
- Extreme weather and other environmental factors can pose a risk to the quality of water supply, and cause damage to infrastructure that requires immediate attention and may have the knock-on effect of delays or funding issues for planned projects.



Māngere Wastewater
Treatment Plant



Economic and cultural development

Highlights

- Auckland hosted nearly 30 major cultural and sporting events that together injected an estimated \$76 million into the regional economy and generated more than 557,390 visitor nights.
- The World Masters Games 2017 was the single biggest event to be hosted in Auckland in a decade. It delivered a GDP injection of \$34.3 million and more than 241,000 visitor nights – both well above targets.
- Auckland Tourism, Events and Economic Development (ATEED) successfully delivered festivals to celebrate Auckland's cultural diversity, such as Pasifika, Diwali, Lantern Festival, and Tāmaki Herenga Waka Festival.
- Thousands of people attended two JobFest youth employment events – one in the central city with 80 employers offering more than 800 positions, and one in Manukau with a particular focus on young Māori and Pacific job seekers, offering 1250 jobs across 75 businesses.
- We opened Auckland Zoo's new Strangely Beautiful Australia exhibit, the second project to be completed as part of the zoo's 10-year renewals programme.
- The Māori Portraits: Gottfried Lindauer's New Zealand exhibition at Auckland Art Gallery attracted more than 99,000 visitors, making it the gallery's most-visited exhibition since its reopening in 2011.

Challenges

- The growth potential of Auckland's advanced industries, and major infrastructure development is constrained by the lack of skilled workers, particularly in ICT, engineering, construction, hospitality and tourism. This is being addressed by targeted talented migrant programmes, and initiatives to upskill young people.
- Strong growth in the tourism sector presents infrastructure challenges for Auckland. Hotels reach capacity in peak periods, and our port cannot efficiently accommodate mega cruise ships. ATEED is working with the government to attract foreign investment to enable more hotels to be built. The wider council group is also working on a solution to enable mega cruise ships to dock in Auckland.
- Regional Facilities Auckland is committed to strengthening its brand and achieving sustainable revenue growth in a very competitive market. However, reduced operational funding limits our capacity to explore strategic initiatives. Efforts to increase revenue must be balanced with the social value of providing free public events.



World Masters Games



Lantern Festival



Auckland Art Gallery's
Gottfried Lindauer exhibition



Environmental management and regulation

Highlights

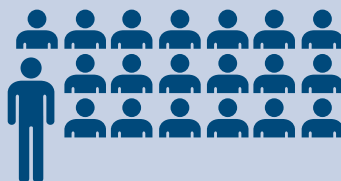
- Eight plan variations were completed this year, resulting in 461ha of land an estimated 4000 dwelling and sections.
- The NewCore system consolidation programme was successfully rolled out for regulatory services, helping to standardise processes region-wide.
- We continued to roll out regionally consistent kerbside recycling collection services, with the introduction of 240-litre wheelie bins to over 210,000 properties in Rodney, Waitākere, the North Shore and rural Franklin.
- A survey of the community groups we support to carry out pest and weed control revealed volunteers across the region contribute more than 231,000 hours per year and actively control more than 100 weed species.
- Our Sustainable Schools programmes reached two-thirds of Auckland's schools, engaging thousands of students and their communities with the natural world.
- We stepped up kauri dieback control efforts in response to new data showing rates of disease infestation more than doubling in the Waitākere Ranges since 2010.
- We are partnering with Entrust and Vector to deliver the Energy Efficient Communities Project to provide health benefits and financial savings to approximately 1500 homes in Papakura and Takanini.
- Eight local boards invested in industry pollution-prevention programmes that engage with businesses to avoid and reduce the impact of industrial activities on waterways.
- We delivered \$8 million of flood mitigation projects including Madills Farm flood attenuation, Wynyard Quarter local stormwater upgrades, and Wairau Valley flood-protection projects.
- We supported growth in Special Housing Areas by beginning construction on the 1.1km-long Artillery Drive stormwater tunnel and the 2.1km stream system at Takanini Cascades, and completing network upgrades in the Three Kings area.

Challenges

- Attracting high-calibre internal and external planning and specialist staff has been a challenge due to industry demand for technical skills. Loss of council staff to private organisations also poses an ongoing challenge.
- Successfully communicating the introduction of new waste collection services and any potential changes to all residents affected.
- The level of response required to prevent new pest incursions is unpredictable and can have a negative impact on our ability to meet service targets.
- Planning stormwater infrastructure and upgrading existing networks to appropriately support growth in the Auckland region.
- Identifying opportunities to liaise more frequently with mana whenua to ensure our stormwater projects incorporate and protect Māori values.



Croftfield Lane stormwater wetland in Wairau Valley



Governance and support

Highlights

- The Kids Voting project registered 12,730 students from 56 schools to take part in an online voting initiative that mirrored the actual local election. The aim of the project was to improve understanding of local elections for students aged 11 to 15.
- ASB Waterfront Theatre, which receives funding from the council through the Auckland Regional Amenities Funding Act 2008, opened in September 2016. The venue features a 668-seat theatre designed specifically for spoken word and dance, a café and bar, gallery and hosting space, and an outdoor courtyard.
- We continued to expand the range of council services available online. Digitisation of our most common transactions increased from eight per cent in the first quarter of 2016/2017 to 22 per cent in the third quarter.
- Our consultation programme for the Annual Plan 2017/2018 generated 8058 submissions – a 143 per cent increase on the previous year, which included significant increases in the number of responses from Māori, and Pacific and Asian peoples.
- Auckland Council continues to have one of the highest credit ratings in New Zealand – AA (stable) from Standard & Poor's and Aa2 from Moody's. Both ratings were reaffirmed in October 2016. These ratings affect the interest rate the council pays on its debt.

Challenges

- Ensuring that ratepayers are receiving the best value for the money spent on regional facilities and funding.
- Improving the overall understanding of the role of local boards and supporting their decisions to reflect the views and preferences of local communities where possible.
- Maintaining stringent evaluation and prioritisation processes to ensure we are achieving value for money for Aucklanders.
- Strong population growth continues to increase demand on our contact centres, putting pressure on service level targets.



Kids Voting programme

Te whakatutuki hua ki te iwi Māori mō te iwi Māori Achieving better outcomes with and for Māori

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

Whiria Te Muka Tangata / Māori Responsiveness Framework

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

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

We have committed to significantly contribute to:

- building strong Māori communities through social, cultural, economic and environmental wellbeing



- strengthening the council's effectiveness for Māori by building an empowered organisation
- enabling effective Māori participation in decision-making.

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

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

Te Toa Takitini in 2016/2017

Te Toa Takitini is our programme for identifying, investing in, and tracking progress on truly transformational Māori projects.

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

Celebrating Auckland's Māori identity

- Several council projects that incorporate Māori design thinking have been recognised with national and international awards, including Taumanu Reserve in Onehunga, Kopupaka Reserve in Westgate and Te Oro / Glen Innes Music and Arts Centre.
- In consultation with mana whenua and mataawaka, the council adopted its first policy for the use of te reo Māori. Four bilingual local board plans have been published, and te

reo Māori announcements were installed in the elevators in the central civic building, Te Wharau o Tāmaki / Auckland House. A number of community facilities across the region, such as parks, libraries and pools, have also been named in te reo Māori.

- The council supported significant Māori events including Tāmaki Herenga Waka Festival, Waitangi Day celebrations and Matariki Festival.

The name Te Toa Takitini 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

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

- The Māori Cultural Heritage Programme seeks to partner with mana whenua to recognise and protect Māori cultural heritage. The council is currently working with 13 groups to progress 267 nominated sites through a series of plan changes to the Auckland Unitary Plan. This will ensure Māori cultural heritage is protected, and appropriate protection and management of sites and places is developed.
- Kingitanga carvings at Auckland Domain were restored and returned to the Pukekaroa site.

Thriving and self-sustaining marae

- The council has provided grants to eight marae organisations which have funded activities such as maintenance and upgrades, and investigations into developing new facilities.

Establish papakāinga throughout Tāmaki Makaurau

- A Māori Housing Unit was established within the council to provide enhanced support to Māori housing and papakāinga projects.
- Panuku Development Auckland has provided development opportunities through the Māori Commercial Relationships Action Plan.
- Māori Land, Māori Purpose Zones and Treaty Settlement provisions became operational in the Unitary Plan.
- The council's Cultural Initiatives Fund provided support to establish papakāinga.

Enable mana whenua kaitiakitanga

- Two regular engagement forums have been established to allow mana whenua an overview of council works.
- The kaitiaki ranger programme, piloted last year in the Hunua Ranges, is currently being designed as a regional approach. Projects involving story-telling, park design, and pā harakeke / flax gardens have allowed mana whenua to be enabled as kaitiakitanga.
- Currently there are eight active co-management/co-governance partnerships that have continued to deliver multiple outcomes and enable mana whenua to exercise kaitiaki.



Māori contribution to decision-making processes

One of the mechanisms to achieve better outcomes with Māori is through participation in our decision-making processes. The following arrangements enable 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 • Five mana whenua / Auckland Council chief-to-chief governance relationship agreements signed
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 • Capacity funding agreements completed with 19 mana whenua • Te Waka Anga Mua ki Uta – Māori Responsiveness and Te Tiriti o Waitangi department restructured

Māori contribution to decision-making processes

The following table summarises some of our Māori transformational and co-governance activities from the past year, and includes a reference for where to find more information in volumes 1 and 2 of the annual report.

Activities	More information
We finalised a current state report for the Early Years Tamariki Māori project.	Regional planning
We conducted a Māori housing policy investigation, and prepared a draft Māori Housing Programme Action Plan for approval.	
Ongoing development and implementation of the Māori Design work programme, including working with mana whenua and mataawaka.	
We established the Māori Housing Unit within the council and developed a Māori Housing Programme.	
More than 220 people enrolled on our Māori and Pasifika Trades Training infrastructure and construction courses.	
Mana whenua have nominated approximately 270 new Māori sites, places and landscapes of significance for evaluation.	Local planning and development
Matariki / Māori New Year and Te Wiki o Te Reo Māori / Māori Language Week were celebrated with events at libraries across Auckland.	Regional community services
Waitangi Day celebrations held across the city were well attended.	
Auckland Libraries' digitisation programme this year included the addition of 4000 pages of Māori manuscripts.	
Massey Library made stronger connections with Māori through the Massey Māori Market.	Local community services
The Tūpuna Maunga Authority developed the Tūpuna Maunga Authority Operational Plan 2017-2018, and resolved to make changes to vehicle access to the tihi (summits) of five tūpuna maunga.	Regional parks, sport and recreation Regional governance
Ngāti Whātua Ōrākei Reserves Board adopted the Pourewa Creek Recreation Reserve Management Plan.	Local parks, sport and recreation

Activities	More information
We delivered Tāmaki Herenga Waka Festival to showcase Māori history, heritage and contemporary culture.	Economic growth and visitor economy
We launched the BuildAKL youth recruitment campaign to address construction industry skills shortages, with a focus on Māori and Pasifika populations.	
Auckland Live and Ruia Taitea Creative delivered the Herald Theatre's first ever full-length performance presented in te reo Māori.	Regional facilities
We are working with marae to divert waste from landfills through the Para Kore ki Tāmaki initiative.	Solid waste and environmental services
The Regional Pest Management Plan discussion document was a finalist in the Ngā Tohu Reo Māori / Māori Language Awards local government category.	
We drew on matauranga Māori / traditional Māori knowledge as part of our efforts to step up the control of kauri dieback disease.	
Auckland Council partnered with mana whenua to reintroduce North Island brown kiwi into the Hunua Ranges.	
We partnered with mana whenua to enable several projects were delivered in partnership with mana whenua to enable kaitiakitanga and the protection and restoration of native habitats.	Local environmental management
Te Poari o Kaipātiki ki Kaipara / Parakai Recreation Reserve Board drafted a reserve management plan, and resolved to revert to the traditional name Kaipātiki to replace Parakai Reserve.	Regional governance
We encouraged Ports of Auckland and Auckland Film Studios, which are both wholly owned by Auckland Council, to develop knowledge of and support the council's policies and contribution to Māori wellbeing.	Investment

Ō mātou tautoko tikanga tokonga roa Our commitment to sustainability

Auckland Council's commitment to sustainability is about providing long-lasting positive outcomes for our environment, communities and economy. Major infrastructure projects present the ideal opportunity to draw all these threads together and deliver results that benefit Auckland now and in the future.

City Rail Link

The City Rail Link (CRL) will be a showcase for incorporating sustainability principles into a large-scale infrastructure project. The focus is on minimising the use of materials, energy and water, striving for zero waste to landfill, and targeting an 'Excellent' Infrastructure Sustainability rating. The project will also support local economic development by identifying opportunities for training and employment. Highlights so far include:

- favouring mains electricity over diesel generators



Participants in the Te Auaunga / Oakley Creek youth training programme

- salvaging material from the de-construction of Britomart to use when the station is rebuilt
- specifying materials with lower emissions manufacturing processes
- supporting the transformation of a vacant lot into a temporary community garden until the site is required in the later stages of the project.

When complete, the CRL will open up more parts of Auckland to sustainable and efficient public transport, reducing reliance on private vehicles.

Te Auaunga / Oakley Creek

Originally just a stormwater improvement project, the restoration of Te Auaunga has developed into an opportunity to radically improve the environment and social wellbeing of the Mt Roskill area.

The community has been extensively engaged in the planning process, and the scope of the project includes not just flood mitigation aspects, but

new cycle paths, walking trails, play spaces, a community fale, outdoor classes, and a beginners' BMX track in the reserves bordering the creek.

Puketāpapa Local Board funded a youth training programme at Unitec covering construction, driver licensing and traffic control which resulted in eight students being employed on the project. There is also a plan to create a nursery at Wesley Intermediate School to provide training and employment opportunities and supply native plants for the project.

Low Carbon Auckland

Our Energy Resilience and Low Carbon Auckland Action Plan sets out the first stage of Auckland's transformation toward a better, brighter low-carbon future. Here's an overview of the progress made on each of the plan's focus areas in 2016/2017. For more information visit aucklandcouncil.govt.nz/lowcarbon



Energy Efficient Communities
Project home review

Transforming the way we travel

- Over 14.2km of cycleways were built, including Quay Street Cycleway, the first stage of the Glen Innes to Tāmaki Drive Shared Path, Mt Roskill Safe Routes between Mt Roskill and the Manukau Harbour, Sandringham Road Extension shared path, and West Coast Road shared path.
- The Walking School Bus programme provided safe, accompanied journeys to school for 4306 children, and developed 110 new routes.

Transforming the way we use and generate energy

- We are partnering with Entrust and Vector to deliver the Energy Efficient Communities Project to provide insulation and energy efficiency improvements to 1500 homes in Papakura and Takanini.
- Tesla Powerwall rechargeable energy storage technology is being installed in 12 schools and community facilities in the Ōtara-Papatoetoe Local Board area.

Transforming our built environment and green infrastructure

- The Croftfield Lane wetland restoration in Wairau Valley created a functional

stormwater asset that also incorporates community amenities.

- Work is continuing on the restoration of Puketutu Island using treated biosolids from the adjacent Māngere Wastewater Treatment Plant.

Transforming to Zero Waste

- Devonport Community Recycling Centre diverted from landfill 61 per cent of all material received in its first year of operation.
- McLaren Park and Henderson South Community Trust created six full-time-equivalent jobs at Waitākere Refuse and Recycling Station.
- We are working with 26 Auckland marae on the Para Kore ki Tāmaki zero waste initiative, with the most successful marae achieving up to 70 per cent diversion from landfill.

Transforming forestry, agriculture and natural carbon assets

- The mayor launched the Million Trees programme to plant one million predominantly native trees and shrubs across Auckland over three years.
- The Hauraki Gulf Marine Spatial Plan was completed, setting out how the gulf's natural, productive and recreational values will be protected and enhanced.

Auckland Council is continuing to fully participate in the international C40 Cities Climate Leadership Group to deliver pragmatic and positive changes to its service delivery by incorporating new approaches, technologies and tested best-practice from the network of member cities.



Quay Street Cycleway

Te āhua mahi a te Kaunihera o Tāmaki Makaurau

How Auckland Council works

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:

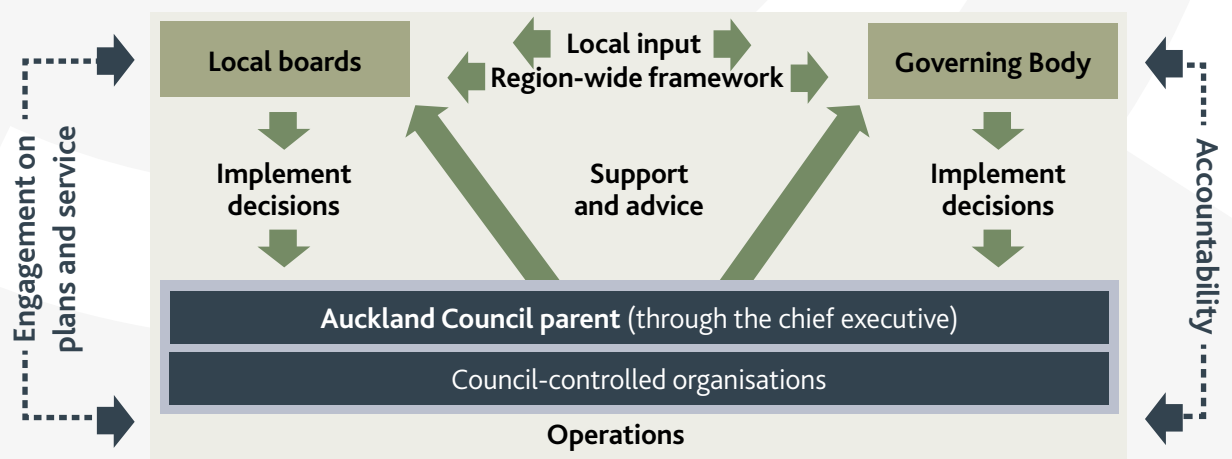
1. to enable democratic local decision-making and action by, and on behalf of, communities
2. to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and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

Governance and decision-making



The following pages include more detail on the functions of each part of the council's structure.

Te kāwanatanga me te whakatau kaupapa

Governance and decision-making

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 last election was 8 October 2016, with the new council term beginning on 1 November 2016.

Governing Body

The Governing Body consists of the mayor (elected by all voters), 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 appoints the deputy mayor from among the councillors, and establishes the committees of the Governing Body and their chairpersons.

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.

Committees

The Governing Body meets as a whole, generally for the purposes of approving major legislative or strategic matters, and adopting significant policies.

There are also three committees focusing on specific themes that the mayor and all councillors are members of, as well as two representatives from Independent Māori Statutory Board. These committees of the whole are:

- Environment and Community Committee
- Finance and Performance Committee
- Planning Committee.

The other committees, which concentrate on more focused areas and report to the committees of the whole, are:

- Appointments and Performance Review Committee
- Audit and Risk Committee
- Civil Defence and Emergency Management Committee
- Community Development and Safety Committee
- Regulatory Committee
- Strategic Procurement Committee.
- Auckland Domain 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.

A list of local boards and members can be found in Volume 2: Local boards.

Independent Māori Statutory Board

The Independent Māori Statutory Board (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.

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.

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.

However, there are ongoing challenges to ensure we reach and receive feedback from a demographically representative sample of Auckland's population, and the council is constantly seeking ways to improve how we communicate with Aucklanders and get their input into our decision-making

Co-governance

Largely as a result of Te Tiriti o Waitangi / the Treaty of Waitangi settlement 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.
- Te Poari o Kaipātiki ki Kaipara (formerly 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.
- Te Motu a Hiaroa (Puketutu Island) Governance Trust was established in 2013. Four of the 12 members are council appointees and four are appointed by Watercare. The remaining four members are appointed by three separate iwi groups.
- 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

The Hauraki Gulf Forum is a special joint committee of the council that 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 local board members from Hauraki Gulf islands, and representatives of tangata whenua, central government and Waikato councils.

Auckland Domain Committee is a joint committee of councillors and Waitemata Local Board members that has decision-making responsibility for parks, recreation and community services and activities in Auckland Domain.

Changes

Following the October 2016 election, the new mayor, councillors and local board members were sworn in for the 2016-2019 council term.

The mayor established a new committee structure for the Governing Body (see Committees on page 49).

Governing body



Phil Goff
Mayor



Bill Cashmore,
Deputy Mayor
Franklin

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



John Watson
Albany



Wayne Walker
Albany



Dr Cathy Casey
Albert-Eden-Roskill



Hon. Christine Fletcher, QSO
Albert-Eden-Roskill



Alf Filipaina
Manukau



Fa'anana Efeso Collins
Manukau



Sir John Walker,
KNZM, CBE
Manurewa-Papakura



Daniel Newman
Manurewa-Papakura



Richard Hills
North Shore



Desley Simpson
Orākei

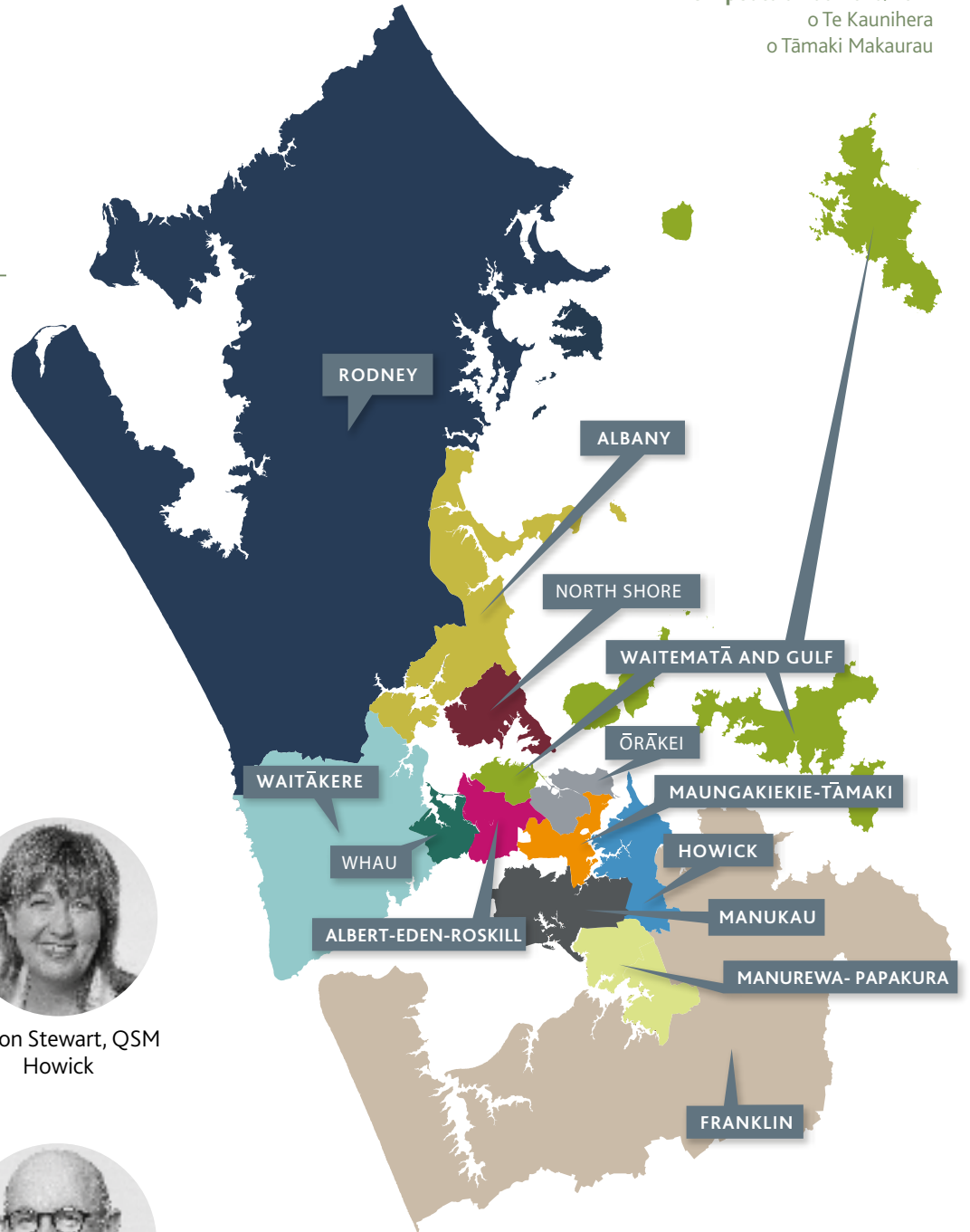


Greg Sayers
Rodney



Linda Cooper, JP
Waitākere

Wards



Dick Quax
Howick



Sharon Stewart, QSM
Howick



Denise Lee
Maungakiekie-Tāmaki



Chris Darby
North Shore



Penny Hulse
Waitākere



Mike Lee
Waitematā and Gulf



Ross Clow
Whau

Te tuapapa whakahaere

Operating structure

Auckland Council staff support the Governing Body and local boards by providing advice, implementing decisions and delivering services.

Auckland Council organisation

Auckland Council organisation (also known as Auckland Council parent) is responsible for the majority of local government services in Auckland. It is led by the chief executive, with support from an executive team. For more information about the operation and structure of Auckland Council organisation see pages 56 to 62.

Council-controlled organisations

Council-controlled organisations (CCOs) look after specific council assets, infrastructure or activities on behalf of the council. They operate independently and are managed by an independent board of directors or trustees, but with accountability to the council. The council appoints all voting directors/trustees on the boards of its six substantive CCOs as it is the 100 per cent owner.

The overall direction for CCOs is set in line with the Auckland Plan, the long-term plan and the CCO Accountability Policy. The Appointments and Performance Review Committee appoints directors / trustees and approves policies relating to the boards of directors of CCOs.

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 established in the statements of intent (SOI) for each CCO. The Finance and Performance Committee agrees the SOIs each year and monitors CCO performance half-yearly. Each year, the public can provide input to each CCO 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 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 Limited 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.

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
- 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
- Downtown Marinas Limited
- Westhaven Marinas Limited
- Westhaven (Existing Marinas) Trust
- Westhaven (Marina Extension) Trust
- Watercare Harbour Clean-up Trust.

Te kāwanatanga ā-roto

Internal governance

Auckland Council operates based on principles of accountability and transparency. We have a framework of procedures and policies to govern the conduct of staff and elected members, and to ensure our compliance with legislation and NZX exchange listing rules.

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 agendas and minutes are published on the council's website. Additionally, key committee meetings are streamed live via the council's website.

The council proactively publishes on its website 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 additional information available to members of the public when requested. The council also 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 identify and control potential risks to the council group. This is enabled through the integration of risk management practices in day-to-day management.

The Audit and Risk Committee and senior staff provide guidance on the council's risk appetite and tolerance. Key staff are trained in 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.

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.

Planning and reporting

Auckland Council has an extensive and open planning regime which includes the requirement for annual, 10-year and 30-year plans to be released for public consultation before adoption. The 10-year plan must also be audited.

We are also required by legislation to operate a prudent financial management framework that minimises risk and measures performance in relation to benchmarks for:

- rates affordability
- debt affordability
- a balanced budget
- essential services
- debt service
- debt control
- operations control.

We publicly release regular financial and performance update reports via council committees, and produce six-monthly and annual financial statements that are compliant with public sector reporting standards. Six-monthly statements are reviewed and annual statements are audited by Audit New Zealand on behalf of the Office of the Auditor-General, and the respective review and audit opinion are signed by the Deputy Auditor-General.

See pages 63 to 73 and Volume 3: Financial statements for more information about our financial policies.

Te rōpū o te Kaunihera o Tāmaki Makaurau Auckland Council organisation

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.

Leadership



Chief Executive
Stephen Town

Responsible for leading the council's direction and service 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.



Legal and Risk is led by director James Hassall and is responsible for legal services and risk management.



Transformation and People and Capability are led by director Patricia Reade and are responsible for customer services, management of organisational change and development, human resources, and health and safety.



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.



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.



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.



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.

Strategy and 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.

To ensure we can effectively manage projected growth and improve services, the council's executive team has created a three-year performance plan that details goals and prioritises resources. It also shows how we will measure progress, using six outcomes to show whether we are meeting the expectations of Aucklanders, elected members and staff.

Our three-year outcomes

1. Our citizens have a strong voice and are key in shaping Auckland.
2. Elected members are better supported to make high-quality decisions for Auckland.
3. We get the job done faster, more conveniently and at lower cost for customer, community and citizens.
4. Our high performing, inclusive and safe workforce serves a diverse and changing Auckland.
5. General rates burden decreases as non-rates revenue share of total revenue grows.
6. We do more with less without compromising service and the customer experience.

When council departments develop their annual work programmes, they are required to show how each planned initiative will contribute to one or more of the outcomes which ensures the entire organisation is focused on contributing to the strategy.

The full performance plan is available online at aucklandcouncil.govt.nz/performanceandtransparency

People

A focus of our organisational strategy is building a high-performance culture for our staff which means having a healthy and engaged workforce that has the capacity and capability to deliver on the organisation's performance place.

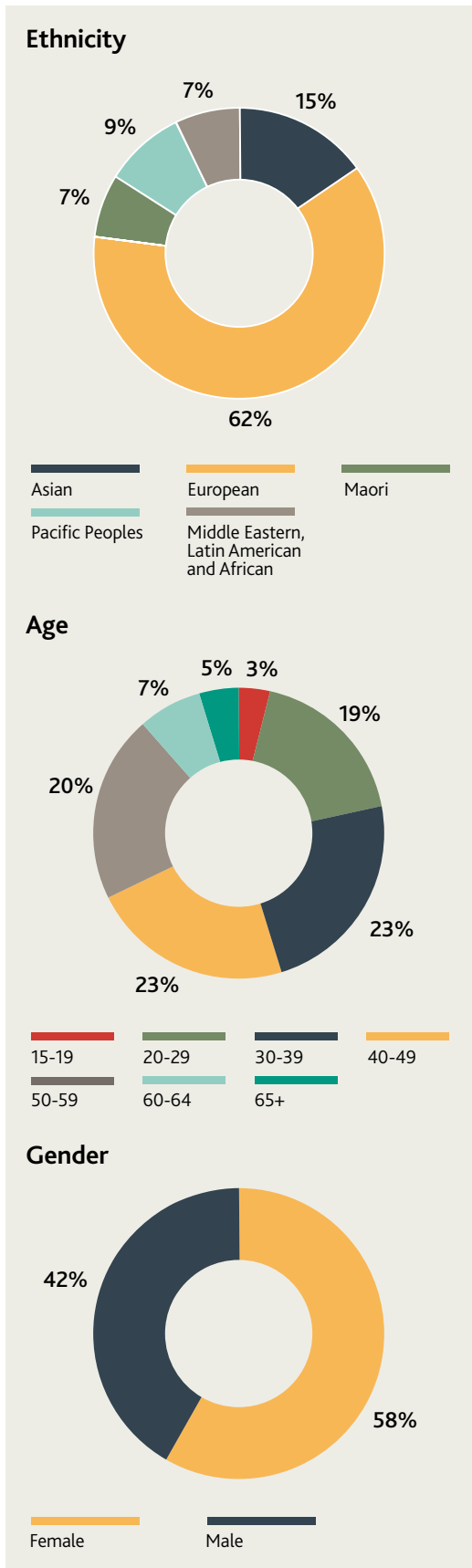


Number of employees

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 2017, Auckland Council (excluding CCOs) had 6091 full-time equivalent employees, 11 fewer than the previous year.

This number reflects increases in some departments that experienced additional service demand, such as customer services and consenting, balanced by reductions in other back-office support functions.





Workforce diversity

The profile to the left is based on information self-reported by staff.

Health, safety and wellbeing

Our goal is to embed legislation and policy, and focus on improving health and safety culture.

Following on from legislation change last year we continued our work to embed health and safety into the organisation, most notably with the launch of our Health and Safety Strategy, and Safety Management Framework.

We also launched Risk Manager, our platform for reporting all health and safety incidents and near misses, and tracking corrective actions.

One way we measure the success of our health and safety processes is lost time injury frequency rate (LTIFR) which is the number of injuries resulting in lost work time per one million hours worked. This year our LTIFR was 3.32, better than the previous year but still above our target of 2.25. While this gives us confidence that we’re on the right track, we can do better and we’re making health and safety a priority for all departments in the coming year.

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 2016/2017, staff used 1267 days 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. In 2016/2017, we hired 50 graduates, 30 interns and 17 cadets.

Tirohanga whānui ki te whakahaere 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 2017. 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 \$340 million against \$250 million in the prior year.

Total revenue excluding other gains of \$4,129 million was ahead of the annual budget forecast of \$3,969 million by \$160 million.

Revenue included rates of \$1,641 million, which is generally in line with the annual budget of \$1,637 million.

Revenue is higher against budget by \$160 million mainly due to the following:

- higher volume of vested infrastructure assets received than budgeted (\$178 million)
- favourable results on other revenue (\$29 million) mainly driven by higher than expected:
 - ▶ rental income of various council-controlled organisations (\$12 million)
 - ▶ Infrastructure Growth Charge by Watercare (\$8 million) due to growth in developments during the year
 - ▶ dividend income from diversified financial assets (\$5 million)
- ▶ income from AT Hop card sales and other commercial activities (\$4 million).

The above favourable results are partly offset by the following:

- lower capital grants received from New Zealand Transport Agency (\$40 million) for transport infrastructure due to capital projects being behind budget
- lower than expected public transport income and parking fees received by Auckland Transport (\$12 million).

The remaining variance is driven by net favourable variances which are not individually material.

Total expenditure, excluding other losses, of \$3,789 million was higher than the annual budget of \$3,667 million by \$122 million. This is mainly due to an increase in employee benefits; a change in assumptions for the council's weathertightness provision; the impact of a change in discount rates; and full recognition of the Eden Park Trust Board financial guarantee.

The increase in employee benefits is primarily driven by the recognition of a \$18 million leave entitlement provision in compliance with the Holidays Act 2003, unbudgeted redundancy costs of \$11 million for the council as a result of restructuring across various departments, and unbudgeted labour costs and annual leave provision totalling \$11 million at Regional Facilities Auckland and Ports of Auckland.

The weathertightness provision has increased by \$30 million driven by greater clarity around the cost of repairing some of the known multi-unit dwelling claims and refinements in the assumptions used in estimating reported and unreported provisions. The group has also determined that risk-free rates, as opposed to the council's cost of funding rate, appropriately represented the risks specifically related to time value of money which resulted in a discount rate change of \$34 million.

During the year, the council recognised a provision of \$29 million in relation to its financial guarantee and community loan to the Eden Park Trust Board. The council is listed as a guarantor to loan arrangements for the Eden Park Trust Board to support its borrowings with ASB Bank Limited.

Financial position

The group's net assets have increased by \$2,124 million, largely driven by the group's investment in capital projects during the year, amounting to \$1,660 million, to expand and renew community and infrastructure assets to prepare for growth in the region.

During the year, a number of asset classes were revalued. The revaluation gain largely comprised increases in roading of \$1,385 million and other operational assets of \$83 million.

Funding our capital programme

Capital expenditure for the group was \$1,660 million (2016: \$1,390 million), representing 85 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 most equitable way to fund capital investment is with debt. This ensures that the cost of assets are timed with the rates income from future generations of ratepayers who will receive the benefits from these assets. However, we must ensure affordability for both current and future ratepayers especially in the event of financial instability in the global markets.

We have adopted a set of three prudential limits to ensure borrowings and interest expense do not grow too large relative to rates and other revenue. These are agreed by the council's Governing Body as part of the Long-term Plan 2015-2025.

Prudential limits	Risk limit	Actual 2017	Actual 2016
Net debt to total revenue	275%	199%	195%
Net interest to total revenue	15%	10%	10%
Net interest to annual rates income	25%	18%	18%

These prudential limits and our large asset base contribute to the 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 October 2016.

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 decisions could be made to reduce capital expenditure, reduce service levels in some areas, sell additional surplus assets, find additional efficiency savings and/or increase 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, net of cash and cash equivalents as at 30 June 2017 was \$7,969 million, an increase of \$486 million compared to \$7,483 million as at 30 June 2016. Debt is \$466 million below budget, primarily due to lower investment in capital assets than budgeted.

The council's borrowings are subject to the liability management policy, and the revenue and financing policy set out in the Long-term Plan 2015-2025. There are three key risks around the group's borrowings – interest rates, liquidity, and funding and refinancing.

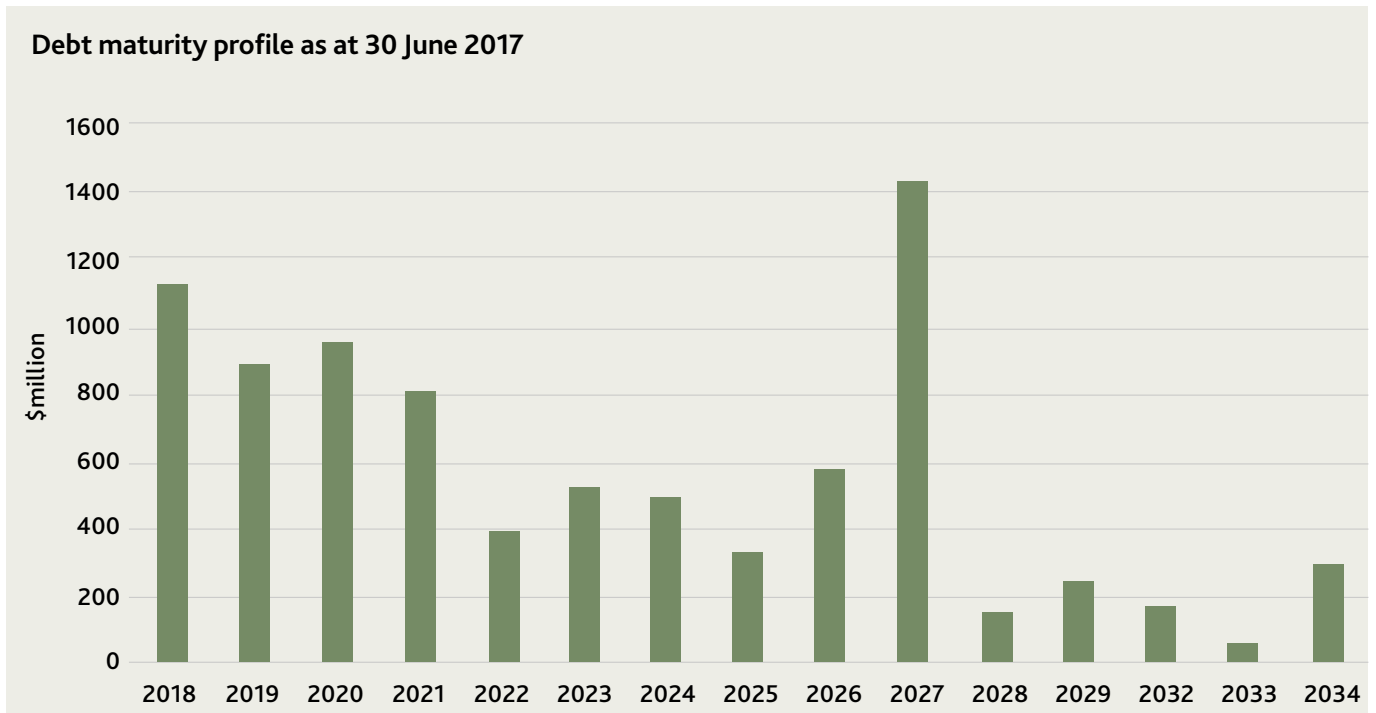
Interest rate risk is the risk that the group is exposed to adverse changes in interest rates which will result in net financing costs exceeding annual budget or LTP forecasts. Interest rate risk is managed by matching the interest rate profile of financial assets and liabilities, through fixed rate borrowing and using interest rate derivatives.

Liquidity risk is the risk that the group will encounter difficulty raising funds to meet its commitments as they fall 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 Volume 3 Financial statements, Section E Financial risk management.

Debt maturity profile as at 30 June 2017

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

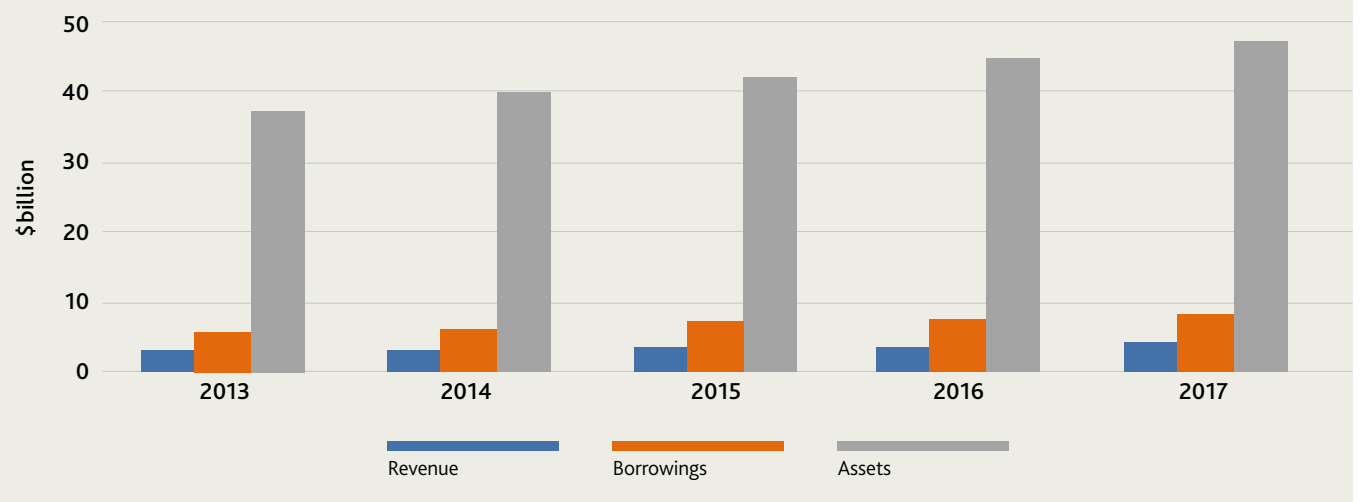


Funding and refinancing risk is the risk that the council will not be able to take on new borrowings when required. The group manages funding and refinancing risks through borrowings from a range of domestic and international lenders. This enables the group to spread its funding sources, borrow for longer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

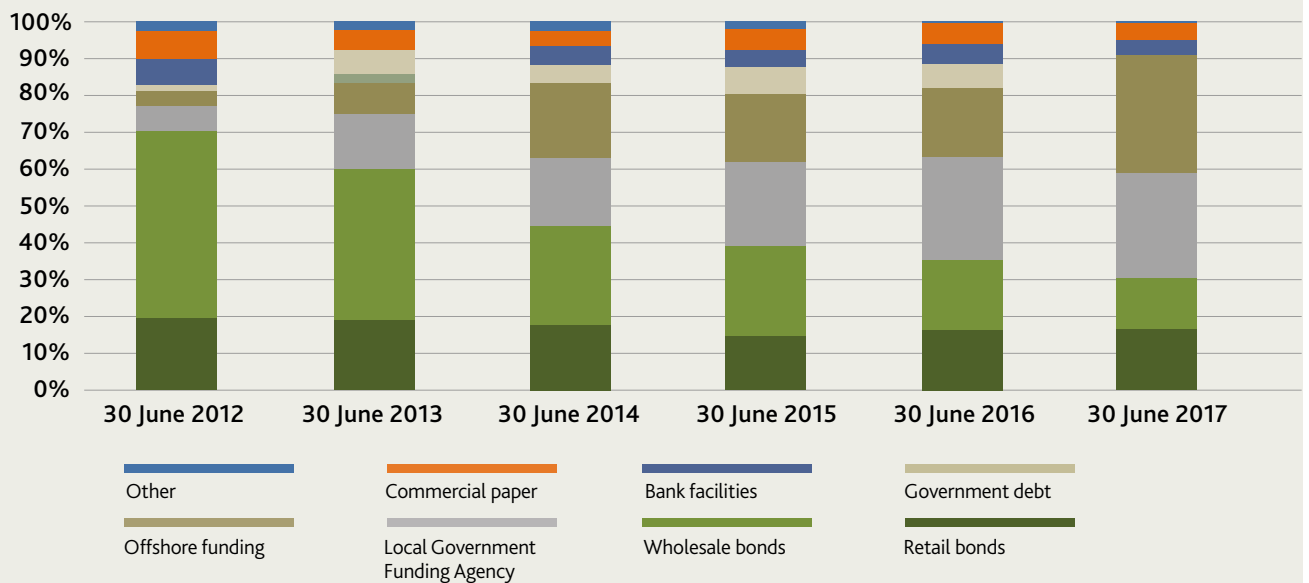
The three main borrowing sources are New Zealand investors, the Local Government Funding Agency and offshore markets. The group mitigates all foreign currency risks on offshore borrowings by entering into derivative contracts with approved counterparties that convert foreign currencies to New Zealand 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



Group funding mix



Summary statement of comprehensive revenue and expenditure

For the year ended 30 June 2017

\$million	Group			Council		
	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Budget 2017	Actual 2016
Revenue						
Rates	1,641	1,637	1,564	1,651	1,649	1,574
Fees and user charges	1,193	1,228	1,083	252	242	243
Grants and subsidies	459	500	404	16	37	22
Development and financial contributions	164	163	131	164	163	131
Other revenue	281	240	260	166	182	179
Vested assets	374	196	247	106	74	64
Finance revenue	17	5	16	91	95	100
Total revenue excluding other gains	4,129	3,969	3,705	2,446	2,442	2,313
Expenditure						
Employee benefits	853	811	803	508	481	484
Depreciation and amortisation	874	886	828	256	256	237
Grants, contributions and sponsorship	127	125	126	1,057	1,057	909
Other operating expenses	1,464	1,380	1,281	570	480	516
Finance costs	471	465	417	413	415	360
Total expenditure excluding other losses	3,789	3,667	3,455	2,804	2,689	2,506
Operating surplus/(deficit) before gains and losses	340	302	250	(358)	(247)	(193)
Net other gains/(losses)	281	-	(552)	161	-	(443)
Share of surplus in associates and joint ventures	75	55	63	4	2	-
Surplus/(deficit) before income tax	696	357	(239)	(193)	(245)	(636)
Income tax expense/(benefit)	56	27	(8)	-	-	-
Surplus/(deficit) after income tax	640	330	(231)	(193)	(245)	(636)
Other comprehensive revenue/(expenditure)						
Net gain on revaluation of property, plant and equipment	1,468	1,018	1,626	-	-	1,156
Tax on revaluation of property, plant and equipment	-	(91)	(4)	-	-	-
Movement in cash flow hedge reserve	3	-	(9)	-	-	-
Tax on movement in cash flow hedge reserve	-	-	2	-	-	-
Share of associates and joint ventures' reserves	2	-	171	-	-	-
Net unrealised gain on revaluation of financial assets classified as available-for-sale	11	-	2	-	-	-
Total other comprehensive revenue	1,484	927	1,788	-	-	1,156
Total comprehensive revenue/(expenditure)	2,124	1,257	1,557	(193)	(245)	520

Summary statement of financial position

As at 30 June 2017

\$million	Group			Council		
	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Budget 2017	Actual 2016
Current assets						
Non-current assets held-for-sale	332	53	43	40	52	32
Other current assets	993	876	830	930	789	765
Total current assets	1,325	929	873	970	841	797
Non-current assets						
Property, plant and equipment	43,361	42,439	41,156	13,659	13,059	13,410
Investment in subsidiaries	-	-	-	21,068	21,178	21,080
Investment in associates and joint ventures	1,096	900	1,074	16	18	14
Other non-current assets	1,577	1,447	1,576	2,441	2,512	2,334
Total non-current assets	46,034	44,786	43,806	37,184	36,767	36,838
Total assets	47,359	45,715	44,679	38,154	37,608	37,635
Current liabilities						
Current borrowings	1,125	1,613	1,447	975	1,408	1,169
Other current liabilities	878	905	814	804	786	694
Total current liabilities	2,003	2,518	2,261	1,779	2,194	1,863
Non-current liabilities						
Non-current borrowings	7,175	7,153	6,164	6,729	6,617	5,772
Other non-current liabilities	2,405	1,987	2,602	1,049	615	1,210
Total non-current liabilities	9,580	9,140	8,766	7,778	7,232	6,982
Total liabilities	11,583	11,658	11,027	9,557	9,426	8,845
Net assets	35,776	34,057	33,652	28,597	28,182	28,790
Equity						
Total equity	35,776	34,057	33,652	28,597	28,182	28,790

Summary statement of changes in equity

For the year ended 30 June 2017

\$million	Group			Council		
	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Budget 2017	Actual 2016
Opening equity as at 1 July	33,652	32,800	32,079	28,790	28,427	28,270
Total comprehensive revenue/ (expenditure)	2,124	1,257	1,557	(193)	(245)	520
Found assets	-	-	16	-	-	-
Closing equity as at 30 June	35,776	34,057	33,652	28,597	28,182	28,790
Components of equity						
Contributed equity	26,728	26,728	26,728	26,569	26,569	26,569
Accumulated funds	951	1,075	290	(824)	(476)	(633)
Reserves	8,097	6,254	6,634	2,852	2,089	2,854
Total equity	35,776	34,057	33,652	28,597	28,182	28,790

Summary statement of cash flows

For the year ended 30 June 2017

\$million	Group			Council		
	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Budget 2017	Actual 2016
Net cash inflow/(outflow) from operating activities	814	1,031	771	(206)	(154)	(75)
Net cash outflow from investing activities	(1,325)	(1,772)	(1,338)	(416)	(683)	(569)
Net cash inflow from financing activities	714	741	358	798	837	465
Net increase/(decrease) in cash and cash equivalents	203	-	(209)	176	-	(179)
Opening cash and cash equivalents	128	330	337	103	282	282
Closing cash and cash equivalents	331	330	128	279	282	103

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 full 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 full annual report. However, the summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

These summary financial statements have been audited, and an unmodified audit opinion has been received and included in this volume.

The full and summary financial statements for the year ended 30 June 2017 were authorised for issue by the council's Governing Body on 28 September 2017.

City Rail Link project

The City Rail Link (CRL) is an underground rail line that will link Britomart and the city centre with the existing western line near Mt. Eden. The CRL is a significant infrastructure project to enhance the capacity and performance of Auckland rail services and improve transport outcomes in Auckland.

The Crown and the council (the Sponsors) have, through a Sponsors Agreement signed on 30 June 2017, agreed in principle to equally co-fund the development and delivery of the CRL over the life of the project. The Sponsors have incorporated City Rail Link Limited (CRL) which assumed the responsibility from Auckland Transport for the design and construction of the CRL from 1 July 2017 pursuant to the Project Delivery Agreement.

The expected costs of the project are \$3.4 billion which will be confirmed once all the contracts are finalised. The maximum funding limits for the project agreed by the Sponsors totals \$3.6 billion. In line with the Long-term Plan 2015-2025, the council's funding limit is \$1.8 billion, inclusive of 50 per cent of the costs already incurred by Auckland Transport. CRL will make funding requests over the life of the project which is expected to be completed in 2023.

The group has assessed that the council and the Crown jointly control CRL since the Sponsors have a binding agreement to share control in the governance of CRL. The Sponsors have created a joint sponsors' forum which is responsible for the top-level oversight of the CRL project and where the Sponsors approve major project decisions which are key relevant activities of CRL.

To facilitate the transfer of responsibility for the CRL project from Auckland Transport to CRLL, existing project assets are being transferred from the council group to CRLL as and from 1 July 2017 pursuant to the Asset Transfer Agreement. Subsequent to balance sheet date, CRLL obtained the necessary authority to assume responsibility of the CRL project and the Crown's commitments came into effect.

Non-current assets held for sale

At 30 June 2017, Auckland Transport has reclassified the CRL assets of \$435 million to non-current assets held for transfer, previously under property, plant and equipment since CRLL has assumed responsibility to complete the CRL project effective 1 July 2017.

The group will contribute 100 per cent of the CRL assets to get a 50 per cent share of CRLL. The Crown will reimburse the group in the form of cash paid to the council equal to 50 per cent of the costs incurred by the group in respect of the CRL project to date for its 50 per cent share in CRLL. This will establish the new co-funded go-forward position for the CRL project.

At a group level, since the council will retain 50 per cent control of CRL assets as a co-sponsor in funding CRLL, at 30 June 2017, the group classified 50 per cent of CRL assets to non-current assets held-for-sale from property, plant and equipment's operational land and buildings and work in progress.

The carrying value of 50 per cent of CRL assets held for sale as at 30 June 2017 amounted to \$217 million. No impairment loss was recognised upon the reclassification of the 50 per cent CRL assets.

Subsequent events

In July 2017, the Crown announced \$300 million of new funding through the Housing Infrastructure Fund (HIF) that will unlock new housing development in Auckland's north west through investment in transport, wastewater and stormwater projects earmarked as priority, fast-track initiatives.

The Crown subsequently announced \$600 million in network infrastructure for housing developments through Crown Infrastructure Partners, previously Crown Fibre Holdings, with the purpose of setting up special purpose companies to build and own new trunk infrastructure for housing developments. Two of the earliest projects to be assessed by Crown Infrastructure Partners for investment will be the Auckland North and Auckland South projects previously submitted by the council through the HIF bid submission process.

The impact of the Crown's announcement on housing infrastructure to the group's results and financial position is dependent on finalising the terms of agreements.

Subsequent to balance sheet date, CRLL obtained the necessary authority to assume responsibility of the CRL project and the Crown's commitments came into effect.

There were no other material events after reporting date which would require adjustment or disclosure for the group and the council.

Summary of waivers granted by NZX

For the purposes of NZX Listing Rule 10.4.5(f), Auckland Council (the council) discloses that, in the 12-month period preceding 30 June 2017, NZX has granted and published and Council has relied on the following waivers from Listing Rule 5.2.3:

- a waiver in respect of its issue of \$250 million of fixed rate bonds (AKC090 Bonds), as extended by NZX on 29 September 2016 for a further 12-month period
- a waiver in respect of its issue of \$180 million of fixed rate bonds (AKC100 Bonds) for a period of six months from the quotation date of the AKC100 Bond

in each case to allowing the council to have fewer than 100 bondholders who are members of the public holding at least 25 per cent of the AKC090 Bonds and the AKC100 Bonds on issue.

NZX granted these waivers on the following conditions:

- the council must clearly and prominently disclose each waiver, its conditions and its implications in its half-year report, for the period that each waiver is relied upon
- the council must notify NZX as soon as practicable if there is a material reduction to the total number of members of the public holding at least a Minimum Holding (as defined in the NZX Main Board / Debt Market Listing Rules) of the AKC090 Bonds or AKC100 Bonds and/or the percentage of the AKC090 Bonds or AKC100 Bonds held by members of the public holding at least a Minimum Holding

- In respect of the AKC090 Bonds, the council must:
 - (a) ensure that for the period of the waiver, the AKC090s are held by at least 80 members of the public holding at least 15 per cent of the AKC090 Bonds on issue, with each member of the public holding at least a Minimum Holding
 - (b) provide NZX with a written update of the total number of members of the public holding at least a Minimum Holding of the AKC090 Bonds and the percentage of the AKC090 Bonds held by members of the public holding at least a Minimum Holding following AKC's financial year end. This update is to be provided to NZX within ten business days of the end of the financial year.
- In respect of the AKC100 Bonds, the council must:
 - (a) clearly and prominently disclose the waiver and its implications in the Series Notice for the AKC100 Bonds and any other offering document relating to an offer of the AKC100 Bonds made during the period of the waiver
 - (b) disclose liquidity as a risk in the Series Notice for the AKC100 Bonds.

The effect of these waivers is that the AKC090 Bonds and the AKC100 Bonds may not be widely held and there may be reduced liquidity in those bonds.

For more information on the group's financial results please refer to Volume 3 of the annual report.

NGĀ HUANGA HAPORI

Community outcomes

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



A fair, safe and healthy Auckland

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



An Auckland of prosperity and opportunity

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



A green Auckland

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



A well-connected and accessible Auckland

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



A beautiful Auckland that is loved by its people

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



A culturally rich and creative Auckland








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



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

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

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

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

TAHUA PŪTEA

Funding impact statements

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

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

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

Sources of operating funding

- General rates, Uniform Annual General Charge (UAGC), rates penalties and targeted rates are closely aligned with the annual plan. The favourable variance is mainly due to region-wide housing growth which resulted in higher rates revenue.
- Subsidies and grants for operating purposes are favourable due to higher than expected operating grants towards the Worlds Master Games and operating subsidy from the New Zealand Transport Agency (NZTA).
- Fees and charges unfavourable variance was mainly due to lower average yield per passenger journey due to the implementation of Simpler Fares system.
- Interest and dividends from investments are favourable due to higher than anticipated dividends received.
- Local authorities fuel tax, fines, infringement fees and other receipts are favourable mainly due to higher infrastructure growth charge revenue due to growth in developments and increase in rental revenue.

Applications of operating funding

- Payments to staff and suppliers are unfavourable due to additional workforce engaged in response to increased consent volumes, unbudgeted redundancy costs resulting from internal restructure, and a higher number of exceptional storms during the year resulting in increased reactive maintenance.
- Finance cost's favourable variance is due to decrease in forecast interest rates, combined with lower debt levels compared to the annual plan.

Sources of capital funding

- Subsidies and grants are lower than budget due to lower capital grants received from NZTA for transport infrastructure due to capital projects being behind schedule.
- Gross proceeds from sale of assets are lower than anticipated due to sales of certain assets which did not materialise during the year.

Applications of capital funding

- Total capital expenditure is below budget mainly due to project delays and deferral of projects relating to Ports of Auckland, parks, transport, solid waste, water, and community facilities.

Comparative information

For the consolidated funding impact statement, the Annual Budget 2016/2017 has been provided as a comparator.

For the Groups of Activities Funding Impact Statements, the financial information from the Long-term Plan 2015-2025 has been provided as a comparator. This information has been reclassified to achieve disclosure consistency and information by group of activities has been remapped to reflect changes to the activity structure.

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

Auckland Council Group consolidated funding impact statement

For the year ended 30 June 2017

\$ million	Actual 2017	Annual Plan 2017	Actual 2016	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC ⁽¹⁾ , rates penalties	1,463	1,454	1,392	1,394
Targeted rates	185	183	178	177
Subsidies and grants for operating purposes	272	260	252	255
Fees and charges	1,193	1,228	1,083	1,143
Interest and dividends from investments	17	5	84	48
Local authorities fuel tax, fines, infringement fees and other receipts	331	295	239	177
Total operating funding	3,461	3,425	3,228	3,194
Applications of operating funding:				
Payment to staff and suppliers	2,375	2,318	2,167	2,183
Finance costs	424	453	405	428
Other operating funding applications	-	9	6	12
Total applications of operating funding	2,799	2,780	2,578	2,623
Surplus (deficit) of operating funding	662	645	650	571
Sources of capital funding:				
Subsidies and grants for capital expenditure	187	240	154	172
Development and financial contributions	164	163	131	165
Increase (decrease) in debt	629	834	450	881
Gross proceeds from sale of assets	77	87	56	69
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	1,057	1,324	791	1,287
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	504	705	467	616
- to improve the level of service	633	667	489	617
- to replace existing assets	523	573	433	568
Increase (decrease) in reserves	53	62	47	54
Increase (decrease) in investments	6	(38)	5	3
Total applications of capital funding	1,719	1,969	1,441	1,858
Surplus (deficit) of capital funding	(662)	(645)	(650)	(571)
Funding balance	-	-	-	-

Note

1 Uniform Annual General Charge

For variance explanations see the funding impact statements for individual groups of activities

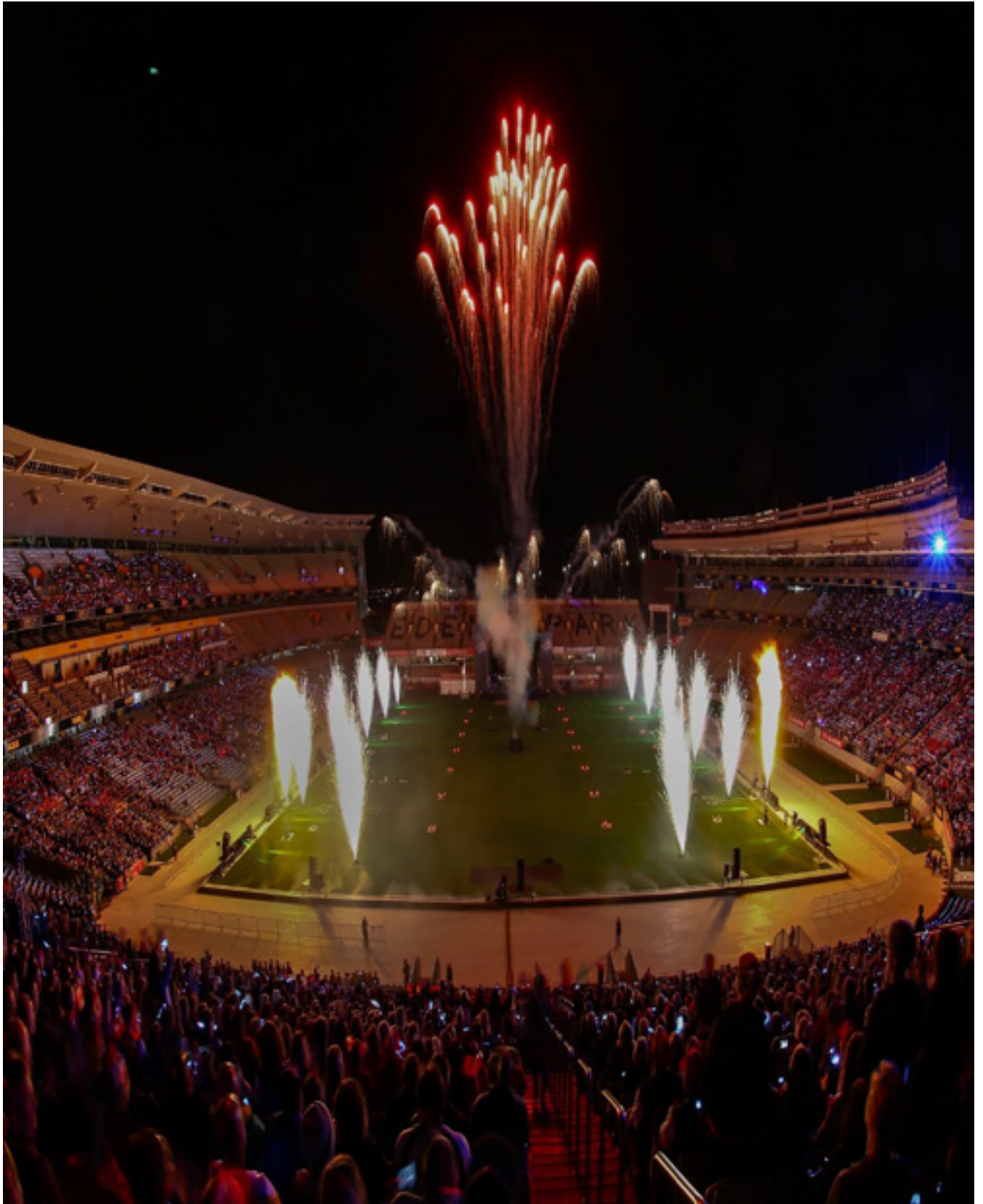
NGĀ RAWA KARIOI

Strategic assets

Strategic assets are defined in section 5 of the Local Government Act 2002 as being assets that a local authority needs to retain if the local authority is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future wellbeing of the community.

The strategic assets owned and/or managed by the council and council-controlled organisations are set out below.

Council Group organisation	Strategic asset	Carrying value at 30 June 2017
Auckland Council	Stormwater network	4,290
	Parks network	5,928
	Network of swimming pools	182
	Network of community centres and halls	324
	Community library network	172
	Cemeteries, heritage-scheduled buildings and structures	41
	Shares in substantive council-controlled organisations	
	Auckland Central Library and the historical library collection	216
	Social housing network including housing for the elderly	277
Auckland Transport	Public transport network, including Britomart	660
	Roading network	9,677
Watercare Services Limited	Water and wastewater network	6,970
Regional Facilities Auckland	Civic Theatre, Aotea Centre, Auckland Zoo, ANZ Viaduct Events Centre, QBE Stadium, Bruce Mason Centre, Western Springs, Auckland Art Gallery Toi o Tamaki (including the art collection owned by Regional Facilities Auckland), Mt Smart Stadium and the council's contractual rights and interests in Spark Arena (formerly known as Vector Arena)	973
Panuku Development Auckland Limited	Freehold interest in waterfront land held by Auckland Waterfront Development Agency	83
Auckland Council Investments Limited	Shares in Auckland International Airport Limited	1,880
	Shares in Ports of Auckland Limited (includes interest in waterfront land)	1,076



NGĀ MAHI WHAKAHAERE RĀTONGA

Statement of service performance – regional activities

Auckland Council Group has a legislative requirement to produce a Statement of Service Performance (SSP) in its annual report that reports back against the performance framework in the Long-term Plan 2015-2025 (LTP).

The SSP comprises our performance results and funding impact statements, which are audited by Audit New Zealand on behalf of the Auditor-General. The information that follows on pages 85 to 185, along with pages 22 to 42 of volume 2, is the SSP referred to in the auditor's opinion.

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.

Of the 170 performance measures in the LTP, 145 relate to regional groups of activities and are reported in volume 1. The remaining measures relate to local groups of activities and are reported in volume 2.

Theme	Volume	Group of activities	Measures
Transport	1	Public transport and travel demand management	5
	1	Roads and footpaths	20
	1	Parking and enforcement	1
Auckland development	1	Regional planning	8
	2	Local planning and development	4
	1	Property development	2
	1	Waterfront development	5
Parks, community and lifestyle	1	Regional community services	12
	2	Local community services	15
	1	Regional parks, sport and recreation	12
	2	Local parks, sport and recreation	4
Water supply, and wastewater treatment and disposal	1	Water supply	9
	1	Wastewater treatment and disposal	5
Economic and cultural development	1	Economic growth and visitor economy	9
	1	Regional facilities	8
Environmental management and regulation	1	Regulation	18
	1	Solid waste and environmental services	17
	2	Local environmental management	2
	1	Stormwater management	7
Governance and support	1	Regional governance	5
	2	Local governance	0
	1	Investment	1
	1	Organisational support	1

Mandatory performance measures

In accordance with section 261B of the Local Government Act 2002 and the Secretary for Local Government 'Non-financial Performance Measure Rules 2013', local authorities are required to report on a set of mandatory

performance measures as part of their annual reports. Results for these measures have been provided in this volume under the relevant themes and group of activities and are footnoted with 'LGA 2002 mandatory performance measure'.

How to read the SSP

The following sections provide financial and non-financial performance information for the 12 months from 1 July 2016 to 30 June 2017. Each theme has an introduction, the service performance and financial information for each group of activities.

What we do

Introduction to the individual group of activities.

Effects on the community

Overview of how this group of activities benefits and impacts the community.

What we spent

Summarised funding impact statement against the Long-term Plan (LTP). The full funding impact statement is available at the end of the theme.

What we delivered


Activities delivered under the individual group of activities, and key highlights and achievements from the year.

Challenges






Summary of current or possible future strategic challenges related to the council's delivery of services in this group of activities.

How we performed

Evaluation of levels of service performance information, with commentary and results for performance measures in the following format:

Level of service Overall area of service delivery	Provide sports fields that are fit for purpose and cater for community needs			
Performance measure Specific outcomes used to measure performance	Percentage of residents satisfied with the provision (quality, location and distribution) of sports fields			
2017 target and actuals Level we were aiming to achieve in 2017, and 2017 result (highlighted) plus results from prior years if available. Symbol illustrates the 2017 actual compared to target (and to the prior-year actual where the result has improved but not met the target).	2017 target: 70%	2017 actual: 80%⁽²⁾	2016 actual: 80%	2015 actual: New
	Notes Explanations for results that did not meet the target or exceeded the target by more than 10 per cent, or more information about the measure.			

The following symbols are used to summarise the results:

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

Funding impact statements

Full funding impact statement for each group of activities, including variance commentary.

A MĀTOU MAHI

Themes and groups of activities



Kiwi release in the Hunua Ranges

The following sections of this volume include the statement of service performance for the groups of activities under each of the seven themes that cover our areas of service delivery (excluding the local groups of activities, which can be found in Volume 2: Local boards), as well as explanations of our reporting framework, criteria and methodology.

NGĀ KAWEKAWENGA

Transport



Introduction

We work to provide an effective, efficient and safe transport network that connects people and places with easy, affordable and sustainable transport choices.

These activities are delivered by Auckland Transport (AT), a council-controlled organisation responsible for the development, operation and management of all of Auckland's local land transport services (excluding the state highway network and the rail corridor, which are the responsibility of the NZTA and KiwiRail respectively).

Within this theme we deliver:

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

Our \$18.6 billion transport system is one of the region's most valuable assets, and includes 7419km of roads, 7416km of footpaths, 1262 major bridges and culverts, 43 rail stations on five lines, 21 wharves and ferry facilities, 15 bus and busway stations, 10 multi-storey car park buildings, and 812 pay-and-display units.

Continued investment in infrastructure accommodates major public travel projects deemed essential to Auckland's growth. Our budget to deliver the activities in this theme includes \$1.253 billion for operating expenditure and \$765 million for capital expenditure.

We work closely with the New Zealand Transport Agency (NZTA), KiwiRail, Ports of Auckland Limited and Auckland International Airport Limited to provide an integrated transport system.

The activities in this theme contribute to the following community outcomes



A fair, safe and healthy Auckland

Developing a network of footpaths to promote walking and increase levels of physical activity.



An Auckland of prosperity and opportunity

Moving people and resources efficiently, which has a positive impact on productivity, and providing convenient access for motorists when visiting our centres, which supports trade and commerce.



A green Auckland

Promoting modes of transport that reduce air pollution, greenhouse gas emissions and reliance on petrol.



A well connected and accessible Auckland

Providing seamless integration of local roads, arterial roads and motorways, promoting and protecting the safety of all road users, and enforcement of parking restrictions to ensure the network remains efficient.



A beautiful Auckland loved by its people

Ensuring that our natural environment and heritage are valued, understood and preserved for present and future generations to enjoy.

Commentary

Public transport and travel demand management

What we do

- Public transport network integration
- Rail, bus and ferry services
- Travel demand management

Effects on the community

In the past year, our public transport and travel demand management activities have resulted in:

- upgraded infrastructure to cater for population growth
- better engagement and collaboration with mana whenua
- more frequent rail services
- new bus routes and increased bus capacity
- increased ferry services
- simpler, integrated bus and rail fares.

Evidence of these positive effects on the community can be found in the sections below.

There are some negative effects arising from these activities. Construction and maintenance, as well as normal operation of infrastructure and services, can cause travel disruption and congestion, and have an impact on people's safety and environment quality (including air, noise and water pollution). Public signage and information are provided whenever possible and alternative transport options encouraged. Construction is coordinated to minimise disruption, and communicated to travellers and communities likely to be affected. Air pollution is mitigated by specifying standards to our operators relating to the emissions of public transport vehicles.

What we spent

	Actual (\$M)*	Long-term Plan 2017
Operating income ⁽¹⁾	665	687
Operating expenditure ⁽²⁾	665	651
Surplus/(deficit)	-	36
Capital expenditure ⁽³⁾	288	251

Note

- 1 Operating income is below budget due to lower average yield per passenger journey due to implementation of Simpler Fares and overall patronage
- 2 Operating expenditure is above budget due to significant increase in track renewals and track signal maintenance and IT support costs
- 3 Capital expenditure is above budget due to transport projects started and delivered ahead of the long-term plan budget

* See page 94 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our public transport and travel demand activities.

Public transport network integration

- The south New Network went live in October 2016, with over 300 new bus stops, 39 new bus routes and 180 AT Metro-branded buses (including 95 new buses) delivering a 15 per cent increase in service kilometres. An extensive customer campaign supported the launch, resulting in very few customer complaints related to the changes.
- The west New Network went live in June 2017, with 100 key sites and about 198 new bus stops. The launch is being supported by a customer campaign.
- The new services for eastern, central and northern areas will begin operating progressively from December 2017 through to mid-2018. The new Half Moon Bay ferry pier that opened in April will play a pivotal role connecting with bus services in the east New Network.
- A new Simpler Fares system launched for all bus and train services (excluding SkyBus), making it easier for customers to travel by bus, train or combo, and only pay one fare for the entire journey. Zone-based fares meant 33 per cent of customers had a fare decrease and 66 per cent had no change. The campaign to promote simpler fares is ongoing.
- To encourage family travel, AT introduced the 99 cent children's weekend fare in August. Child weekend travel increased 45 per cent in the initial promotional period ended January 2017.
- In April we released AT Mobile, a new app that makes it easier and more intuitive to find information about catching a bus, train or ferry. The app's features include GPS

tracking of rail and bus services, and real-time alerts.

Rail services

- Ōtāhuhu bus and rail interchange, a \$28 million partnership development with the NZTA, opened in October 2016, coinciding with the south New Network launch. The facility incorporates the existing rail station, linking the platform with two new bus platforms and a terminal building. The station's design, which reflects the site's importance to mana whenua, won an NZILA Award of Excellence.
- Timetable scheduling, journey time and turnaround time of trains was improved. The March 2017 rail timetable upgrade improved the efficiency of rolling stock, enabling us to provide increased train capacity for weekday peak periods.

Bus services

- Construction of the Manukau Bus Station, a 23-bay bus station next to the train station, started in April. Foundation work was completed and structural steel erected for the roofing installation, so interior work could begin over winter.
- A new Westgate bus interchange is now part of the Northwestern Busway project, which is currently under consultation.

Ferry services

- Half Moon Bay ferry pier was opened in April, improving the connection between southeast Auckland and the central city. The pier locates ferry and bus services in one safe, functional and comfortable space. It also separates other marina users from the ferry services, improving passenger flows.

Travel demand management

- The following travel planning initiatives improved the safety of children travelling to school. Related to these, a significant outcome in 2016 was zero road deaths involving children walking or riding to school.
 - The Walking School Bus programme provided safe, accompanied walking routes for 4306 children. We enabled this by supporting 1559 volunteers in 163

schools, promoting the programme, auditing routes, and recruiting new buses. This year, 110 new routes were developed. 83 per cent of volunteers were satisfied with the interaction with their Walking School Bus coordinator.

- At any one time, Auckland Transport is working with around 400 schools on our core programmes – Travelwise, Safety at the School Gate, Back to School, and Rural Schools. Travelwise has 306 schools and 36 rural schools engaged in safety or active travel initiatives. More than 155 teachers and 597 students attended workshops and were supported with further planning meetings, resources and event support. 77 per cent of teachers were satisfied with the assistance they received.


Challenges

- Improving the utilisation of existing trains with shorter journey and station dwell times. We will produce an updated timetable in 2018.
- The City Rail Link work in the city centre has disrupted some bus services.
- Continuously making public transport more affordable and accessible. This is being addressed by ongoing promotion of reduced HOP card fares using annual fare reviews and continued support of concession fares.
- Maintaining and improving capacity during peak periods on all modes, within funding constraints. This is being addressed by annual assessment of peak period capacity, and making capacity and timetable improvements where possible.
- Maintaining and improving actual and perceived individual safety for public transport customers.
- Assessing new mobility service options, particularly at the periphery of the network, including on-demand, personalised services. To address this we are trialling on-demand flexible routing services, and enhancements to the AT mobile app to improve real-time and personalised service.
- Introducing and communicating changes related to the New Network as it progressively comes into service for all modes of public transport across Auckland.

How we performed


We achieved or substantially achieved all our performance measures.

Prioritise rapid, high frequency public transport

Total public transport boardings (millions) 

2017 target:	2017 actual:	2016 actual:	2015 actual:
89.0	88.4	82.9	79.2

Transform and elevate customer focus and experience


Public transport punctuality (weighted average across all modes) 

2017 target:	2017 actual:	2016 actual:	2015 actual:
93%	95%	95%	New

Customer satisfaction - Public Transport 

2017 target:	2017 actual:	2016 actual:	2015 actual:
84%	90%	84%	84%

Develop creative, adaptive, innovative implementation

Number of car trips avoided through travel planning initiatives 

2017 target:	2017 actual:	2016 actual:	2015 actual:
18,400	25,985	24,227	22,729

Ensure a sustainable funding model

Public transport farebox recovery %⁽¹⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
47-50%	47.1%	51.2%	New

Note

- 1 A farebox recovery ratio measures the contribution fares make to the operating cost of providing public transport services. The farebox recovery percentage is calculated by dividing the revenue of providing public transport services by the cost. The formula is (Fare Revenue + SuperGold Card payment) / (Fare revenue + Subsidy + SuperGold Card Payments + Concessionary Fare Scheme Payments). Please note that there is a one-

month time lag for farebox recovery information. As such, the 2017 actual result is for the 12 months rolling to May 2017.

Roads and footpaths

What we do

- Develop safe cycleways and walkways
- Roothing network

Effects on the community

In the past year, our roads and footpaths activities have resulted in:

- more abundant and safer cycleways and walkways
- better quality roads
- increased arterial road productivity.

Evidence of these positive effects on the community can be found in the sections below.

The road network contributes to a large number of negative environmental effects including water and air pollution, increased noise levels, and safety issues. Planning of the transport network aims to reduce or mitigate the adverse environmental effects of further development. A connected roading and footpath network helps reduce negative environmental impacts by reducing travel distances and times.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income ⁽¹⁾	417	399
Operating expenditure ⁽²⁾	209	242
Surplus/(deficit)	208	157
Capital expenditure ⁽³⁾	430	468

Note

- 1 Operating income is above target due to higher than budgeted petrol tax
- 2 Operating expenditure is below budget due to delays in recruitment for major projects and professional fees
- 2 Capital expenditure is below budget due to projects still in planning stage and will be deferred

* See page 96 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our roads and footpaths activities.

Develop safe cycleways and walkways

- This year, \$39.1 million was spent on delivering cycling infrastructure, including projects in the 2015-2018 Urban Cycleways Programme. Over 14.2km of new cycleways were built, including:
 - Quay Street Cycleway, from Lower Hobson Street to Plumer Street, which opened in July 2016
 - Stage one of the \$46 million, 6.6km Glen Innes to Tāmaki Drive shared path, Te Ara Ki Uta Ki Tai, from Glen Innes Station to St Johns Road
 - Mt Roskill Safe Route, which opened in November 2016, connecting with the Southwestern shared path that runs along SH20 to Onehunga and the airport. In the other direction, it will connect to Mt Albert and the Waterview shared path
 - Sandringham Road Extension shared path and on-road cycle path, and West Coast Road shared path.
- Waterview shared path was largely completed. The path connects the Northwestern Cycleway to the New Lynn shared path.

Roading network

- This year, we spent \$209 million on road-related assets renewals including streetlights, footpaths and bridges. Road widening continued on the eastern side of Te Atatu Road corridor, along with utility work, drainage and retaining wall construction. The main roadworks for the two-year, \$30 million upgrade of the busy 1.4km stretch were completed in June 2017. Landscaping and other final tasks, such as road marking, extended through to August.
- We continue to develop three national demonstration partnership projects to improve safety on rural and urban local roads.
 - Self-Explaining Rural Roads is being designed in detail for piloting in southeast Auckland. Self-explaining design elements such as shape correction and

speed management will reduce crash risks.

- The Urban KiwiRAP (risk assessment process) tool continues to be developed for local roads, and is being used more widely to prioritise high-risk roads and intersections.
- An urban motorcycle safety research project was completed, with its learnings incorporated into the NZTA's Safer Journeys for Motorcycles guidelines.
- Safety is integral to major capital project planning and delivery, from resource consents to approval of safety audits. This year, we delivered a range of road safety engineering projects in high-risk areas not covered by major projects.
 - The Safer Communities programme involved 41 projects in 16 communities, including 21 schools. This work creates safer walking infrastructure and encourages reduced private car use.
 - 34 projects related to routes and intersections were delivered to address crashes on 11 high-risk routes and 12 intersections, along with 11 projects to improve safety for pedestrians, cyclists and motorcyclists.
 - We ran a crash reduction programme at 30 fatal and serious crash sites.
 - A signage and road marking survey of 201km of rural roads has informed a new plan for 2018 that aims to reduce rural crashes by 20 per cent.
- The partnership programme for road safety behaviour change in the wider community targets high-risk road safety themes. These include alcohol and drugged driving, speed, motorcycles, high-risk intersections, young drivers, and restraint use. The programme has led to:
 - over 80,000 interactions with members of the public
 - over one million views of campaign videos
 - around 30,000 visits to the AT website. More than half of evaluation participants reported actual or intended behaviour changes. Road counters have demonstrated reduced speeds from 52.2 kph to 44.7 kph following the Mt Roskill Love Your Local campaign.

- This year, 250 intersections controlled by traffic lights were optimised as part of routine work. Optimisation is underway on key freight routes. We are taking a continuous monitoring approach to the city centre network, and despite the extensive construction underway, all key elements remain within acceptable levels. We have also fixed faulty vehicle detector loops that have impacted on signal efficiency and the achievement of some targets for key arterial routes. The Queenstown Road roundabout has been altered to improve traffic flows for southbound traffic between the city centre and the airport.

Challenges

- Realising Auckland Transport’s vision to provide transport choices to a growing and diverse Auckland requires us to influence mode share (the percentage of travellers using each type of transportation) on the network. This involves promotion (campaigns and travel planning initiatives), and providing facilities and infrastructure that support different transport modes. We try to balance the requirements of each transport mode against the need to reduce overall traffic congestion through our Roads and Street Framework, and Network Operating Plan, and ongoing engagement with the community.
- The scale of growth in Auckland demands a different approach to congestion and network optimisation. Each year, there is generally a two to three per cent increase in congestion. We cannot build our way out of congestion. We need to optimise the use of the current network, particularly on key routes, as identified in the Auckland Transport Alignment Project. Transit (T2 or T3) lanes and bus lanes are examples of optimising the existing roading network. However, for some of our network, the need to accommodate competing transport modes means there will be some decline in capacity in one part of the network, although this will help to optimise the overall network.

How we performed

We achieved 10 out of 20 performance measures.

Transform and elevate customer focus and experience

Customer satisfaction – Roads 


2017 target:	2017 actual:	2016 actual:	2015 actual:
70%	61% ⁽¹⁾	69%	69%

Customer satisfaction – Footpaths 

2017 target:	2017 actual:	2016 actual:	2015 actual:
65%	58% ⁽²⁾	65%	65%


Customer satisfaction – Road Safety 

2017 target:	2017 actual:	2016 actual:	2015 actual:
60-65%	60%	65%	New

The change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number⁽³⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
Reduce by at least 9 to 529	546 ⁽⁴⁾	538	399


Build network optimisation and resilience

Arterial road productivity 

2017 target:	2017 actual:	2016 actual:	2015 actual:
55% of the ideal achieved	60%	60%	53%

Travel times on key freight routes⁽³⁾

2017 target:	2017 actual:	2016 actual:	2015 actual:
Maintain baseline travel times for the 85th percentile	See note⁽⁵⁾	Achieved on 90% of routes	Achieved on 100% of routes

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
1.2 million (all day)	1,742,305	995,828	906,518


Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads⁽³⁾

Rural roads 


2017 target:	2017 actual:	2016 actual:	2015 actual:
92%	94%	96%	95%

Urban roads 


2017 target:	2017 actual:	2016 actual:	2015 actual:
82%	87%	87%	85%

Percentage of the sealed local road network that is resurfaced⁽³⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
8%	8.1%	8.1%	New

Percentage of footpaths in acceptable condition⁽³⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
99%	99.5%	99.5%	New

Percentage of customer service requests relating to roads and footpaths which receive a response within specified timeframes⁽³⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
85%	87%	88%	New

Note

1 Satisfaction has been affected by construction projects such as Watercare's Hunua 4 Watermain, the CRL, SH20 works, Point

Chevalier interchange and remodelling of SH16 near St Lukes.

2 Satisfaction has been impacted by the ultra-fast broadband project and general development works when footpaths are closed or restricted. AT is actively monitoring and rectifying disruption on these sites and seeking alternative arrangements where practical.

3 LGA 2002 mandatory performance measure


4 The total number of deaths and serious injuries is 546. The information provided is for the latest 12-month period available to December 2016.

Through local 2017/2018 Road Safety Action Plans, AT is working closely with NZTA, Police, and ACC to apply extra focus on high-risk intersections, high-risk urban arterials and rural roads, pedestrian safety, motorcycle safety and safe speeds.

5 Travel times along strategic freight routes during the inter-peak (9am-4pm), with 85 per cent of trips travelled within the following minutes:

SEART (from Sylvia Park to East Tāmaki) 

2017 target:	2017 actual:	2016 actual:	2015 actual:
11	12⁽⁶⁾	11	11

SEART (from East Tāmaki to Sylvia Park) 


2017 target:	2017 actual:	2016 actual:	2015 actual:
12	11	10	10

Wairau Rd (from SH1 to SH18) 


2017 target:	2017 actual:	2016 actual:	2015 actual:
8	9⁽⁶⁾	8	8

Wairau Rd (from SH18 to SH1) 

2017 target:	2017 actual:	2016 actual:	2015 actual:
8	9⁽⁶⁾	8	8

Harris Rd (from East Tāmaki to SH1 Highbrook interchange) 

2017 target:	2017 actual:	2016 actual:	2015 actual:
10	11⁽⁶⁾	10	10

Harris Rd (from SH1 Highbrook interchange to East Tāmaki) 

2017 target:	2017 actual:	2016 actual:	2015 actual:
11	12⁽⁶⁾	11	11

Kaka St/James Fletcher Dr/Favona Rd/Walmsley Rd (SH20 to Walmsley) 

2017 target:	2017 actual:	2016 actual:	2015 actual:
13	8	8	8

Kaka St/James Fletcher Dr/Favona Rd/Walmsley Rd (Walmsley to SH20)	✓
2017 target: 13	2017 actual: 7
2016 actual: 7	2015 actual: 7
Great South Rd (SH1 Ellerslie Panmure Hwy Interchange to Portage Rd)	✗
2017 target: 11	2017 actual: 12 ⁽⁷⁾
2016 actual: 11	2015 actual: 11
Great South Rd (Portage Rd to SH1 Ellerslie Panmure Hwy Interchange)	✗
2017 target: 11	2017 actual: 13 ⁽⁷⁾
2016 actual: 12	2015 actual: 11

6 Travel times not achieved were one minute longer than the target but still represent relatively good levels of service for these routes. Wairau Road east bound performance has not lifted despite minor improvements at the SH1 interchanges.

7 Minor improvements identified for the key intersection of Church Street/Great South Road are schedule for the second half of 2017, and are expected to result in some travel time gains.

Parking and enforcement

What we do

- Manage on-street and off-street parking
- Enforce parking, traffic and special vehicle lane restrictions

Effects on the community

In the current year, our parking and enforcement activities have resulted in improved customer self-service capabilities for a better customer parking experience.

Evidence of this positive effect on the community can be found in the sections below.

There are no significant negative effects associated with these activities.

What we spent

	Actual (\$M)*	2017	Long-term Plan 2017
Operating income		37	41
Operating expenditure		37	36
Surplus/(Deficit)		-	5
Capital expenditure		5	3

* See page 98 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our parking and enforcement activities.

- On-street parking occupancy rates are at the high end of the target, at 85.8 per cent. This result is underpinned by the Parking Strategy released in 2015, and is expected to be improved by AT's new parking app, AT Park. This app enables customers to pay for parking from their mobile device, without needing to visit a parking machine, display a ticket or pay for unused time.

Challenges

There were no challenges recorded for parking and enforcement this year.

How we performed

We achieved our target and level of service for the year.

Ensure optimal use of parking resources

On-street parking occupancy rates (peak four hours)



2017 target: 70-90%	2017 actual: 85.7%	2016 actual: 89.1%	2015 actual: 86%
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Funding impact statement – Public transport and travel demand management

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		281	281	271
Targeted rates		19	19	18
Subsidies and grants for operating purposes		200	200	196
Fees and charges	1	132	182	74
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	33	5	6
Total operating funding		665	687	565
Applications of operating funding:				
Payment to staff and suppliers	3	561	547	426
Finance costs		104	104	95
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		665	651	521
Surplus (deficit) of operating funding		-	36	44
Sources of capital funding:				
Subsidies and grants for capital expenditure	4	42	36	39
Development and financial contributions		11	12	9
Increase (decrease) in debt	5	235	167	116
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		288	215	164
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		32	32	26
- to improve the level of service		249	214	177
- to replace existing assets		7	5	5
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	6	288	251	208
Surplus (deficit) of capital funding		-	(36)	(44)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Fees and charges are below budget mainly due to lower average yield per passenger journey due to the implementation of Simpler Fares and overall patronage. In addition, parking revenue is lower than anticipated due to lower than budgeted parking infringement issuances, delays in roll-out of new paid parking areas and higher than anticipated paid parking spaces removed in the city to make way for the CRL and Wynyard quarter projects.
- Local authorities fuel tax, fines, infringement fees and other receipts are above budget as part of the budget is allocated to fees and charges and higher than expected income from AT HOP card sales.
- Payment to staff and suppliers are above budget mainly due to:
 - increased public transport contract as a result of a change in operator contracts ahead of Public Transport Operating Model (PTOM) implementation
 - increased track access costs because of significant increase in track renewals and track signal maintenance as a result

of increased train services

- increased IT support costs, which includes IT services-related projects and support costs requirements for infrastructure projects.
- 4 Subsidies and grants for capital expenditure is higher than budget from New Zealand Transport Agency due to higher than budgeted capital expenditure
 - 5 Debt has increased more than anticipated due to capital expenditure being above budget, which has resulted in a higher funding requirement.
 - 6 Capital expenditure is above budget mainly due to:
 - SMART (Southwest Multi-Modal Airport Rapid Transit) contribution to deliver the Kirkbride intersection upgrade is ahead of plan
 - Ōtāhuhu Bus interchange KiwiRail land settlement paid ahead of plan, which was originally planned for FY19
 - other unbudgeted small public transport- and travel-related projects in current financial year, which includes bus device consoles, Northern Busway Station and park-and-ride investigation, land acquisition for bus lane, Half Moon Bay passenger facility upgrade, AT HOP customer web interface integration, and AT HOP Platform hosting.

Funding impact statement – Roads and footpaths

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		306	305	289
Targeted rates		43	43	43
Subsidies and grants for operating purposes	1	47	42	41
Fees and charges		6	6	4
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	15	3	4
Total operating funding		417	399	381
Applications of operating funding:				
Payment to staff and suppliers	3	133	161	162
Finance costs	4	76	81	75
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		209	242	237
Surplus (deficit) of operating funding		208	157	144
Sources of capital funding:				
Subsidies and grants for capital expenditure	5	142	184	119
Development and financial contributions	6	41	57	50
Increase (decrease) in debt	7	39	68	94
Gross proceeds from sale of assets	8	-	2	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		222	311	263
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		36	88	66
- to improve the level of service		162	146	138
- to replace existing assets		232	234	203
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	9	430	468	407
Surplus (deficit) of capital funding		(208)	(157)	(144)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Subsidies and grants for operating purposes are above budget mainly due to higher fare subsidy from NZTA and one off receipt of administration subsidy from NZTA relating to 2015/2016 accounted for in the first half of FY 2016/2017.
- Local authorities fuel tax, fines, infringement fees and other receipts are above budget mainly due to residential and commercial rental income was budgeted under "property development" group of activity and higher than expected income from petrol tax which is based on sale of petrol and diesel within the Auckland region.
- Payment to staff and suppliers is below budget mainly due to lower professional fees for major projects and due to delays in the recruitment of staff for major capital projects.
- Finance cost is below budget due to lower average actual interest rates, combined with lower debt levels in comparison to long term plan.
- Subsidies and grants for capital expenditure are lower than budget due to lower NZTA grant driven by delays in capital

projects.

- 6 Development and financial contributions are below budget due to development agreements considered in the LTP that were not yet finalised in FY17 and actual residential growth is lower than anticipated resulting in lower contributions received.
- 7 Debt has decreased more than anticipated due to capital expenditure being below budget, which has resulted in a lower funding requirement.
- 8 Gross proceeds from sale of assets are below budget due to sale of SH16/20 Waterview land assets that did not materialise during the year.
- 9 Capital expenditure is below budget mainly due delays of:
 - Growth Infrastructure Fund project which is still in planning stage
 - North West Transformation project since the infrastructure funding agreement did not materialise as planned and deferred to future years
 - Other projects, such as walking and cycling project, Flat Bush project due to consenting issues and Ormiston town centre project due to issues with the developer agreement.

Funding impact statement – Parking and enforcement

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		(41)	(41)	(41)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		1	1	1
Fees and charges	1	76	80	80
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	1	-
Total operating funding		37	41	40
Applications of operating funding:				
Payment to staff and suppliers		36	36	36
Finance costs		1	-	-
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		37	36	36
Surplus (deficit) of operating funding		-	5	4
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	2	5	(2)	3
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		5	(2)	3
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		4	-	-
- to replace existing assets		1	3	7
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	3	5	3	7
Surplus (deficit) of capital funding		-	(5)	(4)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- 1 Fees and charges are below budget mainly due to lower infringement notices issued than anticipated.
- 2 Debt has increased more than anticipated due to capital expenditure being above budget, which has resulted in a higher funding requirement.
- 3 Capital expenditure is higher than anticipated mainly due to smaller projects for the parking developments that were not budgeted for.

WHANAKETANGA O TĀMAKI MAKARAU

Auckland development



Moa periscope at Freyberg Place construction site

Introduction

One of our main aims is to create a region with 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.

The activities under Auckland development set the strategy and policy to enable amazing spaces and places that ensure Auckland works for all people. We also deliver some of those places and spaces, particularly in the city centre, waterfront and local business areas.

One of the focus areas this year has been housing – providing residentially zoned land, infrastructure, and working with developers to build in the Special Housing Areas.

Within this theme we deliver:

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

The property and waterfront development activities in this theme are delivered by council-controlled organisation Panuku Development Auckland (Panuku).

Our budget to deliver the activities in this theme includes \$205 million for operating expenditure and \$201 million for capital expenditure.

The activities in this theme contribute to the following community outcomes



A fair, safe and healthy Auckland

Reducing barriers to increasing housing supply in order to meet demand.



An Auckland of prosperity and opportunity

Developing opportunities to grow Auckland's economy, equip our workforce with the right skills and increase business connections between Auckland and the rest of the world. Developing opportunities to advance Auckland as a gateway and destination for visitors, skilled workers and investors.



A green Auckland

Sustainably managing Auckland's natural environment (land, water and coast), natural hazards and air quality, and demonstrating sustainable ways of developing the waterfront through public and private projects..



A well connected and accessible Auckland

Providing the overarching framework to move Auckland towards one transport network and creating better connections between the waterfront and the city centre.



A beautiful Auckland loved by its people

Demanding quality design of our built environment and providing the mechanisms through the Unitary Plan to manage growth and urban form. Protecting and conserving local heritage to create enduring neighbourhoods through placemaking. Creating an attractive place for people to live, work and play.



A culturally rich and creative Auckland

Providing opportunities to showcase Auckland's unique arts and culture.



Te hau o te whenua, te hau o te tangata / A Māori identity that is Auckland's point of difference in the world

Establishing enduring relationships with Māori to showcase Auckland's unique Māori identity, and identify and protect our Māori cultural heritage. Providing opportunities to imbue the cultural values and narratives of the area in architecture, urban design and landscape.

Commentary

Regional planning

What we do

- Auckland strategy and research
- Unitary and area planning
- Community and social policies
- Natural environment and heritage protection
- Urban design
- The Southern Initiative

Effects on the community

In the current year, our regional planning activities have resulted in:

- quality built form and improved urban design outcomes across the region
- improved common understanding of topics of importance for Aucklanders and policy-makers, such as housing and the environment
- increased economic benefits to local businesses
- more connected and active communities
- increased employment options for young people
- preservation of valuable heritage buildings and Māori sites
- empowerment of mana whenua to participate in regional planning activities.

Evidence of these positive effects on the community can be found in the sections below.

There may be some negative effects on private property associated with some of these activities. Some rights of landowners and developers can be restricted through the requirements for resource consents and other regulations. Public consultation is done before any such restrictions are put in place to ensure those affected can put forward their views before decisions are made.

What we spent

	Actual (\$M)*	Long-term Plan 2017
Operating income	113	111
Operating expenditure ⁽¹⁾	88	95
Surplus/(deficit)	25	16
Capital expenditure ⁽²⁾	12	20

Note

- 1 Operating expenditure is below budget due to departmental restructure and unfilled vacancies
- 2 Capital expenditure is below budget due to changes in scope of projects and projects not qualifying for funding

* See page 109 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our regional planning activities.

Auckland strategy and research and monitoring

- We developed the Auckland Council Evidence Framework as an evidence base for making decisions that are relevant, current, credible and future-proofed for a growing Auckland's needs.
- We completed submissions to the government and the Productivity Commission to advocate on urban planning and resource management issues of importance to Auckland.
- We started engaging with communities about the big changes in Auckland since 2010 as we refresh the Auckland Plan, Auckland's spatial plan.
- Adoption of the Auckland Transport Alignment Project, a joint project involving Auckland Council, the Ministry of Transport, Auckland Transport, NZTA, the Treasury and the State Services Commission that sets out a 30-year transport programme for Auckland.
- Completion of the first phase of the Supporting Growth project, in collaboration with Auckland Transport and NZTA which will allow designations to be put in place for transport networks in areas zoned as future urban.
- We completed an energy review of six of the council's seven office buildings which identified about \$2 million in annual savings.
- We continued to fully participate in the international C40 Cities Climate Leadership

Group to deliver pragmatic positive changes to our service delivery by incorporating new approaches, technologies and tested best-practice from the network of member cities.

- Auckland Conversations is a series of free public talks that explore the issues we face as we work to become the world's most liveable city. Fifteen conversations took place this year on topics ranging from building peaceful communities to addressing Auckland's transport issues.

Unitary and area planning

- Auckland Council notified its decisions on the Auckland Unitary Plan Independent Hearings Panel's recommendations, and the plan became 'operative in part' in November 2016. Over half of the appeals that prevented the plan from becoming fully operative have now been resolved. The scale of work done by the council's elected members and staff, consultants, lawyers, submitters, the public and the Independent Hearings Panel in relation to the Auckland Unitary Plan is unprecedented in New Zealand.
- The council prepared a submission on the NZTA's proposed East West Link project in Onehunga. This is a multi-billion-dollar roading project that requires careful balancing of environmental, social, cultural and economic effects.

Community and social policies

- We completed reviews of local dog access rules in seven local board areas, and the council's smoke-free and gambling venue policies.
- The new Air Quality (Indoor Domestic Fires) Bylaw was adopted.
- The council adopted the Open Space Provision Policy to inform investment decisions to create a high-quality open space network. We acquired 29 new parks and open spaces, and completed four open space plans (with seven still under development).
- We finalised a current-state report for the Early Years Tamariki Māori project, a framework and three-year action plan that will guide future service delivery to improve

outcomes for tamariki Māori under the age of five and their whanau.

- We conducted a Māori housing policy investigation, and prepared a draft Māori Housing Programme Action Plan for approval.
- We convened the Fast Ideas for Affordable Housing Forum, a multi-sector stakeholder group established to advance solutions for increasing affordable housing options for Aucklanders.

Natural environment and heritage protection

- Tai Timu Tai Pari / the Hauraki Gulf Marine Spatial Plan was completed. The council had a key role in the plan's development and will have ongoing involvement in actions to protect and enhance the gulf's environmental, recreational and productive values.

Urban design

- We provided administration and specialist support to the Auckland Urban Design Panel, a group of independent experts who provides design review of significant projects for both private and public developments across the region. As of June 2017, the panel had reviewed 145 projects.
- We reviewed around 10 per cent of resource consent applications received by the council, to ensure quality urban design outcomes.
- We continued to develop the Auckland Design Manual, including the Unitary Plan Hub; housing case studies; and the Auckland Design Manual blog to guide and inspire developers and the public.
- Ongoing development and implementation of the Māori design work programme to promote Māori design outcomes within all major public realm developments, including working with mana whenua and mataawaka.
- We focused on a refresh of three key city centre masterplan projects – Victoria Linear Park, Quay Street Harbour Edge Boulevard and Hobson Street Flyover, and Queen Street – and activation projects such as the Griffiths Garden, Shortland Street polka dots, and the moa periscope.
- We established the Tāmaki Makaurau Design Alliance, a community of design

practice, bringing together key design professions, tertiary institutes and Auckland Council to deliver a design-led city.

Housing and infrastructure

- We set up the Infrastructure Funding Agreements team and negotiated funding agreements to assist with enabling growth and mitigating the effects of development.
- We are developing the Smart Growth Portal prototype. This system will combine, analyse and provide visualisations of information about available land, infrastructure and other elements that need to be considered when planning for growth.
- We established the Māori Housing Unit within council to lead the delivery of our Māori Housing Programme.
- We processed eight private plan variations for Special Housing Areas including Crows Road, Bremner Road, Glenbrook, Clarks Beach, Mill Road, The Landing, Quarry Road, and Bellfield.
- We prepared due diligence reports on asset disposals, as part of the Crown Land Development Programme run by the Ministry of Business, Innovation and Employment.
- We established a cross-council governance framework to progress the city centre and waterfront work programmes.

The Southern Initiative

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

Key achievements for TSI over the year include:

- connecting with more than 100 agencies and organisations to identify opportunities for improving resources available to children during their early years, including working

with parents on culturally appropriate solutions

- more than 220 people (including 20 per cent women) enrolled in our Māori and Pasifika Trades Training infrastructure and construction courses
- creating the South Entrepreneurs Network to work with on joint ventures
- working with Panuku Development Auckland to ensure local communities and people are at the heart of urban regeneration in Manukau and reflected in the Manukau Framework Plan.

Challenges


- Securing funding for transport initiatives identified by the Auckland Transport Alignment Project and the preferred transport network, to enable the urbanisation of areas outlined in the Future Urban Land Supply Strategy.
- Implementing national and regional environmental policies to achieve environmental goals in urban development projects.
- Increasing the diversity of Aucklanders engaging in the Auckland Plan refresh.
- Effectively influencing strategic housing policy at multiple levels, maintaining momentum on the current housing work programme, and developing affordable housing solutions for Auckland.
- Ensuring that land use and infrastructure are planned and provided in a way that delivers value for money and outstanding outcomes for Auckland.
- Ensuring clarity on what bulk infrastructure is required to support housing development in the appropriate locations, and the appropriate phasing, so that the Crown funding vehicles can begin negotiations with the relevant developers.

How we performed


We achieved six out of eight regional planning targets. We did not meet our target for Auckland Economic Development Strategy indicators, due in part to changes in the way we track and report this information. We are looking at revising this measure so the public is kept informed on key economic outcomes.

We also did not meet our target for satisfaction with historic heritage management. Efforts continue to communicate council initiatives in historic heritage management to ensure the public is informed on key heritage decisions and outcomes.

Produce all plans and agreements according to legislative requirements


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	100%	100%	100%

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
85%	100% ⁽¹⁾	100%	86%

Provide policy and strategic advice, leadership, facilitation and advocacy to support Auckland's economic development


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
80%	Not measured ⁽²⁾	79%	74%

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


2017 target:	2017 actual:	2016 actual:	2015 actual:
50	140 ⁽³⁾	372	New

Develop and champion environmental strategies and policies for the present and future generations of Auckland that are effective, evidence based and actionable


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
80%	90% ⁽⁴⁾	100%	New


Protect and conserve Tāmaki Makaurau / Auckland's historic heritage and Māori cultural heritage for the benefit and enjoyment of present and future generations

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
2180	2249 ⁽⁵⁾	2245	2245

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
61	75	61	61

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
75%	52% ⁽⁶⁾	46%	New

- Note**
- 1 During 2016/2017, one provisional policy (the Local Alcohol Policy) was adopted, and is waiting for the appeals process to be completed. There was engagement with Māori in the development of the policy.
 - 2 The data source for the indicators, the Auckland Economic Development Strategy monitoring report, is no longer being produced. Therefore, we are unable to provide a result for this measure.
 - 3 In 2015/2016, Auckland hosted the second annual Tripartite Economic Summit between Auckland, Guangzhou and Los Angeles, which contributed to last year's substantially above-target result. While the 2017 target was exceeded, the result dropped as there was no summit this year. The third summit is scheduled for November 2017 in Guangzhou.
 - 4 This result has been calculated as the percentage of strategies and policies from council activities and plans that are on schedule to implement their environmental responsibilities. The slight drop compared to the prior year is due to the refinement work on stage two of the National Hazards Risk Management Action Plan.
 - 5 The increase from last year reflects the recommendations from the Independent

Hearing Panel and Auckland Council's decision on the Auckland Unitary Plan.

- 6 While the result is below target, it has improved on 2016 as there is greater effort around communicating the council's historic heritage management work.

Local planning and development

This group of activities covers local business area planning, local street environment and town centres, and local environment and heritage protection.

The service performance information and funding impact statement are available on pages 33 to 35 of volume 2.

Property development

What we do

- Regeneration and redevelopment of urban locations
- Property acquisitions and disposals
- Management of the council's non-service properties
- Management of business interests (including quarries, waste disposal and forestry)

Effects on the community

In the current year, our property development activities have resulted in:

- increasing the stock of secure, healthy homes available
- more connected and attractive urban centres
- better engagement and collaboration with mana whenua
- improved return on the council's service property assets.

Evidence of these positive effects on the community can be found in the sections below.

There are some negative effects arising from these activities.

Large commercial operations, including forestry, landfills and quarries, place a burden on infrastructure such as roads and have an effect on the natural environment through the contamination of soil and water, destruction of vegetation, and dust and noise pollution. We

use ecological-restoration funding, traffic-management plans, health and safety plans, resource consent conditions and regular monitoring to ensure compliance and minimise impact.

Large urban redevelopment projects may result in a range of negative effects, including noise and travel disruption, and environmental damage. We are committed to minimising the detrimental effects of redevelopment projects in line with legislative requirements and best practice.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income ⁽¹⁾	23	33
Operating expenditure ⁽²⁾	16	26
Surplus/ (deficit)	7	7
Capital expenditure	48	49

Note

- 1 Operating income is below budget due to rental income erroneously budgeted for in this activity
- 2 Operating expenditure is below budget due to deferrals in repairs and maintenance and underspend in occupancy and relocation costs

* See page 110 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our property development activities.

- The council established a partnership with the Selwyn Foundation to manage and develop our portfolio of homes for older people. This joint venture, Haumarū Housing Limited Partnership, took over operations on 1 July 2017. Many of the 1412 rental units across 63 villages are run down and poorly located for amenities such as public transport. Panuku will ensure new homes address the needs of older people both in location and quality.
- Plans to restore the iconic Civic Administration Building in Aotea Square and develop the surrounding area were announced in September 2016. Panuku selected Tawera Group to restore and develop the Category A heritage building into residential apartments. There will also

be a new apartment building on the Mayoral Drive corner, a new boutique hotel on Mayoral Drive, and a building featuring a whare tapere (performance space) fronting Aotea Square.

- Work began on the upgrade of Old Papatoetoe Mall which will refresh and modernise the heart of the town centre. The project will open up the current mall area into a new plaza space, creating links from St George Street to new shops, food spots and the supermarket.
- Construction began on the first of 102 homes being built by GJ Gardner for stage one of the Airfields development at Hobsonville Point. This 20ha council-owned site was formerly part of Hobsonville Airforce Base. Panuku has confirmed Avanda Group as the developer for stage two, which will include more than 500 homes, of which a minimum of 10 per cent will be affordable housing.
- The future transformation of Onehunga took an important step with approval of an overall plan for its regeneration. Panuku outlined the key moves needed to achieve the vision for a flourishing suburb that is well connected to its past, its communities and the environment, including the Manukau Harbour. The 25-year transformation will be on a scale similar to other Panuku developments such as Wynyard Quarter and Manukau. Work will initially focus on building on Onehunga’s existing strengths and revitalising the town centre.
- Panuku has created plans to unlock the potential of Henderson and fulfil its vision to become an urban eco centre enhancing the mauri (life essence) of the twin streams that converge in its centre. After approval of the plans in May, Panuku’s initial focus is the area around the former Waitākere City Council building, directly over the train station and next to the town centre. A second site, at 21-33 Henderson Valley Road, will be developed into approximately 40 houses for older people and additional terraced homes.
- Disposing of council properties provides an important funding stream and also optimises the council’s property portfolio. In its Statement of Intent, Panuku has annual

targets for the value of property recommended for disposal, and the value of unconditional property sales. In 2016/2017, Panuku recommended \$76.9 million of sales (above the target of \$75 million), and completed unconditional sales worth \$76.8 million (above the \$50 million target).


Challenges

- Due to the long-term nature of development projects, Panuku’s initiatives are exposed to market uncertainties, including property market fluctuations, high net inward migration, availability of land for development, and the regulatory environment.
- Aligning our objectives with those of key stakeholders who contribute to development outcomes, such as private sector development partners and the central government.
- Funding for some key projects is not included in the current long-term plan, and will need to be addressed in the Long-term Plan 2018-2028 which is currently in development.

How we performed

Panuku exceeded targets for both return on investment and occupancy rates for managed properties.

Properties are managed for Auckland Council and Auckland Transport achieves optimum net returns and are maintained to be fit for purpose

Return on Investment on like for like properties 

2017 target:	2017 actual:	2016 actual:	2015 actual:
2.2%	3.1%⁽¹⁾	2.8%	2.5%

Occupancy rate for tenantable properties 

2017 target:	2017 actual:	2016 actual:	2015 actual:
95%	98%	98%	98%

Note

- 1 The increase in ROI is mainly due to an overall increase in earnings.

Waterfront development

What we do

- Waterfront public initiatives
- Waterfront commercial initiatives
- Waterfront marina operations

Effects on the community

In the current year, our waterfront development activities have resulted in:

- attracting new investments to the area that will bring future economic benefits
- a more connected and attractive waterfront
- increasing the stock of secure, healthy homes available
- better engagement and collaboration with mana whenua.

Evidence of these positive effects on the community can be found in the sections below.

Large urban redevelopment projects may have a range of negative effects, including noise and travel disruption, and environmental damage. We are committed to minimising the detrimental effects of redevelopment in line with legislative requirements and best practice.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income	56	55
Operating expenditure	49	45
Surplus / (deficit)	7	10
Capital expenditure ⁽²⁾	17	35

Note

- 1 Capital expenditure is below budget due to delays driven by resource consent issues

* See page 111 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our waterfront development activities.

- The Water Edge symposium hosted by Panuku in November 2016 brought together waterfront development leaders from 16

international cities to exchange knowledge and strengthen the growing network of informed and connected industry leaders.

- The waterfront hosted a range of public events over summer. Around 200,000 people visited Silo Park for the weekly outdoor movies, markets and music. Auckland Anniversary Weekend saw approximately 100,000 people visit Wynyard Quarter and 60,000 people took part in activities on Queens Wharf.
- Pakenham and Halsey streets in Wynyard Quarter re-opened after a pedestrian- and cycle-friendly transformation that includes street furniture, paving and planting. The Mason Brothers building on Pakenham Street, a former industrial warehouse, was also redeveloped into a three-level office space that retains the building's heritage value.
- At the Royal Institute of Chartered Surveyors awards, the Westhaven Marina team won Facilities Management Team of the Year, and Waterfront Development Manager Anna Wallace won Construction Professional of the Year.
- Planning has started for stage two of the Westhaven Promenade.

Challenges


- Due to the long-term nature of development projects, Panuku's initiatives are exposed to market uncertainties, including property market fluctuations, high net inward migration, availability of land for development and the regulatory environment.
- The waterfront sites have ground contamination that requires remediation at significant cost. The development of these sites will be determined by the outcome of negotiation with potential development partners.

How we performed


The success of our waterfront redevelopment activities is reflected in the number of annual visitors and their high level of satisfaction. Satisfaction with Westhaven Marina's operations is also high.

We continued to provide financial and cultural value for Aucklanders, including above-target return on equity of commercial assets, and 48 significant Māori initiatives including events for Matariki 2016.


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

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
75%	93% ⁽¹⁾	93%	New


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
73%	73%	74%	New

Number of significant Māori initiatives implemented per annum 


2017 target:	2017 actual:	2016 actual:	2015 actual:
47	48	50	New

Enhance and manage assets and services in a way that attracts private investment and optimises financial returns for the benefit of Auckland Council

Return on Equity on commercial assets and services 

2017 target:	2017 actual:	2016 actual:	2015 actual:
8.4%	12.7% ⁽²⁾	13.5%	New

Provide a safe marina environment and world-class facilities

Percentage of customers surveyed satisfied overall with marina facilities and services 

2017 target:	2017 actual:	2016 actual:	2015 actual:
74%	93%	89%	74%

of the waterfront's public spaces.

2 The ROE is driven by an increase in earnings of around 20 per cent, which is at a rate faster than the increase in capital value of the commercial properties. The target was set at 8.4 per cent because over time Panuku will sell the lessee's interest in development/commercial sites which will result in a lower ROE.

Note
 1 This target was set with the expectation that construction at Wynyard Quarter would cause disruption for visitors. However, this did not affect visitor satisfaction, reflecting the quality

Funding impact statement – Regional planning

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		87	87	99
Targeted rates		21	22	21
Subsidies and grants for operating purposes		1	-	-
Fees and charges		1	1	1
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1	3	1	1
Total operating funding		113	111	122
Applications of operating funding:				
Payment to staff and suppliers	2	59	63	73
Finance costs	3	11	14	14
Internal charges and overheads applied ¹		18	18	19
Other operating funding applications		-	-	-
Total applications of operating funding		88	95	106
Surplus (deficit) of operating funding		25	16	16
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	(13)	4	(2)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		(13)	4	(2)
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		7	8	5
- to improve the level of service		5	11	8
- to replace existing assets		-	1	1
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	5	12	20	14
Surplus (deficit) of capital funding		(25)	(16)	(16)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Local authorities fuel tax, fines, infringement fees and other receipts are above budget due to government grants for healthy Homes, Maori and Pasifika Trades Training which were not budgeted.
- Payment to staff and suppliers is below budget due to vacancies in Auckland plan strategy and research team, project delays and part deferral of Auckland Plan Refresh project to FY18.
- Finance cost is below budget due to lower average actual interest rates, combined with lower debt levels in comparison to the long-term plan.
- Decrease in debt is higher than anticipated due to capital expenditure being below budget which resulted in lower capital funding requirement.
- Capital expenditure is below budget due to delays in implementation of city centre projects due to changes in scope including the restoration of VOS heritage boat yard in Wynyard Quarter. In addition, the budget under heritage cultural building fund was not used, since no projects qualified for funding this year.

¹ Internal charges are allocated based on the long-term plan budget

Funding impact statement – Property development

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		(4)	(4)	(6)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		1	-	1
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1	26	37	40
Total operating funding		23	33	35
Applications of operating funding:				
Payment to staff and suppliers	2	10	19	19
Finance costs		3	4	3
Internal charges and overheads applied ²		3	3	4
Other operating funding applications		-	-	-
Total applications of operating funding		16	26	26
Surplus (deficit) of operating funding		7	7	9
Sources of capital funding:				
Subsidies and grants for capital expenditure	3	-	25	14
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	(36)	(34)	(29)
Gross proceeds from sale of assets	5	77	51	50
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		41	42	35
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		9	16	16
- to improve the level of service		33	26	20
- to replace existing assets		6	7	8
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		48	49	44
Surplus (deficit) of capital funding		(7)	(7)	(9)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Local authorities fuel tax, fines, infringement fees and other receipts are below budget as the rental revenue budgeted relates to Auckland Transport properties and actuals reported under the Roads and Footpaths group of activities.
- Payment to staff and suppliers is below budget due to:
 - underspend in development investigatory fund
 - deferral of repairs and maintenance for Papatōetoe Railway park-and-ride to next financial year;
 - underspend in occupancy costs and relocation costs due to uncertainty of the future accommodation requirements
 - underspend in repairs and maintenance due to lower than expected responsive repairs required.
- No subsidies and grants for capital expenditure was recognised as the budgeted subsidy in the long-term plan relates to the gross proceeds from the sale of Hobsonville, Papatōetoe and Ormiston redevelopment projects (see number 5).
- Decrease in debt is higher than anticipated mainly due to capital expenditure being below budget which has resulted in lower capital funding requirement.
- Gross proceeds from sale of assets are above budget as the budget for the sale of some properties is classified under subsidies and grants for capital expenditure (see number 3).

² Internal charges are allocated based on the long-term plan budget

Funding impact statement – Waterfront development

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		21	21	19
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1	4	29	29
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	31	5	4
Total operating funding		56	55	52
Applications of operating funding:				
Payment to staff and suppliers	3	39	32	31
Finance costs	4	10	13	11
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		49	45	42
Surplus (deficit) of operating funding		7	10	10
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		2	3	2
Increase (decrease) in debt	5	8	22	47
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		10	25	49
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		6	22	44
- to improve the level of service		8	11	10
- to replace existing assets		3	2	5
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	6	17	35	59
Surplus (deficit) of capital funding		(7)	(10)	(10)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Fees and charges are below budget due to the actuals recorded under local authorities' fuel tax, fines, infringement fees and other receipts.
- Local authorities fuel tax, fines, infringement fees and other receipts are above budget due to the budget set under fees and charges.
- Payment to staff and suppliers is above budget mainly due to additional staff employed to deal with increased workload and unscheduled repairs and maintenance costs.
- Finance cost is below budget due to lower average actual interest rates, combined with lower debt levels in comparison to long-term plan.
- Debt has increased less than anticipated due to capital expenditure being below budget which has resulted in a lower funding requirement.
- Capital expenditure is below budget mainly due to delays in the following capital projects:
 - Marina development projects awaiting finalisation of negotiations with the iwi and development partners will be deferred to FY18
 - Superyacht refit and commissioning facility with the possibility of the America's Cup being located in Wynyard Quarter
 - Westhaven Marine Village construction is now deferred to FY18 as the design work is still being done.

NGĀ PAPA ĀTEA, ME TE ĀHUA NOHOANGA Ā HAPORI

Parks, community and lifestyle



Waikumete Cemetery

Introduction

Auckland Council helps to make Auckland a vibrant, interesting place to live by providing a range of facilities, services and events that create and enhance opportunities for people to take part in sports, arts, culture, recreation and leisure experiences.

Within this theme we deliver:

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

Our budget to deliver these activities includes \$570 million for operating expenditure and \$254 million for capital expenditure.

We manage related assets including 55 libraries, 159 community halls/centres, 1412 housing units for eligible older people, 55 cemeteries, 31 regional parks, around 4000 local parks, 230 sports parks, 14 ancestral mountains (co-governed with the Tāmaki Collective as part of the Maunga Authority), 43 recreational and aquatic facilities, and 449 art facilities.

The activities in this theme contribute to the following community outcomes



A fair, safe and healthy Auckland

Strengthening our communities through participation, connecting with others and encouraging collaboration to bring about change in the community. Providing access to information, learning and development opportunities for all. Improving community safety. Promoting individual and community wellbeing through participation in sports and increasing levels of physical activity.



A green Auckland

Protecting our unique natural heritage and providing a network of green spaces for all to enjoy.



A culturally rich and creative Auckland

Celebrating our diverse culture, promoting participation in arts and events, and promoting inclusiveness in the community.



Te hau o te whenua, te hau o te tangata / A Māori identity that is Auckland's point of difference in the world

Empowering mana whenua to participate in natural resource management decision-making processes to realise shared aspirations and mutual outcomes.

Commentary

Regional community services

What we do

- Regional library services
- Regional arts, community and events services
- Housing for older people

Effects on the community

In the past year, regional community activities have resulted in:

- better digital services at our libraries
- improving children's reading confidence
- improving knowledge of different aspects of Māori culture
- increased awareness of our library heritage collections
- connecting with library customers in new, innovative ways
- an improved community venue bookings system
- promoting community connectedness through programmes and services.

Evidence of these positive effects on the community can be found in the sections below.

There are no significant negative effects associated with these activities.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income	76	75
Operating expenditure ⁽¹⁾	70	64
Surplus (deficit)	6	11
Capital expenditure	18	20

Note

- 1 Operating expenditure is above budget higher consultancy services

* See page 124 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our regional community services activities.

Regional library services

- Auckland Libraries' change programme, Fit for the Future, was substantially completed in 2016/2017. The programme delivers a revised operational and organisational structure for all library teams, and improves our ability to deliver budget efficiencies with no reduction in service levels.
- More than 10,000 children aged between five and 13 enrolled in Dare to Explore / Kia Māia te Whai, Auckland Libraries' summer reading programme. The programme booklet was available in te reo Māori and English.
- Matariki / Māori New Year was celebrated at libraries with events under the theme 'He haerenga ki te ao Māori – A journey into the Māori world'. A highlight was the Panui Tūrama Matariki Light Show which was projected on the Central Library for two nights and accompanied by fire poi, dance, kapa haka and puppetry.
- Te Wiki o Te Reo Māori / Māori Language Week saw inspiring events and activities take place at libraries across Auckland to promote Te reo Māori and encourage its everyday use.
- Auckland Libraries Talanoa – Pacific Services Strategy was launched. This strategy aims to ensure that customer services value learning and leisure for Pacific peoples, and preserve and provide access to Pacific stories and culture.
- We delivered a diverse range of regional programmes aligned with events such as Samoan, Tongan, Tuvaluan, Fijian, Niuean and Tokelauan language weeks, Comic Book Month, Diwali, Pride Festival, Waitangi Day, Pasifika, New Zealand Music Month, Heritage Festival, Family History Month, Auckland Anniversary and Lunar New Year.
- We Love Feedback, our newly launched real-time customer feedback programme, received over 100,000 pieces of feedback that are being used to improve the customer experience.
- We continued our comprehensive digitisation programme, adding more than

12,000 pages of manuscripts to our online collection. This includes approximately 4000 pages of Māori manuscripts, and over 2500 pages converted to text to make the content searchable and accessible by screen-reader technology.

- Donations to our heritage collection included:
 - the Hurley-Walker Donation (MS 321), a collection of rare books, diaries, photographs and watercolours dating from the 17th century onwards
 - the New Zealand Herald Glass Plate Collection of over 15,000 glass plate and acetate negatives dating from the 1920s to the 1960s
 - the Vernon H. Clarke collection of sports team photographs dating from the 1950s to the 1970s
 - a journal from the 1790s written by William Gregory, who was part of the second attempted missionary voyage to the Pacific
 - an album of 100 black-and-white prints recording the visit by members of the New Zealand Legislature to the Pacific islands in 1903.
- Auckland Libraries made a successful application to the Lottery Grants Board through the Auckland Library Heritage Trust, to fund the arrangement and description of papers by writer and politician John A. Lee in preparation for digitisation and a proposal for the collection to be added to the New Zealand Memory of the World register.

Regional arts, community and events services

- Waitangi Day celebrations held across Auckland were well attended, including the Waitangi Day Family Celebrations at Hayman Park in Manukau, Waitangi Day at Hoani Waititi Marae, and the Ngāti Whātua Ōrākei Waitangi Day celebration at Okahu Bay.
- Youth Connections, in partnership with The Tindall Foundation, hosted two JobFest youth jobseeker events in September and May. Their online platform, youthfull.co.nz, was launched at the May event. YouthFull is a place where young people can apply for jobs and access online courses to help get them job-ready. On the day, over 2750

people engaged with YouthFull, with 296 applying for jobs.

- We supported the delivery of 80 Anzac Day services and parades in Auckland, with 41,000 people attending the dawn parade at Auckland Domain.
- We held 46 Movies and Music in Parks events which attracted a record 86,000 attendees.
- Nine new pieces of public art were delivered across Auckland, including Michael Parekowhai's *The Lighthouse* which was installed on Queens Wharf.

Housing for older people

The council has entered into an agreement with Haumarau Housing Limited Partnership (Haumarau), effective 1 July 2017, where Haumarau will manage the council's Housing for Older People (HfOP) portfolio in accordance with the property management and tenancy management requirements referred to in the agreement. Haumarau, on behalf of the council will provide rental services to older tenants and manage improvements and renewals to the HfOP portfolio.

Challenges

Libraries

- Improving the digital literacy and connectedness of Aucklanders, especially where communities are most impacted by services moving online.
- Deliver more digital services faster to respond to a rapidly changing information landscape.
- Integration of Māori outcomes into all parts of library services and structures.
- Whakatipu i te reo Māori – increasing the use and visibility of te reo Māori.

Regional arts, community and events services

- Ensuring we provide grants to applicants for activities that are community-aligned and fit-for-purpose.
- Identifying community groups able to deliver events and programmes that meet the needs of increasingly diverse communities and align with council priorities.
- Working across the council to further implement our vision to create empowered communities where individuals, whānau and

communities have the means to influence decisions, take action and make change happen in their lives.

Housing for Older People

Ensuring we maintain confidence with our these tenants as we transition the service to the Haumaru partnership.

How we performed

Regional library services

We substantially met our level of service, achieving five out of six performance measure targets.

Customers have embraced the new digital services, with e-collection items making up 11 per cent of all items borrowed. Overall, customers are satisfied with the range of items available in the collections and borrowed over 15 million library items.

Customer satisfaction with the Auckland Libraries website increased from last year, partly as a result of a new search service and more e-collection items. However, customers complained about navigation, and the site was not mobile friendly. These factors might have affected the number of website visits which were under target. The launch of the new libraries website in September 2017 will address these issues and improve customer experience.

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

Percentage of customers satisfied with the range of collection items available



2017 target:	2017 actual:	2016 actual:	2015 actual:
71%	74%	74%	New

Percentage of Māori satisfied with the range of collection items available



2017 target:	2017 actual:	2016 actual:	2015 actual:
71%	71%	72%	New

Number of library items borrowed (millions)



2017 target:	2017 actual:	2016 actual:	2015 actual:
15.0	15.3	15.7	15.8

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



2017 target:	2017 actual:	2016 actual:	2015 actual:
10%	11%	9%	8%

Percentage of customers satisfied with the Auckland Libraries website



2017 target:	2017 actual:	2016 actual:	2015 actual:
75%	78%	74%	New

Number of visits to the Auckland Libraries website (millions)



2017 target:	2017 actual:	2016 actual:	2015 actual:
7.2	6.7⁽¹⁾	7.1	New

Note

1 The website can't meet the changing needs of our customers which include greater demand for e-books and research resources. A new website will be launched in September 2017.

Regional arts, community and events services

The Community Grants Policy incorporates the principle of valuing te Ao Māori / the Māori world and supports the delivery of outcomes contributing to Māori wellbeing. Our measure doesn't reflect grants made to non-Māori organisations that aim to improve Māori outcomes. Our results show we still have work to do to engage and promote funding opportunities to both Māori and other organisations delivering Māori outcomes.


Last year, we relaxed event permit requirements, and have continued this approach. This is a positive outcome for event organisers, but means we haven't met the target set prior to the change in requirements.

We made progress on Aucklanders' perceptions of Auckland as an eventful, fun and exciting city, and art and culture being part of everyday life. We aim to further improve results through our influence on arts and community


programmes, events, safety initiatives and other community activities.

A highlight is again exceeding the target for graffiti-free assets, reflecting our contractors' proactive approach to graffiti removal.

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


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
12%	4.5% ⁽¹⁾	5%	New


Total permitted events taking place across the city 

2017 target:	2017 actual:	2016 actual:	2015 actual:
2500	1,610 ⁽²⁾	1689	2078


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

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
93%	94% ⁽³⁾	94%	92%

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
70%	59% ⁽⁴⁾	54%	New

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
65%	42% ⁽⁵⁾	39%	New

Note

1 The total number of successful applications including non-Māori organisations was 1292. This year we received 82 applications from individuals and organisations identifying

themselves as Māori of which 58 obtained funding – a success rate of 71 per cent, compared to the overall success rate of 66 per cent. The reporting of this measure is based on applicants' status, not the main beneficiary. While we ask relevant applicants to provide information on how the funding will be used, we rely heavily on each applicant's representation.

- 2 Last year, we relaxed permitting requirements, so that permits are only required where there is a clear reason and benefit. This reduces administrative cost and effort for event organisers, but means the number of permitted events is lower than the target which was set prior to the changes. This year's result is slightly lower than last year, reflecting the continuation of this approach.
- 3 The most significant improvements contributing to this result were in Waitemata (seven per cent increase) Hibiscus and Bays and Manurewa (both a two per cent increase). Scores are based on an environmental cleanliness standard (NI195) that grades visible graffiti in various locations.
- 4 While feedback reflects satisfaction with the variety and content of events and activities, the result was negatively affected by perceived access issues to events and activities due to transport options, parking and traffic.
- 5 The result is higher than last year and 42 per cent of respondents feel arts and culture is part of everyday life, 32 per cent are neutral or don't know, and 26 per cent disagree. We will focus on delivering arts and culture initiatives that meet the needs of Auckland's diverse and growing population. This includes a more integrated approach across the council to build audiences and interactions, and working closely with the community.

Housing for Older People

We didn't meet our satisfaction target for Housing for Older People (HfOP). Haumaru, which now operates the HfOP portfolio, is a registered Community Housing Provider, enabling it to access the government's Income Related Rent Subsidies scheme. This will provide valuable funding to help further improve the services for tenants which we expect to improve satisfaction over time.

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

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



2017 target:	2017 actual:	2016 actual:	2015 actual:
72%	62%⁽¹⁾	64%	64%

Note

1 Performance is consistent with previous years, but the target has not been reached. The new partnership-based operating model is expected to improve satisfaction with services.

Local community services

This group of activities covers local library services, community facilities, local arts and culture, local events, and community development and safety.

The service performance information and funding impact statement are available under Local community services on pages 27 to 32 of volume 2.

Regional parks, sport and recreation

What we do

- Regional parks and botanical gardens
- Tūpuna Maunga (ancestral mountains)
- Cemeteries and crematoria
- Sport and recreation facilities and initiatives

Effects on the community

In the past year, regional parks, sport and recreation activities have resulted in:

- provision of quality open spaces that meet community needs and provide a range of recreational activities
- increased co-operation with mana whenua to improve understanding and awareness of Auckland's Tūpuna Maunga
- an increase in the number of native species in botanical gardens, enhancing recreational value, education and contribution to conservation
- increased engagement with community stakeholders and volunteers.

Evidence of these positive effects on the community can be found in the sections below.

Wherever there is recreational activity there is always potential for noise. The unitary plan zones open space for land for different uses including organised recreation such as sport, but has rules and regulations to control the extent of these activities to minimise any negative effects.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income	117	118
Operating expenditure ⁽¹⁾	119	99
Surplus (deficit)	(2)	19
Capital expenditure	67	71

Note

1 Operating expenditure is above budget due to new management positions created from the new business structure

* See page 125 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our regional parks, sport and recreation activities.

Regional parks and botanical gardens

- We reintroduced bird species in regional parks including:
 - 20 little spotted kiwi and North Island robin (toutouwai) at Shakespear Regional Park
 - additional takahē at Tawharanui Regional Park
 - six brown kiwi at Hunua Ranges Regional Park.

These programmes were led and supported by mana whenua and community. Partners included Tawharanui Open Sanctuary Society, Shakespear Open Sanctuary Society and the Department of Conservation.

- Green Flag Awards were awarded to six regional parks in recognition of the highest standards of park management in terms of community involvement, public safety, maintenance and sustainability.

- A range of events was held in regional parks, including Ambury Farm Day, which attracted over 8000 visitors, and Splore music festival in Tapapakanga Regional Park.
- Highlights for Auckland Botanic Gardens included:
 - receiving a silver Be Accessible award in recognition of ongoing accessibility improvements such as upgrades to pathways and toilets, clear signage, and the addition of visitor information in six languages on the gardens' website
 - events such as Dinosaurs in the Gardens, which attracted more than 70,000 visitors, and Eye on Nature environmental education event in partnership with Manukau Beautification Trust
 - improvements such as refreshing and extending rose garden areas, and introducing 17 new native plant species.

Tūpuna Maunga (ancestral mountains)

- The Tūpuna Maunga Authority Operational Plan 2017-2018 was developed. The Tūpuna Maunga Authority resolved to:
 - progressively remove routine vehicle access to the tihi (summit) of Maungakiekie / One Tree Hill, Maungarei / Mt Wellington, Ōwairaka / Mt Albert, Puketāpapa / Mt Roskill and Takarunga / Mt Victoria. This change has already been successfully implemented at Maungawhau / Mt Eden, which protects the values of the maunga as significant and ancestral place and provide safe car-free areas
 - standardise speed limits on the Tūpuna Maunga and formalised car parking requirements.

Cemeteries and crematoria

- Just under 300 plots of a natural burial area were opened in Waikumete Cemetery allowing for the internment that doesn't inhibit decomposition and allows the body to recycle naturally.
- Development started on the final 11.5ha of land at North Shore Memorial Park to increase future capacity.

- ISO 9000 quality management accreditation was achieved and implemented across cemetery operations.

Sport and recreation facilities and initiatives

- Using a partnership approach, the council continued to leverage external funding while drawing on community networks and sector expertise to achieve outcomes, including:
 - completion of five facility partnership projects with council investment of approximately \$1.3 million and a total project value of \$6.2 million. For example, the Mount Wellington Tennis Club will upgrade their tennis courts, including re-marking the courts for tennis, futsal, volleyball, pop tennis, hockey, and a basketball half-court.
 - development of seven multi-sport partnerships across Auckland to encourage greater collaboration and efficiency between sport and community groups in the same area
 - delivery of Spark Borough basketball courts in Albany, Avondale, Glen Innes and Victoria Park in the central city.
- Grants funding of \$175,000 was made across six organisations under the Regional Sport and Recreation Grants Programme.
- The Sport and Recreation Community Access Scheme guidelines were approved after consultation with local boards and the sport and recreation sector. The scheme leverages access to non-council facilities to support increased sport and recreation participation and reduce inequities of access.
- We collaborated with the Ministry of Education, Sport New Zealand and Aktive to improve access to sport and recreation facilities by fostering opportunities for investment, and greater sharing of school and community assets. A stocktake of 101 Auckland secondary schools showed 74 per cent provide community access to at least one type of sport facility on their school, and 85 per cent of secondary schools access council-owned, club or private sport facilities to support their school sport programme.
- Twenty-one Local Board Sport and Recreation State of Play reports were completed to provide insights from each local

board area that will inform and enhance decision-making.

Challenges

- A storm in February caused severe damage to some southern regional park infrastructure such as roads, bridges, tracks and fences. While repairs have been made to some areas, others will need to be redesigned and rebuilt.
- Parking space remains a major challenge for Auckland Botanic Gardens, with the main car park too small to meet demand most weekends and some weekdays. Improvements to overflow parking are planned for early summer 2017.
- Development of strategies and plans for each Tūpuna Maunga has not progressed as quickly as anticipated. This is due to work programme complexities and the need to develop a robust model for working with the 13 mana whenua as owners of the Tūpuna Maunga. Significant progress is anticipated during 2017/2018.
- Population growth and increasing diversity are driving changes and growth in the demand for sport and recreation facilities.
- A constrained funding environment is affecting investment in maintaining the capacity of sport and recreation facilities.
- Burial space remains limited at North Shore Memorial Park and Waikumete Cemetery. Development of the final 11.5ha of burial space has begun at North and will open for burial in 2019. Two new burial sections will open at Waikumete Cemetery in the coming year.

How we performed

Areas of high performance included protection and preservation of Tūpuna Maunga, and management of Auckland Botanic Gardens as a premier destination.


Mixed results were achieved for management of regional parks for the use and enjoyment of the community, enhancement of natural and cultural features in regional parks, and raising awareness about the significance of Tūpuna Maunga.

The cemeteries provision and maintenance target was not achieved, although performance did improve, driven by increased customer satisfaction with Waikumete Cemetery and Manukau Memorial Gardens, two of the largest cemeteries.

The Sport and Recreation Strategic Action Plan continues to be rolled out successfully, although targeted improvements in sport participation are not yet being achieved. Participation results are affected by a wide range of social factors, and positive outcomes from the action plan may take time to be realised.


City Parks Services is a council-owned and -operated business unit providing maintenance services across some areas in Auckland. This year service request turnarounds were below target for this business.

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

Percentage of visitors satisfied with the presentation of cemeteries 


2017 target:	2017 actual:	2016 actual:	2015 actual:
81%	75% ⁽¹⁾	69%	New

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


Number of key sites of significance on Tūpuna Maunga with mitigation measures to improve or maintain their condition⁽²⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
20	33 ⁽³⁾	17	New

Promote and increase awareness of the residents and visitors to Auckland as to the uniqueness, value and importance of the Tūpuna Maunga


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
75%	21% ⁽⁴⁾	17%	New

Number of activities that mana whenua are engaged in on Tūpuna Maunga⁽⁵⁾ 


2017 target:	2017 actual:	2016 actual:	2015 actual:
5	17 ⁽⁶⁾	25	New

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


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
60,000	60,955	63,847	60,659

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


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
76%	72% ⁽⁷⁾	73%	77%


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
96%	96%	96%	97%


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

Number of volunteer hours worked in regional parks each year 

2017 target:	2017 actual:	2016 actual:	2015 actual:
80,000	84,860	88,343	90,080


Number of formalised arrangements with Māori (per annum) that provide for the management of specific cultural sites within regional parks⁽⁸⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
3	4 ⁽⁹⁾	4	New

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


2017 target:	2017 actual:	2016 actual:	2015 actual:
10/19	1/19 ⁽¹⁰⁾	0/19	New

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

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
72%	68% ⁽¹¹⁾	71%	75%

Manage quality and financially prudent City Park Services

Percentage of City Park Service requests completed on time⁽¹²⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
90%	89% ⁽¹³⁾	90%	94%

Note

- 1 While still below target, satisfaction has improved from last year. Staff have worked to address presentation issues and antisocial behaviour at Manukau Memorial Gardens. Improvements include opening multiple burial areas that operate concurrently to improve the presentation of burial areas. At Waikumete Cemetery we focused on improving public understanding of the wildflower sanctuary and its lifecycle. Burial space remains limited at Waikumete and at North Shore Memorial Park. Development of burial space in these cemeteries over the next two years will help staff manage burial activity and improve appearance over the winter months.
- 2 Key sites of significance are defined as sites and places of spiritual, ancestral, cultural, customary and historical significance to mana whenua. These sites are identified as being wāhi tapu through the research of iwi groups, archaeological surveys and ecological surveys. The craters and tihī (summits) are recognised as key sites of significance in all cases.
- 3 Mitigation measures include:
 - vegetation assessments completed on nine maunga to enable planning and progressive removal of weeds and exotic trees
 - removal of hawthorn from Ōhinerau / Mt Hobson
 - fire protection on six maunga
 - biannual ecological weed control on 12 maunga
 - rabbit and possum control on five maunga.
- 4 Steps have been taken to promote and increase awareness of the uniqueness, value

- and importance of the Tūpuna Maunga, including vehicle restrictions on Maungawhau / Mount Eden, and the well-publicised tree planting on Maungakiekie / One Tree Hill.
- 5 The term 'engaged' is defined as where the chair of the Maunga Authority and 13 mana whenua are made aware of the event and all have the opportunity to provide input.
 - 6 Mana whenua were engaged in 17 event applications over the year. All applications were supported and feedback incorporated into the event conditions.
 - 7 This result is on a par with results from the last two years. The in-progress refresh of the council website is expected to provide a clearer focus for parks. An integrated communications strategy for parks is focused on raising awareness of the values and experiences afforded by parks.
 - 8 The term 'formalised arrangements' is defined as arrangements substantially agreed by two or more parties which could reasonably be relied on by parties external to the council. Whatever form of documentation the formal agreement results in, it must be clearly communicated and agreed what the agreement is about, who the parties to the agreement are, and what they have committed to do.
 - 9 Arrangements include:
 - a co-management agreement in Mutukaroa Regional Park
 - an agreement with Tainui and Ngaati Whanaunga in Waharau Regional Park
 - a maintenance contract to ensure carved pou whenua (land posts) are maintained in the Waitākere Ranges
 - a permit to ensure mana whenua input in management aspects of the open bird sanctuary in Tawharanui Regional Park.
 - 10 We received responses from 11 mana whenua. Half of those not satisfied felt neutral (neither satisfied, nor dissatisfied), and half felt dissatisfied. Reasons for dissatisfaction included a desire for earlier and more direct involvement in decision-making; the high frequency of council requests, including similar requests from different areas of council; and perceived inconsistency in the quality of engagement and availability of staff to work with mana whenua.
 - 11 We have several initiatives to increase participation in sport and recreation. Focus areas include targeting diverse and low-participation population groups, building capacity of delivery partners, facility improvement and development, and increasing equity of community access to facilities. These initiatives align with the Auckland Sport and Recreation Strategic Action Plan. However, it will take time to deliver improved participation outcomes.
 - 12 City Parks Services is a council-owned and -operated business unit providing maintenance

services across some areas in Auckland.

- 13 The slightly below-target result was influenced by factors including transition to a new contract, an internal restructure and the development and implementation of new IT systems. Resulting changes will help to improve service delivery rates.

Local parks, sport and recreation

This group of activities covers local parks and open spaces, and local recreation facilities and initiatives.

The service performance information and funding impact statement for this group of activities are available under Local parks, sport and recreation on pages 22 to 26 of volume 2.

Funding impact statement – Regional community services

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		62	62	53
Targeted rates		-	-	-
Subsidies and grants for operating purposes		3	2	2
Fees and charges		3	4	4
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		8	7	7
Total operating funding		76	75	66
Applications of operating funding:				
Payment to staff and suppliers	1	57	51	50
Finance costs		2	2	2
Internal charges and overheads applied ¹		11	11	10
Other operating funding applications		-	-	-
Total applications of operating funding		70	64	62
Surplus (deficit) of operating funding		6	11	4
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1	1	1
Increase (decrease) in debt	2	11	8	23
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		12	9	24
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		2	2	2
- to improve the level of service		-	-	-
- to replace existing assets		16	18	26
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	3	18	20	28
Surplus (deficit) of capital funding		(6)	(11)	(4)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- 1 Payment to staff and suppliers is above budget mainly due to:
 - o unbudgeted redundancy cost arising from Strengthening our Delivery Structure project
 - o additional temporary staff and professional services to support Project 17 (procurement process for facilities management and maintenance contract)
 - o uplift in maintenance costs relating to close out of existing contracts
- 2 Debt has increased more than anticipated due to capital expenditure being above budget, which has resulted in a higher funding requirement.
- 3 Capital expenditure is below budget mainly due to delays in acquiring library book collections driven by change in process and delays in implementing library technology driven by change of scope. In addition, payment kiosks were de-scoped from public computing project due to security concerns.

¹Internal charges are allocated based on the long term plan budget

Funding impact statement – Regional parks, sport and recreation

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		96	96	98
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	1	-
Fees and charges	1	16	14	14
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	5	7	7
Total operating funding		117	118	119
Applications of operating funding:				
Payment to staff and suppliers	3	85	69	71
Finance costs	4	14	10	11
Internal charges and overheads applied ²		20	20	20
Other operating funding applications		-	-	-
Total applications of operating funding		119	99	102
Surplus (deficit) of operating funding		(2)	19	17
Sources of capital funding:				
Subsidies and grants for capital expenditure		1	-	-
Development and financial contributions	5	54	63	49
Increase (decrease) in debt	6	14	(25)	(22)
Gross proceeds from sale of assets	7	-	14	19
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		69	52	46
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		49	41	46
- to improve the level of service		5	15	3
- to replace existing assets		13	15	14
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	8	67	71	63
Surplus (deficit) of capital funding		2	(19)	(17)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

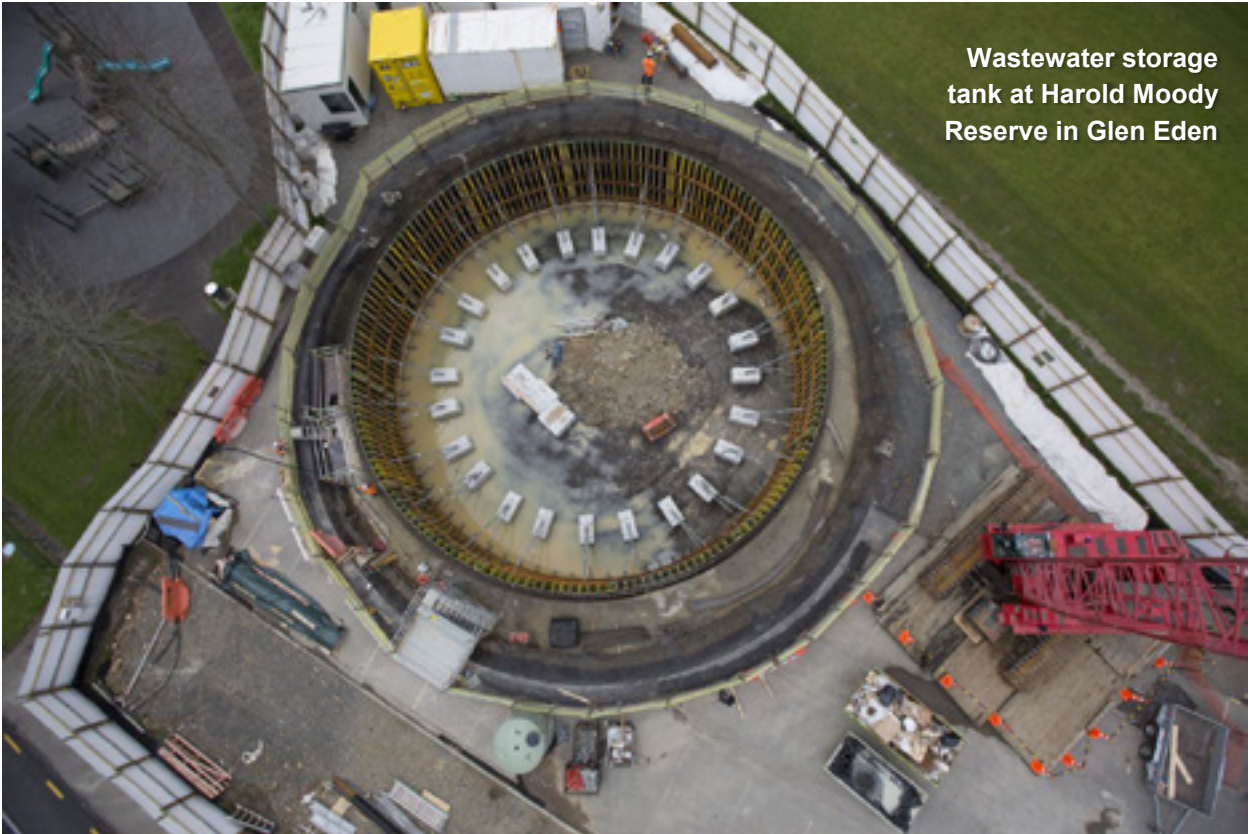
- 1 Fees and charges are above budget due to longer summer period, delivering higher user charges and hireage revenue.
- 2 Local authorities fuel tax, fines, infringement fees and other receipts are below budget mainly due to reduced external revenue driven by delay in execution of City Parks contracts.
- 3 Payment to staff and suppliers is above budget due to:
 - o new management positions and new business structure set-up costs for expanding, realigning and resizing the business for future opportunities which were not budgeted for
 - o extra sub-contracting costs which were not budgeted for
 - o additional repairs and maintenance costs related to aging fleet.
- 4 Finance cost is higher due to the higher funding requirement to cover higher operating expenses.
- 5 Development and financial contributions is below budget due to a higher estimate of population growth for the basis of the long-term plan when completed in 2015, than the actual that materialised.

² Internal charges are allocated based on the LTP budget

- 6 Debt has increased more than anticipated due to capital expenditure being above budget, which has resulted in a higher funding requirement.
- 7 The gross proceeds from sale of assets budgeted for in the long-term plan pertains to the sale of the Colin Maiden land surplus which did not occur in FY17, as the public notification through the Local Government Act (Waiatarua Reserve strip) and the reserves Act (Merton Road Reserve) is still in progress.
- 8 Capital expenditure is below budget due to delays in parks land acquisition in relation to Social Housing Areas, and underspend in regional cemeteries and crematoria.

TE WHAKAPUTUNGA WAI, TE RĀWEKEWEKE ME TE WHAKAREINGA WAIPARA

Water supply and wastewater treatment and disposal



Wastewater storage
tank at Harold Moody
Reserve in Glen Eden

Introduction

The activities within this theme are delivered by Watercare, the council-controlled organisation responsible for reliably delivering safe, clean drinking water to Aucklanders, and collecting, treating to a high standard and discharging wastewater to receiving environments. Every day, Watercare supplies around 354 million litres of drinking water and treats around 392 million litres of wastewater and trade waste.

Within this theme we deliver:

- water supply
- wastewater treatment and disposal.

Our budget to deliver the activities in this theme includes \$532 million for operating expenditure and \$326 million for capital expenditure.

Watercare is not funded by general rates, but by water and wastewater user charges, infrastructure growth charges and borrowing.

We manage and maintain a number of assets related to water and wastewater, including:

- 27 sources of water
- 15 water treatment plants
- 89 water reservoirs
- 9096km of water pipes
- 7999km of wastewater pipes
- 518 wastewater pump stations
- 18 wastewater treatment plants
- 16,119ha of catchment.

The activities in this theme contribute to the following community outcomes



A fair, safe and healthy Auckland

Watercare is facilitating this outcome by providing Aucklanders with reliable, safe and efficient water and wastewater services. By treating wastewater to a high standard and responding promptly to overflows, the company is actively protecting the health of Aucklanders and the environment.



A green Auckland

Through its Be Waterwise programme, education programme and sponsorship of environmental initiatives such as the Watercare Harbour Clean-up Trust and Trees for Survival, Watercare is promoting water-efficient behaviours and the protection of Auckland's waterways.

Commentary

Water supply

What we do

We provide safe, reliable and efficient water supply services to Auckland.

Effects on the community

In the past year, our water supply activities have resulted in:

- improved quality and reliability of water supplied to our communities
- increased security of water supply
- upgraded infrastructure to cater for population growth.

Evidence of these positive effects on the community can be found in the sections below.

There are some negative effects arising from these activities.

We need to carefully manage the operation of our water supply system to minimise impact on the environment. Dams and associated water discharges can have downstream impacts on flora and fauna ecosystems. Our dams release compensation flows to sustain the downstream environment, and we enable fish and eels to travel up and downstream of the dams through our trap and haul operation.

We deliver large-scale infrastructure projects to benefit all of Auckland, maintaining and improving service levels and catering for population growth. Service disruption during network upgrades and new construction can have economic, social and environmental effects. Disruption from water main construction works is mitigated by working collaboratively with service providers, informing the public of disruptions prior to work starting, and ensuring all areas are reinstated to original condition.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income ⁽¹⁾	218	202
Operating expenditure	92	97
Surplus (deficit)	126	105
Capital expenditure ⁽²⁾	107	214

Note

- 1 Operating income is above budget due to increase in infrastructure growth charge income
- 2 Capital expenditure is lower than budget due to delays and deferrals

* See page 134 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our water supply activities.

We delivered 360 million litres of high-quality drinking water every day to Aucklanders.

We continued to invest in and upgrade our water treatment and supply infrastructure to maintain the level of service and cater for future growth. This included the following highlights.

- The Waikato Water Treatment Plant expansion is increasing the capacity of the existing treatment plant to cater for additional demand arising from growth. A new sand separation system has been installed to remove the sand suspended in the water abstracted from the Waikato River. Removal of sand will improve the operation and reliability of the clarification processes. Sand separators have been commissioned and performance testing began. Two additional membrane trains, an additional clarifier, and upgrades to the raw and treated water pumping systems are required as part of the capacity expansion. Construction works associated with these upgrades have begun.
- Huia Water Treatment Plant is reaching the end of its design life and we are working on a replacement to provide improved treatment processes that will maintain supply and improve levels of service. Dewatering plant and centrifuge upgrades were completed in November 2016. This work was integral to Huia being able to operate at maximum capacity during the

storms in early 2017. A contractor has been engaged to design and construct the new powdered activated carbon dosing system which will improve the resiliency of the treatment process.

- Construction of the 32km Hunua 4 watermain from Manukau to central Auckland will ensure security of water supply and cater for growth in Auckland. The Campbell Road stretch of the pipeline was brought into service in August 2016. The next section, from Campbell Road to Market Road, was tested in October 2016 and brought into service over summer. Preliminary design began on the final section of pipeline running from Newmarket to the Khyber reservoirs. It is proposed that the last section include 3km of tunnelling to minimise disruption to Khyber Pass, a major arterial road.

Challenges

- Extreme weather in early 2017 restricted the treatment capacity of Auckland’s largest water treatment plant at Hunua. Approximately 240mm of rain fell in 24 hours leading to slips in the Hunua Ranges that increased the amount of silt in our storage reservoirs. By using the full capacity of the metropolitan network, and reducing demand through a public awareness campaign, Watercare maintained supply of Aa-graded water to Auckland and avoided issuing a ‘boil water’ notice.
- Watercare’s asset management plan aligns with the council’s strategic plans with a 20-year timeframe. Our actual planning horizon extends more than 50 years due to the long life and strategic nature of our infrastructure assets. As with any long-term planning, there is always going to be some level of risk. One challenge we face is development uncertainty, where actual developments may differ from the plans in regards to location, timing, type, size and rate of development.
- Obtaining regulatory approvals also poses challenges in aligning the necessary resource consents with design and construction phases.

How we performed

We met all of the targets, set as part of the Statement of Intent, for providing safe and reliable water services.

Provide uninterrupted access to safe, clean and drinkable water

The extent to which the local authority’s drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)⁽¹⁾



2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	100% ⁽²⁾	100%	New

The extent to which the local authority’s drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)⁽¹⁾



2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	100% ⁽²⁾	100%	New

Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site⁽¹⁾



2017 target:	2017 actual:	2016 actual:	2015 actual:
≤60 minutes	41 minutes	44 minutes	New

Median response time for resolution of urgent calls-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption⁽¹⁾




2017 target:	2017 actual:	2016 actual:	2015 actual:
≤5 hours	3 hours	3.1 hours	New


Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site⁽¹⁾



2017 target:	2017 actual:	2016 actual:	2015 actual:
≤3 days	1 day	3 days	New

Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption⁽¹⁾ 


2017 target:	2017 actual:	2016 actual:	2015 actual:
≤6 days	2 days	4.3 days	New

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


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

expressed per 1000 connections to the local authority's networked reticulation system⁽¹⁾

2017 target:	2017 actual:	2016 actual:	2015 actual:
≤10	6	5.6	New

The percentage of real water loss from the local authority's networked reticulation system⁽¹⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
13%	11.9% ⁽³⁾	12.94%	New

The average consumption of drinking water per day per resident within the territorial authority district⁽¹⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
270 litres +/- 2.5%	273 litres	272.05 litres	New

Note

- LGA 2002 mandatory performance measure.
- Water treated at all of our graded treatment plants met both the Bacterial and Protozoal Compliance Criteria set by the Drinking Water Standards for New Zealand (DWSNZ). Compliance with DWSNZ is verified through a combination of continuous online analysers at various stages of the water treatment process and an extensive sampling and analysis programme by Watercare Laboratory Services. The results from this programme are independently assessed by a Ministry of Health-appointed drinking water assessor. The reported result is based on the grading achieved in November 2016, for the year

beginning 1 July 2015 and ending 30 June 2016 inclusive. The 2016/2017 result will be available after the grading in November 2017.

3 These losses are calculated by deducting water sales volumes and allowable unbilled water usage from the total volume of water produced. These allowable uses fall into three categories:

- operational usage (pipeline flushing, fire-fighting etc)
- meter under-recording
- unauthorised usage.

The volumes attributed to these three activities are calculated by using percentages recommended by Water New Zealand.

Wastewater treatment and disposal

What we do

We collect and treat wastewater to a high standard and discharge it in a sustainable way.

Effects on the community

In the past year, our wastewater treatment and disposal activities have resulted in:

- cleaner water being discharged into our waterways
- upgraded infrastructure to cater for population growth.

Evidence of these positive effects on the community can be found in the sections below.

There are some negative effects arising from these activities.

Wastewater overflowing from the wastewater network and the combined sewer network can pollute our land, waterways and beaches.

Overflows can occur when there are blockages within the wastewater system, or during wet weather when stormwater infiltrates the wastewater system through cracks or illegal connections. Within the combined network, overflows can occur when system capacity is exceeded during wet weather. To prevent this, Watercare operates a maintenance programme, with regular inspection and clearing of known blockage points, and has an emergency overflow response and clean-up procedure.

Long-term responses include interceptors planned for the central, western and northern areas, and collaboration between Watercare and the council on initiatives like the Central Auckland Network Optimisation Project.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income	344	354
Operating expenditure ⁽¹⁾	204	226
Surplus (deficit)	140	128
Capital expenditure ⁽²⁾	203	227

Note	
1	Operating expenditure is below budget due to restructure and unfilled vacancies
2	Capital expenditure is below budget due to projects being delayed due to reprioritisation, contract negotiation and finalisation of design

* See page 135 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our wastewater treatment and disposal activities.

We collected and treated 458 million litres of wastewater per day.

We also continued to upgrade our wastewater network infrastructure to maintain the level of service and cater for growth. This included the following highlights.

- Restoration of Puketutu Island using treated biosolids from the adjacent Māngere Wastewater Treatment Plant continued with construction of the embankment completed in June. The next phase of construction is estimated to be complete in September 2017. The programme has faced a slight delay due to wet weather disrupting earthworks.
- The Northern Interceptor project involves construction of a new wastewater pipeline to divert flows from Māngere Wastewater Treatment Plant to Rosedale Wastewater Treatment Plant, creating network capacity for growth in the northwest. Planning began for registration of interest for the combined projects of North Harbour Watermain (Greenhithe section) and the Northern Interceptor Phase 1: Hobsonville to Rosedale.

Challenges

- Watercare’s asset management plan aligns with the council’s strategic plans with a 20-year timeframe. Our actual planning horizon extends more than 50 years due to the long life and strategic nature of our infrastructure assets. As with any long-term planning, there is always going to be some level of risk. One challenge we face is development uncertainty, where actual developments may differ from the plans in regards to location, timing, type, size and rate of development.
- Obtaining regulatory approvals also poses challenges in aligning the necessary resource consents with design and construction phases.
- The combined stormwater and wastewater networks are a challenge in terms of capacity, particularly during wet weather when water from heavy rains drains through the combined network and causes overflows.

How we performed

We met all of the targets, set as part of the Statement of Intent, for providing safe and reliable wastewater services.

Provide reliable wastewater services and manage discharges to maintain or improve the health of the environment

The number of dry weather overflows from the territorial authority’s sewerage system, expressed per 1000 sewerage connections to that sewerage system⁽¹⁾



2017 target:	2017 actual:	2016 actual:	2015 actual:
≤10	0.4	0.45	New


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




- a) abatement notices
- b) infringement notices
- c) enforcement orders
- d) convictions

received by the territorial authority in relation to those resource consents⁽¹⁾


2017 target:	2016 actual:	2016 actual:	2015 actual:
a) ≤2	a) 0	a) 0	New
b) ≤2	b) 0	b) 0	
c) ≤2	c) 0	c) 0	
d) 0	d) 0⁽²⁾	d) 0	

Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site⁽¹⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
≤60 minutes	50 minutes	46 minutes	New

Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault⁽¹⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
≤5 hours	3 hours	2.9 hours	New

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

- a) sewerage odour
- b) sewerage system faults
- c) sewerage system blockages
- d) the territorial authority's response to issues with its sewerage system

expressed per 1000 connections to the territorial authority's sewerage system⁽¹⁾

2017 target:	2017 actual:	2016 actual:	2015 actual:
≤50	24⁽³⁾	21	New

Note

- 1 LGA 2002 mandatory performance measure.
- 2 We continued to invest in improvements to our wastewater treatment processes and infrastructure. Major upgrades are underway at Māngere, Rosedale and Pukekohe treatment plants. Further upgrades are planned for the Army Bay Wastewater Treatment Plant and wastewater servicing for the Warkworth-Snells-Algies area.
- 3 While we achieved this measure, there were more wastewater complaints compared to the previous year which can be attributed to the extreme weather.

Funding impact statement – Water supply

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		(1)	(1)	(1)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1	149	151	146
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	70	52	40
Total operating funding		218	202	185
Applications of operating funding:				
Payment to staff and suppliers		79	78	76
Finance costs	3	13	19	14
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		92	97	90
Surplus (deficit) of operating funding		126	105	95
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	(19)	109	71
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		(19)	109	71
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		59	66	71
- to improve the level of service		25	66	47
- to replace existing assets		23	82	48
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	5	107	214	166
Surplus (deficit) of capital funding		(126)	(105)	(95)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- 1 Fees and charges are below budget mainly due to lower water connection fees than planned in the long-term plan because of lower population growth than anticipated. The FY17 annual budget was revised to reflect the changes.
- 2 Local authorities fuel tax, fines, infringement fees and other receipts are above budget due to increase in infrastructure growth charge income (IGC) driven by increase in development activities.
- 3 Finance cost is below budget due to lower average actual interest rates, combined with lower debt levels in comparison to the long-term plan.
- 4 Debt has decreased more than anticipated due to capital expenditure being below budget, which has resulted in a lower funding requirement..
- 5 Capital expenditure is below budget mainly due to deferral of :
 - Huia Water Treatment Plant upgrade due to pending public consultation on site options
 - Hunua watermain No1. project as a result of review of network strategy
 - Hunua watermain Epsom to Khyber No. 4 project due to revised construction methodology.

Funding impact statement – Wastewater treatment and disposal

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		(1)	(1)	(1)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1	306	317	306
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		39	38	25
Total operating funding		344	354	330
Applications of operating funding:				
Payment to staff and suppliers	2	130	138	135
Finance costs	3	74	88	83
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		204	226	218
Surplus (deficit) of operating funding		140	128	112
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	63	99	103
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		63	99	103
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		116	138	128
- to improve the level of service		46	47	42
- to replace existing assets		41	42	45
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	5	203	227	215
Surplus (deficit) of capital funding		(140)	(128)	(112)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- 1 Fees and charges are below budget as the intercompany revenue from the Auckland Council Group was not eliminated from the budget.
- 2 Payment to staff and suppliers are below budget mainly due to reduction in external consultants and recent restructure that has resulted in delays in recruitment to fill vacancies.
- 3 Finance cost is below budget due to lower average actual interest rates, combined with lower debt levels in comparison to the long-term plan.
- 4 Increase in debt is lower than anticipated due to capital expenditure being below budget, which resulted in lower capital funding requirement.
- 5 Capital expenditure is below budget mainly due to delays in projects such as Wynyard Quarter Wastewater Pump Station, Puketutu Island Rehabilitation, Water Pipe Renewal 2017, Meter Planned Replacement 2017, Ardmore WTP Treated Water Resilience driven by project re-prioritisation, contract negotiations, finalisation of designs, and a slow start to the programme for the year.

WHANAKETANGA ŌHANGA ME TE AHUREA

Economic and cultural development



Introduction

People are at the heart of the Auckland Plan because unleashing the potential of all Aucklanders is crucial to building a better future for the region and New Zealand. Auckland Council's role in raising living standards is multi-faceted, and economic and cultural development is a critical part of this.

Within this theme we deliver:

- economic growth and visitor economy
- regional facilities.

Activities in this group are delivered by council-controlled organisations – Auckland Tourism, Events, and Economic Development (ATEED) and Regional Facilities Auckland (RFA). ATEED is focused on attracting new money and jobs for Auckland. RFA is charged with stewarding our venues and collections in a way that advances the social and cultural wellbeing of Aucklanders and contributes to economic growth.

This portfolio owns or manages a number of assets, including the Auckland Art Gallery Toi o

Tāmaki, Auckland Zoo, the Aotea Centre, Mt Smart Stadium, Western Springs Stadium, QBE Stadium (QBE), ANZ Viaduct Events Centre (VEC), Bruce Mason Centre and the Civic Theatre, Aotea Square and Auckland Town Hall.

Although managed separately, the council also provides funding to the Auckland Regional Amenities Funding Board, Auckland War Memorial Museum (AWMM), Museum of Transport and Technology (MOTAT), and it receives governance advice from RFA concerning AWMM and MOTAT. RFA holds the land rights for MOTAT and Trusts Arena, ownership interests in Spark Arena (formerly Vector Arena) and provides community loans or pass-through funding to Stardome Observatory and Planetarium, New Zealand Maritime Museum, Trusts Arena, Vodafone Events Centre, and North Shore Events Centre. The cost of this support is reflected in the Governance and Support theme.

Our budget to deliver these activities includes \$193 million for operating expenditure \$40 million for capital expenditure.

The activities in this theme contribute to the following community outcomes



A fair, safe and healthy Auckland

Providing facilities for active participation in recreation and sport.



An Auckland of prosperity and opportunity

Promoting Auckland as a business and leisure visitor destination and attracting visitors to attend events that are unique to Auckland. Growing Auckland's economy through attracting international businesses and talent, facilitating investments, business aftercare, fostering innovation and entrepreneurship, and growing capability and skills in Auckland's key sectors of competitive advantage.



A beautiful Auckland loved by its people

Providing facilities that visitors would expect from a vibrant world city.



A culturally rich and creative Auckland

Providing opportunities to showcase Auckland's unique arts and culture through support for and delivery of a portfolio of major events including the annual Diwali Festival, Lantern Festival and Pasifika Festival. Growing Auckland's visitor economy through promotion of and support for a range of culturally focused visitor products. Supporting businesses growth and investment across some of Auckland's key creative industries including screen, digital and ICT.



Te hau o te whenua, te hau o te tangata / A Māori identity that is Auckland's point of difference in the world

Celebrating and showcasing Māori culture and identity through major sporting and business events including a Māori signature festival for Auckland, and developing Māori businesses e.g. through forums and the development of tourism products.

Commentary

Economic growth and visitor economy

What we do

- Visitor attraction
- Business attraction and development

Effects on the community

In the past year, our economic growth and visitor economy activities have resulted in:

- more choice of entertainment events for Aucklanders and visitors
- more youth employment opportunities
- economic benefits to local businesses that have come from enabling research and development, including increased productivity and new product lines
- more jobs and business investment in the tourism, information and communication technology, food and beverage, and screen and digital industries.

Evidence of these positive effects on the community can be found in the sections below.

Events can cause inconvenience for the community due to noise, traffic restrictions, and adverse environmental effects such as littering. They are monitored by council staff to ensure organisers minimise inconvenience through waste-management plans, traffic management plans, and compliance with event-specific consent conditions.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income	76	75
Operating expenditure	73	77
Surplus (deficit)	3	(2)
Capital expenditure	8	7

* See page 146 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our economic growth and visitor economy activities.

Visitor attraction

- A portfolio of nearly 30 major cultural and sporting events, and support for a number of sporting franchises injected an estimated \$76 million into the regional economy and generated more than 557,390 visitor nights. Highlights included the World Masters Games 2017, the DHL New Zealand Lions Series, concerts by Adele and Ed Sheeran, Priscilla Queen of the Desert – the Musical, and New Zealand Fashion Week.
- The World Masters Games 2017 was the single biggest event hosted in Auckland in a decade. It delivered a GDP injection of \$34.3 million and more than 241,000 visitor nights – both well above the targets set. The council invested \$11.75 million in the event, supported by partners such as the government which contributed \$11 million and corporate sponsors that contributed \$4.6 million. This also delivered significant activation and leverage programmes.
- ATEED successfully delivered festivals to celebrate Auckland’s cultural diversity, such as Pasifika, Diwali, Lantern Festival, and Tāmaki Herenga Waka Festival which showcased our local Māori history, heritage and contemporary culture.
- ATEED successfully delivered the inaugural ASB Lantern Forum, held during the 2017 Auckland Lantern Festival. The forum promoted bilateral investment opportunities, and connected Chinese delegates, migrants and business people with Auckland businesses and political leaders. The forum was followed by business networking activities that attracted more than 200 attendees, including local and international speakers.
- ATEED’s Auckland Convention Bureau team won 70 per cent of business event bids made during the year. The value of business event bids won in the financial year was \$32.4 million. 30 international bids were submitted or supported during the year.

Business attraction and development

- ATEED continued to support the Mayor’s Youth Employment Traction Plan by increasing the number of companies that have signed up to the Employers’ Pledge programme. By the end of 2016/2017, 66

companies had signed the pledge, committing to employing young talented Aucklanders.

- Thousands of people attended two JobFest youth employment events – one in the central city with 80 employers offering more than 800 positions, and one in Manukau with a particular focus on young Māori and Pacific job seekers and offered 1250 jobs across 75 businesses.
- ATEED launched the 12-month BuildAKL recruitment campaign to encourage young people into construction and infrastructure employment, with a focus on young women, and Māori and Pacific peoples. The campaign is a partnership with major companies including Fletcher Building, Downer, Hawkins, and Watercare, and is partly funded by Auckland Airport. To date, there has been strong social media engagement.
- ATEED launched the CBD Skills and Jobs Hub in partnership with Panuku Development Auckland, government agencies and the private sector. The hub provides job brokering and training services based on industry demand. The initial focus is the construction sector, and by year-end, brokers had placed 51 people into construction and infrastructure jobs, and a further 40 completed training programmes. More than 80 per cent of successful candidates have come off the Work and Income register. About 33 per cent were Māori and more than 10 per cent Pacific.
- ATEED opened two new premises to expand GridAKL, Auckland's innovation precinct at Wynyard Quarter. GridAKL is now home to 70 start-up businesses. ATEED has focused on developing services to support the growth and capability of these companies, and connect them to Auckland's wider innovation ecosystem.
- Te Ipu Kai / FoodBowl is a state-of-the-art food and beverage production and test facility engaged with more than 243 companies during the year. This is a joint venture with Callaghan Innovation.
- ATEED facilitated the establishment or expansion in Auckland of six multi-national or domestic companies, and secured

investment deals worth an estimated \$487.8 million.¹

- The AR/VR Garage opened in September 2016, establishing Auckland as an international AR/VR (augmented and virtual reality) hub for game developers, screen and film producers, animators, educators and digital storytellers. By year-end, the garage had 20 resident companies.
- Screen Auckland issued a record 620 permits for filming on open public spaces across the region. Those shoots were worth an estimated \$417 million to our economy. ATEED also facilitated the establishment of the 27ha Kumeu Film Studios which opened in February. Bookings have already covered ATEED's operating lease costs for the first year, with strong demand into 2018 from producers from China, the US and New Zealand.
- ATEED completed 95 per cent of actions agreed with local boards to promote and support the growth of local economies.
- ATEED won International Economic Development Council awards for Excellence in Economic Development for three projects – domestic tourism marketing, Techweek and the Tripartite Economic Summit, delivered in 2015/2016.

Challenges

- The growth potential of Auckland's advanced industries, and major infrastructure development, is constrained by the lack of skilled workers, particularly in ICT, engineering, construction, hospitality and tourism. This is being addressed by targeted talented migrant programmes, and initiatives to upskill young people.
- Youth unemployment remains a significant issue in Auckland. ATEED is instigating programmes and working with the wider council group to improve the skill base of youth and help them through pathways to employment.
- Strong tourism growth presents infrastructure challenges for Auckland. Hotels reach capacity in peak periods, and our port cannot

¹ The result achieved is an estimate based on the aggregate value of 12 deals facilitated by ATEED in 2016/2017. The information used is provided in confidence to ATEED by the investing companies and individuals.

efficiently accommodate mega cruise ships. ATEED is working with the government to attract foreign investment to enable more hotels to be built. The wider council Group is also working on a solution to enable mega cruise ships to dock in Auckland.

How we performed

ATEED achieved seven of its nine targets. We were unable to report on satisfaction with business support and advice due to changes in the way this is measured.

The target for visits to aucklandnz.com was not achieved due to migration to a new web platform. In the long-term, this will improve the experience for people looking to find out more about Auckland in terms of investing, studying, working, living, filming and visiting.

Promote and develop Auckland as a national and international visitor and business destination, including through the attraction, facilitation, funding and delivery of major events

Total visits to www.aucklandnz.com (in millions)

2017 target:	2017 actual:	2016 actual:	2015 actual:
3.4m	3.2m⁽¹⁾	3.7m	New

Percentage of customers satisfied with visitor information centres and services

2017 target:	2017 actual:	2016 actual:	2015 actual:
85%	97%	91%	93%

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
\$86m	\$76m⁽²⁾	\$42.9m	\$73.1m

Percentage of customers satisfied with delivered major events

2017 target:	2017 actual:	2016 actual:	2015 actual:
85%	89%	78%	92%

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

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
85%	Not measured⁽³⁾	91%	94%

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
1500	4178	4073	New

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
100	183	157	New

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
5	6	9	New

Number of live signatories to the Youth Traction Hub Employers Pledge

2017 target:	2017 actual:	2016 actual:	2015 actual:
50	66	54	New

Note

- 1 The migration to an updated web platform caused a temporary fall in the number of visits. This is to be expected as search engines require time to rank new content. Prior to the migration, traffic was on track to meet the target, with a consistent 280,000-300,000 visits per month.
- 2 This result has been marked as achieved as we estimate the GDP from the DHL New Zealand Lions series 2017 for games in June to exceed \$10million. Results for the DHL New Zealand Lions series 2017 will be provided by the Ministry of Business, Innovation and Employment later in the year
- 3 The results for this measure are provided by New Zealand Trade & Enterprise. The methodology was changed partway through

the year, meaning we were unable to obtain a result consistent with the measure. The new methodology will be reflected when targets are set in the Long-term Plan 2018-2028.

Note

1 Operating income is higher than budget due to higher donations for the Art Gallery and Auckland Zoo

* See page 147 for the full funding impact statement and variance commentary for this group of activities.

Regional facilities

What we do

- Auckland Zoo
- Auckland Art Gallery Toi o Tāmaki
- Auckland Live
- Auckland Conventions
- Auckland Stadiums

Effects on the community

Regional Facilities Auckland (RFA) enriches and enhances life in Auckland by engaging people in the arts, the natural environment, and sports and events through programmes, facilities and events. In the past year, our regional facilities activities have resulted in:

- more choice of entertainment events and exhibitions for Aucklanders and visitors
- more sport training and viewing opportunities
- learning opportunities for children about animal care and conservation
- preservation of local endangered species
- economic benefits to local businesses as a result of increased numbers of visitors.

Evidence of these positive effects on the community can be found in the sections below.

Events can cause inconvenience for the community due to noise, traffic restrictions, and adverse environmental effects such as littering. RFA monitors events to ensure organisers minimise inconvenience through waste-management plans, traffic management plans, and compliance with event-specific consent conditions.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income ⁽¹⁾	112	105
Operating expenditure	96	92
Surplus (deficit)	16	13
Capital expenditure	30	34

What we delivered

This section includes key achievements for our regional facilities activities.

Auckland Zoo

- The new Strangely Beautiful Australia exhibit opened in December. This is the second project to be completed as part of the zoo's 10-year renewals programme. The exhibit provides new visitor experiences, improves the welfare of Australian species and increases the diversity of the zoo's animal exhibits. The project was delivered within the \$3.2 million budget and has been well received by visitors.
- The zoo was actively involved in native conservation and breeding programmes for flamingos, rhinoceros, giraffes, tamarins and tieke / saddlebacks. An injured takahē, one of only 280 remaining in the world, was successfully treated and released with its mate to Rotoroa Island.
- Auckland Zoo became a Certified Emissions Measurement and Reduction Scheme organisation. This recognises that the zoo has measured its greenhouse gas emissions in accordance with ISO standards and has a robust plan to manage and reduce its operational emissions by 20 per cent within five years.
- Auckland Zoo joined forces with Hamilton Zoo, Wellington Zoo, Orana Wildlife Park and Unmask Palm Oil to launch the Ask For Choice campaign for mandatory labelling of all vegetable oils, including palm oil, in food and grocery products. This received extensive public support and positive media coverage.
- Auckland Zoo, Auckland Council and Waitemata District Health Board partnered to clean up a fuel spill on Lake Pupuke. Birds and animals affected by the spill were successfully released back to the lake following rehabilitation.

Auckland Art Gallery Toi o Tāmaki

- The gallery brought *The Māori Portraits: Gottfried Lindauer's New Zealand* exhibition to Auckland. The exhibition featured 120 portraits of historical Māori and pākehā figures from the 19th and 20th centuries, and nine other recently discovered works by Lindauer. It attracted more than 99,000 visitors, making it the gallery's most-visited exhibition since its reopening in 2011.
- Other high-profile exhibitions included *Lee Mingwei and His Relations: The Art of Participation*, and *The Body Laid Bare: Masterpieces from the Tate*. The latter contained more than 100 artworks, including Auguste Rodin's *The Kiss* which was seen outside Europe for the first time.
- The gallery's Creative Learning Centre opened in March 2016, providing a free and family-friendly environment. Its *Once Upon a Time in Art* installation draws on the gallery's collection to unravel the secret codes used by artists of the past, and provides new meanings for a contemporary audience.
- The exhibition for New Zealand's contemporary art award, The Walters Prize, returned to the gallery. For the first time, three of the four finalists were of Māori descent, with the prize going to Wellington artist Shannon Te Ao.

Auckland Live

- Auckland Live hosted award-winning international productions including *Joseph* and the *Amazing Technicolour Dreamcoat*, and *Priscilla Queen of the Desert*, which presented 37 performances to 43,617 attendees.
- Our diverse mix of festivals included Auckland Fringe Festival, Auckland Writers Festival, and Auckland Arts Festival. Auckland Arts Festival attracted 37,000 people, a 15 per cent increase on the previous year, and Auckland Writers Festival set a record with 64,000 visitors over the six-day event.
- Our free, family-friendly entertainment and activities included the Aotea Square Ice Rink and Ice Slide, which attracted more than 21,000 visitors, and the Pick & Mix programme and. Other highlights included the giant LEGO Christmas tree, Latin

Weekend, Vintage Weekend, K-Pop Night and the IGNITE Youth Music weekend that had over 72,000 attendees.

- The Royal New Zealand Ballet's season was one of its most successful in many years with over 13,000 tickets sold.
- Sir David Attenborough's shows were among the highest selling in the Civic's history, with two shows selling out within 30 minutes and 4569 tickets sold.
- Auckland Live and Ruia Taitea Creative brought award-winning play *Purapurawhetū* to the Herald Theatre during Matariki Festival, the first time a full-length performance was presented in te reo Māori at the theatre. Auckland Live has worked with the company since 2014 to bring shows in te reo Māori to RFA venues.
- The Aotea Centre is going through a major refurbishment that addresses building issues and provides a suitable platform for future development. Design work was completed this year and physical works expected to take place from February 2018-2019.

Auckland Conventions

- Tāmaki Herenga Waka Festival offered free, family-friendly activities to celebrate traditional and contemporary Māori culture, attracting more than 31,000 visitors.
- ANZ Viaduct Events Centre hosted the Auckland City Mission Christmas Day Lunch for the sixth year in a row, with 2000 attendees and 550 volunteers.
- We hosted major conferences and a wide variety of trade shows including the New Zealand Defence Industry Association Forum, Mustang Convention, the annual Whitecliffe Fashion Show, New Zealand Fashion Week, 13th World Congress of Chinese Medicine, Auckland on Water Boat Show, the 2017 Axis Awards gala dinner, the NZ Institute of Architects conference, and tertiary graduations and citizenship ceremonies.

Auckland Stadiums

- The successful summer concert season featured Bruce Springsteen, Guns N' Roses, Coldplay, Justin Bieber and Adele. More than 285,000 people attended the events held at Mt Smart Stadium and Western Springs

Stadium between December and March, including 131,000 attendees at Adele’s three performances. The seven concerts boosted Auckland’s economy by \$37.7 million.

- QBE Stadium hosted 214 football games over 10 days as part of the successful World Masters Games 2017, British and Irish Lions training sessions, and The Colour Run, part of the largest running series in the world.
- A new high-definition LED replay screen was installed at Mt Smart Stadium. It is the largest permanent stadium screen in New Zealand. Other renewals at the stadium included new LED floodlights in the main arena (another first for local stadiums) and upgraded players’ and officials’ facilities.
- The redevelopment of the outer oval at QBE Stadium has provided increased capacity for high-performance training activities.
- Taste of Auckland restaurant festival returned to Western Springs Stadium, attracting more than 20,000 people.

Challenges

- The live entertainment, performing arts and conventions sectors are subject to a high degree of market volatility and strong competition, and can be highly cyclical – challenges that RFA cannot fully control.
- Attracting high-profile international conference clients remains a challenge due to distance and the increasing cost of hotel accommodation.
- Venue capacity issues, planned capital works and transport issues can affect event bookings, visitation and customer experience.
- RFA is committed to strengthening its brand and achieving sustainable revenue growth in a very competitive market. Effort to increase revenue must be balanced with the social value of providing free public events.

How we performed

We played a critical role in providing a regional voice and platform for arts, sports, wildlife and environmental conservation, live entertainment, education, community events and Māori wellbeing.

Our stadiums hosted both commercial and community events to help create memorable


experiences for visitors. This year’s summer concert season featured seven headliners and attracted more than 285,000 fans. However, the volume of commercial activity at the stadiums, redevelopment works and end of motorsport activities resulted in reduced capacity for community events. This will continue to be a challenge due to emphasis on increasing revenue.

Fewer visits to the zoo is being addressed mainly through new animal exhibits and improved visitor access. The Strangely Beautiful Australia exhibit opened in December and a new temporary exhibit will open next year while major works progress in other areas. This redevelopment will improve visitor access and flow, and weatherproof viewing areas. A new school outreach programme and a new website are also planned. The zoo also has plans for a new restaurant, and is working with a stakeholder group to address transport issues at Western Springs.


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

Number of commercial event days at Stadiums ⁽¹⁾				✓
2017 target:	2017 actual:	2016 actual:	2015 actual:	
443	467 ⁽²⁾	478	New	
Number of community event days at Stadiums ⁽³⁾				✗
2017 target:	2017 actual:	2016 actual:	2015 actual:	
645	532 ⁽²⁾	675	New	
Visitor satisfaction with experience at Auckland Stadiums				✗
2017 target:	2017 actual:	2016 actual:	2015 actual:	
88%	82% ⁽⁴⁾	82%	New	


We care for our collections for today and for future generations to enjoy and to bring cultural awareness of Art and Wildlife to Auckland and its visitors

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
1,170,000	1,204,433⁽⁵⁾	1,149,876	1,183,715


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
90%	90%	90%	93%


Number of Māori projects annually 

2017 target:	2017 actual:	2016 actual:	2015 actual:
10	18	12	New

Provider of convention events and live arts and entertainment experiences for Aucklanders and visitors to our city Leader of arts and entertainment in New Zealand

Number of publicly available performing arts performances programmed by Auckland Live 

2017 target:	2017 actual:	2016 actual:	2015 actual:
825	1074	1264	New

Visitor satisfaction with experience at Auckland Live events 

2017 target:	2017 actual:	2016 actual:	2015 actual:
90%	90%	89%	92%

Note

- 1 A commercial event day is either a public ticketed event, a non-ticketed event organised by profit-focused entities such as sport franchises, national/provincial sports organisations, or a major concert.
- 2 These targets were set in the Long-term Plan 2015-2025 prior to changes to data capture methodology that give us a more accurate measure of event days. In RFA's Statement of Intent 2016-2019, revised targets were adopted (as per below).

	Revised target	2017 LTP Target
Commercial event days	443	775
Community event days	645	970

Community event days have not achieved the revised target due to the volume of commercial activity, redevelopment projects, and the end of motorsport at Western Springs.

- 3 Community event days are events such as free access to sporting clubs, school athletics events and training sessions.
- 4 This result is the aggregate of visitor satisfaction at Mt Smart Stadium, Western Springs and QBE Stadium. The main issues are stadium facilities looking "tired", not enough seating and lack of sufficient cover from the weather. Visitor experience was affected by parking/transport options, food and beverage offerings and service, combined with major renewal and development of the facilities carried out during and around scheduled training and events.
- 5 2017 attendance comprised 521,402 for Auckland Art Gallery and 683,031 for Auckland Zoo. While the overall measure was achieved, zoo attendance was below its individual target due to wet weather, competition with alternative school education programmes, and constraints related to the redevelopment programme.

Funding impact statement – Economic growth and visitor economy

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		53	53	51
Targeted rates		-	-	-
Subsidies and grants for operating purposes	1	9	5	4
Fees and charges	2	10	13	6
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		4	4	3
Total operating funding		76	75	64
Applications of operating funding:				
Payment to staff and suppliers	3	73	77	63
Finance costs		-	-	-
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		73	77	63
Surplus (deficit) of operating funding		3	(2)	1
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	5	9	1
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		5	9	1
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		8	7	2
- to improve the level of service		-	-	-
- to replace existing assets		-	-	-
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		8	7	2
Surplus (deficit) of capital funding		(3)	2	(1)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Subsidies and grants for operating purposes is above budget mainly due to increase in operating grants received towards World Masters Game and towards fit out costs of the two new buildings for Grid AKL (Mason Brothers and 12 Madden Street).
- Fees and charges are below budget due to decrease in ISITE revenue since the relocation of Princess Wharf ISITE to a portacabin.
- Payment to staff and suppliers is below budget due to unfilled vacancies during the year and World Masters Games actual salaries being lower than budget.
- Increase in debt is lower than anticipated mainly due to payment to staff and suppliers being below budget, which has resulted in a lower funding requirement.

Funding impact statement – Regional facilities

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		54	54	51
Targeted rates		-	-	-
Subsidies and grants for operating purposes		1	1	1
Fees and charges		43	43	42
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1	14	7	7
Total operating funding		112	105	101
Applications of operating funding:				
Payment to staff and suppliers	2	84	79	86
Finance costs		12	13	11
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		96	92	97
Surplus (deficit) of operating funding		16	13	4
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	3	14	21	24
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		14	21	24
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	2	1
- to improve the level of service		5	12	7
- to replace existing assets		25	20	20
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	4	30	34	28
Surplus (deficit) of capital funding		(16)	(13)	(4)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Local authorities fuel tax, fines, infringement fees and other receipts are above budget mainly due to unbudgeted rental income and higher than anticipated donations for the art gallery and zoo.
- Payment to staff and suppliers is above budget mainly due to additional staff and repairs and maintenance costs which were not budgeted for.
- Increase in debt is lower than anticipated mainly due to receipt of unbudgeted other revenue and capital expenditure being below budget, which has resulted in lower funding requirement.
- Capital expenditure is below budget due to Auckland Zoo southeast precinct and Aotea expansion project that are still in a design phase and construction have been deferred to FY18.

NGĀ WHAKAHAERE TAIAO ME ŌNA HERENGA

Environmental management and regulation



Kopupaka Reserve, Westgate

Introduction

Environmental management and regulation encompasses many services that ensure Auckland's built and natural environments are safe, sustainable and support thriving communities. We work alongside iwi and community partners to restore and enhance our natural environment. We reuse and recycle as much as possible and make sure household rubbish gets picked up on collection day. We protect homes and businesses from stormwater flows. We follow strong public health and safety principles to guide activities such as land use, the sale and supply of alcohol, environmental health, and animal management. Included in this theme are civil defence and emergency management activities which include crisis response, rural fire management and planning to ensure continuity of key services.

Within this theme we deliver:

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

Our budget to deliver these activities includes \$470 million for operating expenditure and \$117 million for capital expenditure.

We manage a large number of related assets including 6000km of stormwater pipes, 20,000km of streams, 150,000 manholes, and 492 ponds and wetlands.

The activities in this theme contribute to the following community outcomes



A fair, safe and healthy Auckland

Protecting the health of the public and improving our feeling of safety. Removing some of the barriers to meeting housing demand and improving housing affordability.



A green Auckland

Protecting our natural heritage and managing our natural resources sustainably. Managing Auckland's waste and reducing our reliance on landfills. Working with local boards and communities on a range of initiatives that protect and restore important environments and waterways. Delivering environmental programmes and partnering with trusts and volunteers. Ensuring the effects of runoff to the environment are managed and our stormwater network is robust enough to manage urban growth and changing environmental conditions.



A beautiful Auckland loved by its people

Ensuring that our natural environment and heritage are valued, understood and preserved for present and future generations to enjoy.



Te hau o te whenua, te hau o te tangata / A Māori identity that is Auckland's point of difference in the world

Empowering mana whenua to participate in natural resource management decision-making processes to realise shared aspirations and mutual outcomes, and protecting our Māori cultural heritage.

Commentary Regulation

What we do

- Housing and infrastructure planning
- Building and resource consents
- Licensing and compliance services

Effects on the community

In the past year, our regulation activities have resulted in:

- consenting of safe, suitable and legally compliant houses and developments
- cleaner and safer environments at bathing beaches and recreation areas
- higher food safety standards in commercial premises
- reduction of the harm caused by excessive or inappropriate consumption of alcohol
- noise and other public nuisance being dealt with
- protection of Aucklanders and amenities from animal harm.

Evidence of these positive effects on the community can be found in the sections below.

There are no significant negative effects associated with these activities.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income ⁽¹⁾	252	231
Operating expenditure ⁽²⁾	235	217
Surplus (deficit)	17	14
Capital expenditure	61	63

Note

- 1 Operating income is above budget mainly due to more consents and inspections carried out
- 2 Operating expenditure is above budget due to additional workforce engaged to meet higher volumes of consents and inspections

* See page 167 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our regulation activities.

Housing and infrastructure planning

- The Auckland Housing Accord between the council and central government was established in October 2013 for a period of three years, with a target of enabling development of 39,000 sites and dwellings across Auckland. Its aim was to accelerate housing supply in the interim period until the Auckland Unitary Plan became operative in mid-September 2016. The accord was extended to 22 May 2017. Under the accord, Special Housing Areas (SHAs) were established across Auckland, and were estimated to have a potential yield of over 62,000 dwellings. At 30 June 2017, over 24,000 homes were completed of which 3105 were in SHAs.
- Eight plan variations were completed this year, resulting in 461ha of land and an estimated 4000 dwellings and sections

Building and resource consents

- The Consenting Made Easy programme was set up in 2015 to improve the complex experiences customers have told us they encounter through the consenting process. This year the programme delivered the following improvements:
 - customers can now lodge, track and pay for consents online.
 - the Streamline service delivers fast processing for simple consents that have provided a quality application.
 - the Qualified Partner service provides a partnership approach for selected customers with large work programmes.
 - the Premium service offers a high level of support for complex, large-scale, high-value projects.
- Implementation of the Auckland Unitary Plan (which became operative in part) focused on:
 - preparation and delivery of practice, guidance and interpretation notes for staff
 - consolidation of our practices to ensure regional consistency and clarity as appeals are resolved
 - communication with council teams and the industry to develop a shared understanding of plan provisions.

- The NewCore system consolidation was successfully rolled out for regulatory services, helping to standardise processes region-wide.

Licensing and compliance services

- The council's menacing dogs' amnesty saw over 1000 dogs registered and de-sexed as part of the national action plan to reduce problems associated with menacing dogs.
- We successfully bid for central government funding to de-sex high-risk dogs. Txt2Desex followed on from the menacing dogs amnesty, and the \$292,000 funding should allow de-sexing of approximately 1000 dogs.
- The number of dogs impounded in council shelters reduced in 2016/2017. The number of dogs euthanised also reduced, in number and as a percentage of impounds, for the second consecutive year. While still too early to represent a trend, this does suggest that our animal management initiatives, such as registration in the field using mobile devices, are reducing the number of dogs impounded. Animal shelters have continued to focus on sustaining performance of 100 per cent of adoptable dogs being rehomed, and working with owners to maximise opportunities to return impounded dogs.
- Implementation of the new Food Act continued with over 3000 food businesses now registered under the act, including all high-risk businesses. The council received approval to verify National Programme food businesses, allowing us to provide verification services to businesses such as childcare centres and dairies. We also received approval for some of our environmental health officers to be warranted food safety officers enabling us to fulfil compliance duties for food safety and suitability.
- Mobile technology has been deployed to licensing and compliance staff to enable them to work more efficiently and provide improved customer service.
- A freedom camping pilot project was run during the summer to assess the issues and benefits of controlling freedom camping by bylaw. This project provided valuable

experience and data that will be used as input into a proposed bylaw.

- We had very positive responses to a new interview process for Manager's Certificate applicants for managers of premises selling alcohol. The emphasis on harm-minimisation procedures has raised the bar and resulted in more knowledgeable and qualified managers.
- We inspected 3588 licensed premises with most found to be compliant.

Challenges

Building and resource consents

- Attracting high-calibre internal and external planning and specialist staff has been a challenge due to industry demand for technical skills. Loss of council staff to private organisations also poses an ongoing challenge.
- The introduction of the Auckland Unitary Plan has been a challenge for consent applicants and council staff. Providing up-to-date information and guidance has been a priority.

Licensing and compliance services


- The Food Act transition has introduced a higher level of complexity and remains a challenge for both the council and businesses. There has been significant increase in the workload required to manage and comply with the act, but this should reduce by 2019 as we move out of the transition phase.
- Implementation of the Provisional Local Alcohol Policy this year will provide challenges for all parties involved in the sale and supply of alcohol.

How we performed

Housing and infrastructure planning

The number of dwellings and sites consented over the term of the Auckland Housing Accord exceeded the target. There have been significant volumes of resource consent and building consent activity over the last year. With the introduction of the Auckland Unitary Plan, the level of consenting is expected to remain high for the immediate future.

Facilitate and enable the building of affordable and enduring neighbourhoods

Number of dwellings and sites consented towards Auckland housing targets 

2017 target:	2017 actual:	2016 actual:	2015 actual:
4250	4366⁽¹⁾	13,935	New

Note

- The 2016/2017 target and result for the Auckland Housing Accord only relates to the period of July-September 2016 which was when the Accord was supposed to end. The Accord was extended to 22 May 2017 with 16,365 net sections and dwellings consented between July 2016- 22 May 2017.


During the full period of the Accord, (October 2013- 22 May 2017), the council consented 55,384 of the potential yield of 62,000 net sections and dwellings, surpassing the Accord's total target of 39,000. This result reflects the latest Auckland Unitary Plan zoning. New measures to track housing capacity will be established as part of the Long-term Plan 2018-2028.

Building and resource consents


System changes as part of the NewCore project had a significant effect on consent processing timeframes.

The result for consent applications processed within 20 days reflects these system changes, as well as the standardisation of measurement from seven legacy systems into one.

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


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
60%	55%⁽¹⁾	45%	48%


Percentage of building consent applications processed within 20 working days 

2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	80%⁽²⁾	96%	98%


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

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


2017 target:	2017 actual:	2016 actual:	2015 actual:
55%	58%⁽³⁾	49%	52%

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	77%⁽²⁾	94%	95%

Percentage of notified resource consent applications processed within 70 working days 

2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	45%⁽⁴⁾	73%	62%

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	100%	98%	99%

Note

- The improvement in this result was partly due to a change from a monthly survey to a continuous monitor that reaches all customers and asks for feedback during all stages of the process. There were over 2400 responses (compared to 587 last year) to the continuous monitor for building consents. 55 per cent were satisfied, 20 per cent neutral and 25 per cent dissatisfied, with the latter group citing complexity of processes and quality of information available as reasons for their response.
- A surge of demand leading up to the adoption of the Auckland Unitary Plan, along with issues embedding new processes, affected service delivery in these areas.

The statutory clock for management of this measure begins when a building consent application is accepted from our customers for lodgement into our system. The clock stops if additional information is required from our customers and restarts once we receive all the requested information. Once all information is

received and verified for completeness, the statutory clock is restarted. We use this to count 20 statutory days in the target above. New processes introduced this year have identified a weakness where, in some instances we have been unable to find information to support clock start and stop times when additional information is required to continue the consenting process. These weaknesses are being addressed through a process control review, better workforce planning, and embedding of the Consenting Made Easy programme.

Below are the average processing times and volumes for 2016/2017.

Consent type	Average elapsed time (working days)	Consents processed
Building consent	27	21,294
Non-notified resource consent	62	12,292
Fully notified resource consent	241	89
Limited notified resource consent	240	64

- The improvement in this year's result was partly due to a change from a monthly survey to a continuous monitor that reaches all customers and asks for feedback during all stages of the process. There were over 1000 responses (Compared to 502 last year) to the continuous monitor. The overall results for resource consents were 58 per cent satisfied, 20 per cent neutral and 22 per cent dissatisfied, with the latter group citing complexity of processes and quality of information available as the reasons for their response.
- The number of notified consents is approximately 1.3 per cent of all consents. These are generally highly complex applications. Delays have occurred for a variety of reasons, including our focus on working with applicants and parties affected by the project to address any issues and achieve the best possible outcomes for all parties.

Licensing and compliance services

We met most of our licensing and compliance levels of service, achieving nine of 11 targets.

Our customer satisfaction levels continue to improve, helped by better technology for online applications and inspections. Process improvements and an overall focus on customer service are a key part our strategy in this space.

We have continued to improve our response to D- and E-graded premises, meeting the re-inspection target. This, coupled with the

introduction of the new Food Act, will improve the safe and suitable provision of food in Auckland.

This has been a challenging year for noise control services, with a 10 per cent increase in the number of complaints compared to the previous year. Response times have also been affected by our focus on increasing the quality of service by spending more time on a site to achieve a satisfactory resolution, which in turn can have affect resourcing.

Provide safe access to beaches and coastal areas for recreation

Proportion of time bathing beaches are suitable for contact recreation⁽¹⁾



2017 target:	2017 actual:	2016 actual:	2015 actual:
92%	98%	97%	98%

Respond fairly and effectively to excessive noise related incidents and complaints

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



2017 target:	2017 actual:	2016 actual:	2015 actual:
80%	77% ⁽²⁾	83%	82%

Percentage of complainants satisfied with noise control services



2017 target:	2017 actual:	2016 actual:	2015 actual:
51%	59%	48%	New

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

Percentage of customers satisfied with the food and hygiene licensing service




2017 target:	2017 actual:	2016 actual:	2015 actual:
70%	82% ⁽³⁾	74%	New

Percentage of registered food premises graded annually




2017 target:	2017 actual:	2016 actual:	2015 actual:
95%	95% ⁽⁴⁾	83%	88%


Percentage of D/E graded food premises re-inspected within one month⁽³⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
95%	98% ⁽⁵⁾	90%	81%

Protect public health through licensing and compliance of alcohol premises to legislative requirements


Percentage of high-risk alcohol premises inspected annually 

2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	100%	100%	100%

Percentage of customers satisfied with the alcohol licensing services 


2017 target:	2017 actual:	2016 actual:	2015 actual:
67%	83%	78%	New

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


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

2017 target:	2017 actual:	2016 actual:	2015 actual:
80%	83%	88%	New

Provide dog, stock and other animal management services to Aucklanders

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
95%	99.5%	99%	96%

Percentage of known dogs that are registered 

2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	88% ⁽⁵⁾	90%	New

Note

- 1 Testing is conducted on weekly on 69 beaches including Lake Pupuke and Karekare

Lagoon and car park between November and March. If unsafe levels are detected, a sign advising the public is posted and testing is done daily until the beaches return to a safe level. Nine beaches are not monitored because they have consistently very good water quality. Five beaches have permanent no-swimming warnings as they have consistently very poor water quality.

- Performance has been affected by the record number of noise complaints received which increased 10 per cent on the previous year.
- The improvement in this result was due to a change from a monthly survey to a continuous monitor that reaches all customers and asks for feedback during all stages of the process. The continuous monitor drew over 1080 responses, compared to 587 last year. 81 per cent were satisfied, 11 per cent neutral and 8 per cent dissatisfied.
- This measure relates to food businesses inspected in terms of the Food Hygiene Regulations. Food premises transitioning to the new Food Act will require a new measure as not all food businesses require annual verifications.
- With the implementation of the Food Act on 1 March 2016, the council is running two grading systems during the three-year transition period. The grading system based on the Food Hygiene Regulations has four grades: A (High), B (Good), D (Poor) and E (Unsatisfactory); and the grading system based on the Food Act has five grades A (Excellent), B (Good), C (Satisfactory), D and E (Enforcement Action).
- We believe there may be around 9000 more known dogs in our database than actually live in Auckland, as owners do not always advise the council when a dog dies or moves out of the region.

Solid waste and environmental services

What we do

- Solid waste services
- Environmental services
- Engineering and technical services
- Civil defence and emergency management

Effects on the community

In the past year, our solid waste and environmental services activities resulted in:

- a reduction in pollution and the negative effects of landfills
- improved quality of waterways

- preservation of indigenous ecosystems and species
- reduction of the impact of pests on the environment
- less material sent to landfills and higher levels of reuse and recycling
- minimising damage caused by fire emergencies
- better community awareness and understanding of natural hazards and their associated risks, and increased resilience.

Evidence of these positive effects on the community can be found in the sections below.

Negative effects related to refuse include odour, public health issues, obstruction of footpaths, and contamination of private properties or waterways. To mitigate these effects, we continue to educate residents about waste-minimisation behaviours and collection best practice e.g. reducing the time between putting out the refuse and its collection. The council monitors services and enforces contractual terms to ensure contractor requirements are met.

To reduce the effect of pest plants and animals on our indigenous biodiversity and primary productivity, our biosecurity activities sometimes include the use of toxins. To manage the potential negative effects arising from agrichemical use, the council complies with all appropriate standards and regulations. This ensures any negative effects are avoided, minimised or mitigated.

What we spent

	Actual (\$M)*	Long-term Plan 2017
Operating income ⁽¹⁾	155	165
Operating expenditure ⁽²⁾	145	163
Surplus (deficit)	10	2
Capital expenditure	16	13

Note	
1	Operating income is below budget due to delay in Waste Management and Minimisation project and reduced sale of refuse bags
2	Operating expenditure is below budget due to delay in rollout of inorganic collection cycle and city centre initiatives

* See page 169 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our solid waste and environmental services activities.

Solid waste services

Implementation of Auckland’s Waste Minimisation and Management Plan is progressing well and included the following highlights.

- Over 2016-2017 we rolled out a regionally consistent kerbside recycling collection service with the introduction of 240-litre wheelie bins to over 210,000 residential and commercial premises in Rodney, Waitākere, the North Shore and rural Franklin.
- The regional Resource Recovery Network continues to expand, with the following achievements in 2016-2017:
 - Devonport Community Recycling Centre opened in March. The new operator, Global Action Plan Oceania, is a charitable enterprise focused on increasing recycling and diverting waste from landfill. In its first year of operation, 61 per cent of all material entering the site was diverted from landfill
 - local enterprise Hibiscus Coast Zero Waste (HCZW) started the Whangaparāoa Community Recycling Centre in April 2017 under a 12-month trial contract, with a goal of testing the suitability of the small community recycling site while finding out what services the community needs
 - McLaren Park and Henderson South Community Trust (MPHS) has been running a trial at Waitākere Refuse and Recycling Station since July 2014. They created six full-time equivalent jobs and 196 volunteer hours a month on upcycling activities. A five-year contract was signed in December 2016 for MPHS to run the recycle shop and upcycling area.
- We worked towards the progressive roll-out of refuse bins for the south of the region. A rates-funded, 120-litre-bin refuse collection service has been introduced to over 100,000

households in the former Manukau City Council area to replace the current bag pick-up. This will improve issues related to ripped bags, littering, and health and safety, and encourage more recycling and waste minimisation. Residents can request a 240-litre bin for an additional annual charge. The new collections begin in September 2017.

- Following a communications campaign and the launch of the online booking tool, over 50,000 inorganic collection bookings were made in the first four months of 2017. This is approximately 80 per cent of the number of bookings made in the whole of 2016. Currently, 17.5 per cent of all eligible households are using the service. The material diverted from landfill is distributed to Auckland-based charities and social enterprises, and has created jobs including a dozen new positions dismantling electronic items and extracting valuable recyclable components.
- Since 2014, 2000 North Shore households have participated in food-waste collection trials. Independent survey results indicated most participants supported the service continuing, having seen on average a 54 per cent reduction in the amount of refuse in their user-pays bags.
- We started rolling out the three-bin service, including the food waste service, in the legacy Papakura Council area in the next 12 months.
- We are working with marae to divert waste from landfills through the Para Kore ki Tāmaki initiative. Six marae have been engaged in the programme this year, bringing the total number involved to 26. Participating marae are at different stages of their waste-reduction journey, with some achieving a 60-70 per cent diversion rate.

Environmental services

- We supported 450 community groups to achieve a range of environmental outcomes, including enhanced biodiversity, improved pest management, and reduced greenhouse gas emissions at household level.
- A recent survey of community groups supported by the council to carry out pest and weed control shows volunteers across

the region contribute more than 231,000 hours per year and actively control more than 100 weed species. The value generated by these groups is estimated at \$7 million per year – a 50:1 return on the funding investment.

- Our Sustainable Schools programmes reached two-thirds of Auckland's schools, engaging thousands of students and their communities with the natural world and achieving local environmental goals.
- The Regional Pest Management Plan discussion document was a finalist in the Local Government category of Ngā Tohu Reo Māori / Māori Language Awards, recognising the council's leadership in the use of Te reo Māori.
- Auckland Council, the Department of Conservation, and Foundation North signed a memorandum of understanding to collaborate on improving outcomes for the Hauraki Gulf. The first project under this arrangement is Foundation North's new \$5 million fund targeted at environmental improvements for the Hauraki Gulf.
- We have stepped up kauri dieback control efforts in response to new data showing rates of disease infestation more than doubling in the Waitākere Ranges since 2010. We are working to mitigate the impact of this disease with improved hygiene measures and incorporating mātauranga Māori (traditional Māori knowledge). A significant effort went into raising public awareness through the kauri dieback ambassador programme which connected with more than 25,000 park visitors over summer.
- Our Hunua Ranges Pest Management Programme received the 2016 Local Government New Zealand Excellence Award for Environmental Impact. Judges praised the project as a well-planned and courageous initiative that achieved its objectives to safeguard both native wildlife and Auckland's water supply.
- Following successful pest control in Te Ngahere nui o Kohukohunui / Hunua Ranges, the council partnered with mana whenua, the Department of Conservation and community organisations to re-introduce North Island brown kiwi into the area.

- We published the *Indigenous terrestrial and wetland ecosystems of Auckland* guide, the culmination of several years' effort amalgamating region-wide ecosystem survey and classification work.
- We are partnering with Entrust and Vector to deliver the Energy Efficient Communities Project to provide health benefits and financial savings from insulation and energy efficiency improvements to approximately 1500 homes in Papakura and Takanini.
- Installation of Tesla powerwall rechargeable battery technology has started at 12 schools and community facilities in the Ōtara-Papatoetoe Local Board area.
- We celebrated the certification of our first stoat-detection dog, Zoe, who joins the council's certified rodent and Argentine ant dogs.

Engineering and technical services

- We completed 16 detailed investigations of council-owned closed landfills as part of our remedial works programme.
- We replaced the failed leachate tank at Waitākere War Memorial Reserve and installed telemetry to allow us to better manage leachate disposal from the site.
- We completed \$1.1 million of recapping works at the closed landfill at Phyllis Reserve in Mt Albert, in preparation for the upgrade of a sportsfield and shared path.
- We provided technical engineering advice for design, construction issues and consenting on over 130 council projects which resulted in savings to council of \$4.4 million.
- We led the preparation of a cross-council submission on the National Environmental Standard for Contaminated Soils.
- We completed approximately 150 site inspections and associated reporting of geotechnical slips following the severe weather in March and April.
- The coastal inundation model was improved to enable more well-informed decisions around flood risk.
- We developed a number of technical publications and guidelines including:
 - the general requirements and green infrastructure chapters of the Auckland

Code of Practice for Land Development and Subdivision

- a technical publication on the management of hydrocarbons in stormwater runoff
- a technical publication on the acid sulphate soils risk including hazard mapping
- a guidance document on stormwater management devices in Auckland (GD01)
- a guidance document on on-site wastewater management in Auckland (GD06).

Civil defence and emergency management

- Auckland Civil Defence and Emergency Management (CDEM) provided support and resources to multiple emergency events across New Zealand, including the Kaikoura earthquake, Port Hills fires and Edgecumbe floods.
- Through the council's strong relationship with the Auckland-based Tzu Chi Buddhist Compassion Relief Foundation, CDEM helped the foundation to facilitate the foundation providing donations totalling almost \$500,000 directly to those worst affected by emergency events including the Kaikoura earthquake and Edgecumbe floods.
- In association with the University of Auckland, CDEM developed and facilitated the first Auckland Leadership and Controllers emergency management course for leaders and decision-makers. The course provides comprehensive insight into the controller role and the skills required to coordinate and control emergencies.
- CDEM partnered with Auckland Rescue Helicopter Trust to deliver the inaugural Auckland Rescue Run charity event which raised more than \$175,000 for the trust.
- A memorandum of understanding was signed between Auckland Council and Airbnb to provide accommodation support in an emergency. This is the first agreement of its type in New Zealand and only the third in the world.
- The Auckland CDEM Group Plan 2016-2021 was approved and adopted following a review from then-Minister of Civil Defence, Hon. Nikki Kaye.

- CDEM participated in the first full exercise held under the inter-agency National Exercise Programme. Exercise Tangaroa involved a national response to the scenario of a tsunami affecting the New Zealand coastline, and included participation from more than 200 Auckland Council staff supported by key partners and stakeholders.
- This year the Auckland Rural Fire Team focused on:
 - supporting the Fire and Emergency New Zealand Transition project which will see 40 organisations amalgamate to form a modern, nationwide service integrating urban, rural, volunteer and paid firefighting forces
 - completing an asset-management review, including establishing a new fire station and seven new fire appliances
 - training and support for volunteers.

Challenges

Solid waste services

- Successfully communicating the introduction of new waste collection services and any potential changes to all residents affected.
- Setting up the back-office support and billing system to provide households in Waitākere and North Shore with the option of a subscription service or a pay-as-you-throw tag service for refuse. This challenge has delayed the service which will now start later in 2017.

Environmental services

- The invasion and naturalisation of an average of four new weed species in Auckland every year creates an ongoing challenge to manage weed proliferation and the resulting adverse effects on our native flora and fauna and primary production.
- The level of response required to prevent new pest incursions is unpredictable and can have a negative effect on our ability to meet service targets.
- Implementing effective controls to stop the spread of kauri dieback disease.
- Engaging effectively with all Aucklanders to achieve behaviour change, such as adopting

low-carbon initiatives to mitigate the effects of climate change.

Engineering and technical services

Recruitment of specialised technical staff has proven challenging over the financial year as this is a small specialised market.

Civil defence and emergency management

- Auckland's growth and increasing diversity are creating both pressures and opportunities for building a resilient region and reducing the impact of disasters in the future.
- CDEM is the largest group of its type in the country. With its size comes expertise and capability, but also potential issues and challenges with coordination of efforts and resources.
- Being well prepared is the responsibility of every Aucklander and CDEM needs to build community understanding that we must all work together to create a resilient Auckland.

How we performed

Solid waste services

One of our levels of service was achieved while the other was substantially achieved, coming in just two per cent below target.

Satisfaction with waste collection services increased by seven per cent from last year, which shows we have resolved issues that negatively affected satisfaction in the previous year, including changes to inorganic services and recycling services in the north and west.

We are meeting our targets to enable waste minimisation as we work towards our aspirational goal of zero waste to landfill by 2040.

Good progress has been made in developing resource recovery facilities, with the recycling shop and upcycling area in the Waitākere Refuse and Recycling Centre joining existing sites in Waiuku, Helensville and Devonport.

Plan and provide reliable household waste management and processing service

Percentage of customers satisfied with overall reliability of waste collection services



2017 target:	2017 actual:	2016 actual:	2015 actual:
76%	74%	67%	New

Plan and enable reliable waste minimisation

Domestic kerbside refuse per capita per annum



2017 target:	2017 actual:	2016 actual:	2015 actual:
160kg	144kg⁽¹⁾	153kg	152kg

Total number of Resource Recovery Facilities⁽²⁾



2017 target:	2017 actual:	2016 actual:	2015 actual:
3	4⁽³⁾	3	New

Note

- 1 The reporting is based on estimates of:
 - a. the amount of waste collected by private waste collectors, based on a survey last done in June 2016. Waste collectors' licensing data as required by the Solid Waste Bylaw is improving and an aggregated figure will be used in the future
 - b. the percentage of domestic waste out of the total kerbside waste, based on knowledge and experience of staff.
- 2 A resource recovery facility is a community facility where the public can drop off reusable and recyclable items. Facilities can vary from simple drop-off stations in small rural areas through to large eco-industrial parks.
- 3 Waiuku Community Recycling Centre has been operating since 2014, Helensville Community Recycling Centre since 2015, Devonport Community Recycling Centre since March 2016, and Waitākere Refuse and Recycling Centre since December 2016.

Environmental services

We supported more schools and their communities to do local environmental projects and participate in a wider range of education for sustainability programmes. This means we exceeded the target of 58 per cent of Auckland schools participating in our programmes.

We continued activities to reduce the spread of kauri dieback disease. This year's programme included:

- introduction of ambassadors to provide information and raise awareness of disease spread
- launch of a five-yearly survey of Āwhitu and Hunua to update knowledge of disease distribution
- ongoing management of hygiene stations and associated signage at both infected and unaffected kauri areas.

Community groups are active in controlling pests in partnership with council. A pest-free Auckland programme has been initiated to expand and enable community-led pest control and restoration activity.

We maximised restoration of multiple threatened species at individual locations, such as Whatipu wetlands. Leveraging community interest and expanding the programme through collaboration with local boards has contributed to a successful programme.

We achieved our targets for protecting and enhancing Auckland's indigenous ecosystems. We launched a guide to Auckland's indigenous terrestrial and freshwater ecosystems to help grow active management of a representative range of ecosystems.


We could not report on some measures on restoring the quality of waterways and harbours. This work was realigned to be part of the council's implementation of the National Policy Statement for Freshwater Management and the testing related to this measure no longer happens. New measures will be established in 2018.

However, many projects focused on these areas were done, including community riparian planting and industry pollution prevention. More information about these is available in the local environmental management sections of Volume 2: Local boards.

The Macroinvertebrate Community Index (MCI) result was not met. Not all sites are tested


annually, and of those that were tested, only 7.4 per cent had a stable or improving index.

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


Percentage of the council-controlled closed landfill discharge consents achieving category one or two compliance ratings⁽¹⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
98%	100%	100%	100%


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

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
30%	Not measured⁽²⁾	11%	New


Proportion of catchments with stable or improving Macroinvertebrate Community Index (MCI)⁽³⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
11%	7.4%⁽⁴⁾	9%	New

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


2017 target:	2017 actual:	2016 actual:	2015 actual:
34.6	Not measured⁽⁵⁾	29.17	New

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


Proportion of schools participating in sustainability education programmes 

2017 target:	2017 actual:	2016 actual:	2015 actual:
58%	73%⁽⁶⁾	75%	New


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

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
8	8	8	8


Percentage of indigenous ecosystems under active management 

2017 target:	2017 actual:	2016 actual:	2015 actual:
68%	68%	68%	68%


Percentage of threatened species under active management 

2017 target:	2017 actual:	2016 actual:	2015 actual:
34%	34%	34%	34%


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

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
51%	52%⁽⁷⁾	52%	50%

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

2017 target:	2017 actual:	2016 actual:	2015 actual:
60%	68%	68%	New

Number of hectares under community pest control 

2017 target:	2017 actual:	2016 actual:	2015 actual:
89,000	124,000	124,000	124,000

Note

- 1 These are Auckland Council owned and monitored landfills
- 2 The measure was developed to support our previous sustainable catchments programme. This work was realigned to be part of the

- council's implementation of the National Policy Statement for Freshwater Management, and the testing related to this measure no longer happens. In 2018, we will establish specific catchment-level objectives, defined through an Integrated Watershed Management approach, and review measures to track delivery of healthy water outcomes.
- 3 MCI measures freshwater insect species type and abundance to indicate water quality.
 - 4 The MCI result was not met as not all sites are tested annually, and of those that were tested only 7.4 per cent had a stable or improving MCI.
 - 5 We were unable to calculate an accurate result for this measure as the associated work is been split between council departments, based on whether the projects are primarily related to stormwater management, environmental protection or council facilitation of community projects.
 - 6 We are shifting our focus towards engaging more schools through local environmental projects and at our regional experience centres. While we achieved our performance target in 2017, the underlying measures will be reviewed in 2018 to better capture the effects of this new approach.
 - 7 The council's regional possum control programme targets high-value areas. Pest control monitoring is used to ensure a reduction to below five per cent residual trap catch (the monitoring method for assessing possum density). Results below five per cent indicate biodiversity and primary production benefits are being achieved.

Civil Defence and Emergency Management

We continue to place the community at the centre of civil defence and emergency management services.

Auckland Council has replaced the national Ministry of Civil Defence and Emergency Management annual survey with a council-commissioned survey that better reflects the initiatives put in place to increase Aucklanders' preparedness for an emergency.

That survey shows an increase in community awareness and understanding of the types of hazards that could affect Auckland, and what being prepared for an emergency situation means.

- 77 per cent of those surveyed know what actions to take if a disaster strikes their area.

- 65 per cent have a good understanding of the type of disasters that could occur in Auckland and the chances of them occurring.
- 50 per cent stated they have the necessary emergency items needed to survive a disaster.
- 40 per cent of those surveyed who had emergency survival items also regularly update their supplies.

Although these figures have increased on previous years, improvements can still be made.

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

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



2017 target:	2017 actual:	2016 actual:	2015 actual:
90%	94%	92%	88%

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

Percentage of Aucklanders prepared at home for an emergency

2017 target:	2017 actual:	2016 actual:	2015 actual:
33%	Not measured⁽¹⁾	43%	21%

Percentage of Aucklanders covered by Community Response Plans

2017 target:	2017 actual:	2016 actual:	2015 actual:
95%	Not measured⁽²⁾	20%	New

Note

1 Auckland Council previously used the national Ministry of Civil Defence and Emergency Management annual survey to provide results for this measure. This survey is not considered reflective of true readiness due to the small sample size and composition. The national survey has been replaced with a council-commissioned survey that better reflects the initiatives put in place to increase Aucklanders' preparedness for an emergency. Due to the new methodology, we cannot report on this measure in a way that aligns with previous reporting. However, the results of the new survey (see text) do show good

progress.

Data is being collated for benchmarking, to establish replacement measures for inclusion in the Long-term Plan 2018-2028.

- Following review, we have moved away from traditional civil defence approaches of developing Community Response Plans and encouraging the establishment of volunteer Community Response Groups.

We are focusing on how to best support Auckland's diverse communities, build resilience, and respond to and recover from hazards and associated risks.

New strategies must be flexible so that they can be adapted to specific areas, meet the needs of the wider community, and offer different participation choices. As such, we cannot report on this measure in a way that aligns with previous reporting. However, where existing Community Response Plans are delivering local outcomes they will be supported.

Data is being collated for benchmarking, to establish replacement measures for inclusion in the Long-term Plan 2018-2028.

Local environmental management

This group of activities covers local natural heritage protection and biosecurity.

The service performance information and funding impact statement for this group of activities are available on pages 36 to 38 of volume 2.

Stormwater management

What we do

- Network planning
- Stormwater operations and maintenance

Effects on the community

In the past year, our stormwater management activities have resulted in:

- minimised flooding risks from stormwater flows
- improved quality of waterways.

Evidence of these positive effects on the community can be found in the sections below.

There are some negative effects arising from stormwater flows. Rainfall can become contaminated while flowing across land before

entering the stormwater network, polluting waterways and coastal areas when it eventually flows out to sea. Overflows and flooding are also possible due to excessive rainfall, and may damage or contaminate private property and other built and natural environments.

Our stormwater activity seeks to manage these effects. We work with (and where necessary regulate) industry and developers to reduce pollutant loads at their source or install treatment devices to remove contaminants from stormwater in sensitive areas. We also actively look at water-sensitive design options to reduce stormwater run-off, minimise soil disturbance and promote ecosystem health.

What we spent

	Actual (\$M)*	Long-term Plan 2017
Operating income	80	79
Operating expenditure ⁽¹⁾	67	46
Surplus (deficit)	13	33
Capital expenditure ⁽²⁾	110	77

Note

- Operating expenditure is above budget due to exceptional weather conditions, which has resulted in increased reactive maintenance costs
- Capital expenditure is above budget due land purchases and projects that are ahead of schedule

* See page 171 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our stormwater management activities.

- Activity focused on the delivery of \$8 million of flood mitigation projects including Madills Farm flood attenuation, Wynyard Quarter local stormwater upgrades and Wairau Valley flood-protection projects. These projects will protect buildings from flooding during significant rain.
- We supported growth in Special Housing Areas by beginning construction on the 1.1km-long Artillery Drive stormwater tunnel and the 2.1km stream system at Takanini Cascades, and completing network upgrades in the Three Kings area.

- The project to restore Te Auaunga / Oakley Creek has made significant progress, continuing to engage and empower local communities. As part of this, Te Whangai Trust has set up a nursery at Wesley Intermediate School that will supply all the plants the project, and is currently training or employing around 15 local people.
- We championed water-sensitive design with projects such as Croftfield Lane wetland restoration, creating a functional stormwater asset that is also enjoyed by the community.
- We engaged with local communities and young people through the Taiaotea Creek daylighting project at Sherwood Reserve in Browns Bay. Northcross and Sherwood primary schools took part in a project day to teach children about the ecological and amenity values of freshwater streams, and hear what the children would like to be included in the final design.
- We launched a septic tank upgrade programme that uses a targeted rate to assist property owners with updating and increasing capacity of their septic systems.
- We participated in the global Water Service Association of Australia benchmarking exercise, achieving a top score in Asset Management Customer Value.
- We responded to over 3500 service requests during the Tasman Tempest, Cyclone Debbie and Cyclone Cook storms between 7 March and 14 April 2017.

Challenges

- The significant rainfall not only caused service requests that exceeded our capacity to respond, but also damaged public infrastructure and private property across Auckland. Recovery and additional demand on resources will be ongoing as we work through the issues caused by the weather.
- Planning stormwater infrastructure and upgrading existing networks to appropriately support growth in the Auckland region.
- Building trust and confidence in our communities by developing engagement processes that raise visibility and awareness of physical works projects.
- Identifying opportunities to liaise more frequently with mana whenua. While

engagement at an operational level is positive, we need to do more to identify projects with cultural significance, and integrating Māori values and narratives into stormwater design.

How we performed

This year we began moving to a more contemporary approach to stormwater management. This includes integrated management practices such as contaminant reduction and removal to support protection of streams and associated ecosystems. This approach contributes to green growth, sustainability and revival of degraded waterways and harbours.

Two of our measures were met, two were not met and two could not be accurately measured because calls about flooding may go directly to the fire service and, therefore, cannot be counted here.


The six significant rain events over March and April resulted in 3900 service requests – a third of our usual annual total – being received in six weeks. Our maintenance contractors and the stormwater network performed within design expectations for system capacity and resulting flood impacts.

This is reflected in the results for response time measures for floods and popping manholes. We received 88 per cent of our usual annual total of service requests for popping manholes during this six-week period. The average response time two hours 45 minutes compared to the target of two hours.

Responding to popped manholes and improving our performance continues to be a priority.


We have worked closely with staff and contractors to improve both the accuracy of our reporting systems and our response times. Over 2017/2018 this will be further addressed with the introduction of GPS devices for field staff.

Enhance and protect the stormwater receiving environments for the people of Auckland through sustainable management of the stormwater system


Proportion of mana whenua satisfied with Auckland Council's engagement with iwi in relation to stormwater projects 

2017 target:	2017 actual:	2016 actual:	2015 actual:
10/19	1/19⁽¹⁾	2/19	New


Manage the stormwater network to minimise the risks of flooding to Aucklanders

The number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connected to Auckland Council's stormwater network⁽²⁾ 


2017 target:	2017 actual:	2016 actual:	2015 actual:
1 per 1000 properties	Not measured⁽³⁾	0.1 per 1000 properties	New

The median response time to attend a flooding event, measured from the time that Auckland Council receives notification to the time that service personnel reach the site⁽²⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
2 hours	Not measured⁽³⁾	2.5 hours	New


Stormwater manholes that pop open in flood events are made safe within two hours 

2017 target:	2017 actual:	2016 actual:	2015 actual:
100%	66%⁽⁴⁾	91%	100%

The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system⁽²⁾ 

2017 target:	2017 actual:	2016 actual:	2015 actual:
3 per 1000 properties	1.01 per 1000 properties	0.39 per 1000 properties	New


Enhance and protect the stormwater receiving environments through sustainable management of the stormwater system

Auckland Council stormwater compliance with resource consents for discharge from its stormwater system, measured by the number of: 

- a) abatement notices; and
- b) infringement notices; and
- c) enforcement orders; and
- d) successful prosecutions

received in relation those resource consents⁽²⁾⁽⁵⁾

2017 target:	2017 actual:	2016 actual:	2015 actual:
0	0	0	New

The ratio of length of watercourse consented to be physically improved versus physically degraded in the current year 

2017 target:	2017 actual:	2016 actual:	2015 actual:
3:1	2:6⁽⁶⁾	2.6:1	New

Note

- 1 Of the 19 mana whenua entities, nine responded to the survey question. One was satisfied, four were neutral, one did not comment, and three were dissatisfied. Some said the survey methodology could be improved, and the council will work with them to improve both the survey and future satisfaction results. We still need to improve on integrating Māori values and narratives into stormwater design.
- 2 LGA 2002 mandatory performance measure.
- 3 These measures are unable to be effectively or accurately reported as they rely on information from calls from the public about flooding. If a residence is flooded the council refers the caller to the fire service. However, this is only a subset of total calls, as most people call the fire service directly. Fire service records are not concise enough to accurately establish the number or address of flooding.

The Department of Internal Affairs (DIA) agrees that the council can't accurately report on these measures. We will work with the DIA to consider options for an equivalent and more accurate measure.

- 4 Responding to popping manholes is a priority for maintenance contractors. Response timeframes failed during the March and April storms due to the high volume of service requests. We are identifying contractor constraints during busy periods and making improvements to meet this target.

- 5 Auckland Council issues and monitors all consents.
- 6 'Physically improved' includes daylighting, naturalisation, riparian protection and enhancement, and stream enhancement features. 'Physically degraded' includes piping, lining and other structures that contribute negatively to the environment. Information on the ratio of length of watercourse consented to be physically improved versus physically degraded is provided by the council's Resource Consents team. We have begun work to set up processes to monitor consents in this repaired and record the information required.

Funding impact statement – Regulation

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		68	68	68
Targeted rates	1	8	6	5
Subsidies and grants for operating purposes		-	-	-
Fees and charges	2	175	157	156
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	-	-
Total operating funding		252	231	229
Applications of operating funding:				
Payment to staff and suppliers	3	164	142	145
Finance costs	4	16	20	17
Internal charges and overheads applied ¹		55	55	56
Other operating funding applications		-	-	-
Total applications of operating funding		235	217	218
Surplus (deficit) of operating funding		17	14	11
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	5	44	49	54
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		44	49	54
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		1	-	2
- to replace existing assets		-	-	-
Increase (decrease) in reserves		53	54	54
Increase (decrease) in investments		7	9	9
Total applications of capital funding	6	61	63	65
Surplus (deficit) of capital funding		(17)	(14)	(11)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Targeted rates are above budget due to loan repayment of Retrofit Your Home Scheme being higher compared to the long-term plan.
- Fees and charges are above budget due to increase in resource consent, building consent and inspection revenues.
- Payment to staff and suppliers is above budget due to additional staff and external consultants engaged to cope with the increased volume of inspections, sales of information and consents to meet the statutory timeframe of 20 working days to process resource consents applications.
- Finance costs are below budget due to lower average actual interest rates, combined with lower debt levels in comparison to the long-term plan.

¹ Internal charges are allocated based on the long term plan budget

- | | |
|---|---|
| 5 | Increase in debt is lower than anticipated due to capital expenditure being below budget, which resulted in lower capital funding requirement. |
| 6 | Application of capital funding is below budget mainly due to lower weathertightness claims and Retrofit Your Home” advance, compared to budget. |

Funding impact statement – Solid waste and environmental services

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		47	46	42
Targeted rates		77	78	74
Subsidies and grants for operating purposes		6	6	5
Fees and charges	1	24	32	26
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	1	3	3
Total operating funding		155	165	150
Applications of operating funding:				
Payment to staff and suppliers	3	116	134	122
Finance costs		3	3	2
Internal charges and overheads applied ²		26	26	24
Other operating funding applications		-	-	-
Total applications of operating funding		145	163	148
Surplus (deficit) of operating funding		10	2	2
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	6	11	26
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		6	11	26
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		14	11	25
- to replace existing assets		2	2	3
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	5	16	13	28
Surplus (deficit) of capital funding		(10)	(2)	(2)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- 1 Fees and charges are below budget mainly due to delay in implementing the Waste Management and Minimisation project which is expected to increase user fees through minimisation options available for each household.
- 2 Local authorities fuel tax, fines, infringement fees and other receipts are below budget due to reduced sale of refuse bags and lower Ministry for the Environment (Waste disposal) levy collections.
- 3 Payment to staff and suppliers is below budget due to unfilled vacancies, delay in the start of the inorganic collection cycle and an underspend on streetscape collections across the region. In addition, city centre initiatives such as Wayfinding and Communications have been deferred to next financial year and lower qualifying spend relating to Ministry for the Environment (waste disposal) levy.

² Internal charges are allocated based on the long-term plan budget

- 4 Increase in debt is lower than anticipated due to higher surplus of operating funding driven principally by payment to staff and suppliers being below budget, which resulted in lower capital funding requirement.
- 5 Capital expenditure is above budget mainly due to new bins delivered for the Waste Management and Minimisation project, whereas the new collections only start from 1 July 2017.

Funding impact statement – Stormwater management

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		79	79	78
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	-	-
Total operating funding		80	79	78
Applications of operating funding:				
Payment to staff and suppliers	1	44	24	24
Finance costs		14	13	12
Internal charges and overheads applied ³		9	9	9
Other operating funding applications		-	-	-
Total applications of operating funding		67	46	45
Surplus (deficit) of operating funding		13	33	33
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions	2	40	50	43
Increase (decrease) in debt	3	57	(6)	6
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		97	44	49
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		60	37	42
- to improve the level of service		24	15	23
- to replace existing assets		26	25	17
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	4	110	77	82
Surplus (deficit) of capital funding		(13)	(33)	(33)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- 1 Payment to staff and suppliers is higher than budget due to higher number of exceptional storms during the current year which increased reactive maintenance. In addition, external consultants were required to back fill vacancies and other projects, due to recruitment freeze.
- 2 Development and financial contributions is below budget due to development agreements budgeted for in the long-term plan but not yet finalised in FY17. In addition, the actual residential growth was lower than anticipated in the long-term plan resulting in lower contributions received.
- 3 Debt has increased more than anticipated due to capital expenditure being above budget which has resulted in a higher

³ Internal charges are allocated based on the long term plan budget

funding requirement.

- 4 Capital expenditure above budget mainly due to:
 - Pope Road, Takanini Conveyance Channel land purchase, originally budgeted in FY16
 - key design and delivery of significant projects are progressing ahead of schedule. These include Special Housing Areas, Brylee Reserve Stormwater quality improvement project and additional spend to complete Madills Farm and Springcomb Road flood alleviation projects.

TUMU WHAKARAE ME NGĀ TAUTOKO

Governance and support



Howick Intermediate students participate in the Kids Voting election programme.

Introduction

Within this theme we deliver:

- regional governance
- local governance
- investment
- organisational support.

Auckland Council has 170 elected members governing Auckland for the benefit of ratepayers, citizens and communities. Other decision-makers also have an important role in governance matters, including members of the Independent Māori Statutory Board, hearings commissioners, council-controlled organisations (CCOs) boards, and mana whenua partners in co-governance and co-management arrangements. We support our decision-makers in their roles through a mixture of technical and dedicated support services.

Auckland Council Investments Limited (ACIL) brings a strong commercial focus to the ownership and management of the council's investments in Ports of Auckland Limited

(POAL), Auckland International Airport Limited (AIAL) and Auckland Film Studio Limited (AFSL) to provide an efficient structure for the ownership of these assets.

Our funding of the Auckland Regional Amenities Funding Board, Auckland War Memorial Museum (AWMM), Museum of Transport and Technology (MOTAT) and Community Education Trust Auckland sits under the regional governance group of activities in this theme.

Our organisational support services are also included in this theme. These include finance, information technology, procurement, legal services, customer services, communications and engagement, and human resources. The costs for these services are allocated across all areas of council activity, as they support the organisation as a whole.

Our budget to deliver these activities includes \$449 million for operating expenditure and \$238 million for capital expenditure

The activities in this theme contribute to all of the Auckland Plan community outcomes.



- Regional governance contributes to all of the Auckland Plan outcomes by actively supporting elected members to deliver initiatives and engage with communities.
- Local governance contributes to all of the Auckland Plan outcomes by actively supporting local boards to deliver initiatives and engage with communities.
- The investment activity contributes to an Auckland of prosperity and opportunity by influencing economic growth.
- Organisational support has an indirect contribution to delivery of the Auckland Plan through ensuring the council's internal services are adequately resourced to undertake delivery of the Auckland Plan.

Commentary

Regional governance

What we do

- Regional governance and democracy
- Advisory panel initiatives
- Māori responsiveness
- Regional amenities and museums
- Governance and monitoring of CCOs and other external partnerships

Effects on the community

In the current year, our regional governance activities have resulted in:

- Programmes that have increased our responsiveness to Māori
- increased community engagement through advisory panel events and forums
- higher visitor numbers at our amenities and museums.

Evidence of these positive effects on the community can be found in the sections below.

There are no significant negative effects associated with these activities.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income	101	102
Operating expenditure ⁽¹⁾	94	102
Surplus (deficit)	7	-
Capital expenditure	-	-

Note

- 1 Operating expenditure is below budget due to lower election and District Licensing committee meeting costs

* See page 183 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our regional governance activities.

Regional governance and democracy

- The council successfully delivered the 2016 local body elections. Voter participation increased to 38.5 per cent, from 35.4 per

cent at the previous election, bucking the national trend of declining participation.

- The Kids Voting project registered 12,730 students from 56 schools to take part in an online voting initiative that mirrored the actual election. The aim was to improve understanding of local elections for students aged 11 to 15.
- The council partnered with the New Zealand Blind Foundation to provide election-related support for people with visual impairments.
- A by-election was held in the Botany subdivision of the Howick Local Board area to replace a local board member who resigned.
- Support was provided to the new mayor and chief of staff to set up the mayoral office for the new term. A review of the committee structure from the previous term was done and options for a new committee structure presented to the mayor.
- We supported the Auckland Unitary Plan Independent Hearings Panel to deliver its recommendations to the Governing Body and then supported the Governing Body to make decisions on the Auckland Unitary Plan.
- A new strategy to reduce the council's reliance on printed agendas and minutes led to a reduction in printing costs.
- The council initiated a work programme to improve its culture and processes around how we treat personal information.
- We recruited a new pool of independent hearings commissioners to make decisions under the Resource Management Act and Reserves Act. We also recruited a new pool of District Licensing Committee members to make decisions under the Sale and Supply of Alcohol Act.
- During the year, the council received over 1100 official information and privacy requests under the Local Government Official Information and Meetings Act 1987 and the Privacy Act 1993. As part of our focus on increased transparency, we continued to publish information of interest to the public on our website.

Advisory panel initiatives

- A review of the demographic advisory panel model was completed and advice on an improved model was presented to the incoming mayor.
- Recruitment for the six advisory panels was completed, resulting in the appointment of a good mix of new and returning members.
- The recruitment of the Youth Advisory Panel was successfully delivered using an innovative youth-designed citizen jury approach.

Driving Māori responsiveness

The following highlights were delivered by the Tūpuna Maunga o Tāmaki Makaurau Authority which is supported by the council in its role and functions as the co-governance entity responsible for administering 14 Tūpuna Maunga (ancestral mountains).

- The Tūpuna Maunga Integrated Management Plan was formally approved by the Minister of Conservation in respect of Maungauika / North Head. The plan sets the direction for the restoration, protection and management of the maunga.
- The Tūpuna Maunga Authority resolved to restrict vehicle access to the tihi (summit) of five Tūpuna Maunga; implementation is ongoing. The authority has also standardised speed limits on the Tūpuna Maunga and formalised car parking requirements.
- In April, the authority held the Love Your Maunga event at Ōtāhuhu / Mt Richmond to promote the Tūpuna Maunga.

Key achievements for Te Poari o Kaipātiki ki Kaipara (officially the Parakai Recreation Reserve Board) include:

- designing and drafting a Reserve Management Plan which was adopted in May for formal public consultation
- resolving to revert to the traditional name of Kaipātiki to replace Parakai Reserve. This resolution is subject to the approval of the Minister of Conservation. The board itself is now known as Te Poari o Kaipātiki ki Kaipara, although the official name remains Parakai Recreation Reserve Board.

Regional amenities and museums

Auckland Council contributes around 80 per cent of the annual funding of AWMM and the (MOTAT).

Key achievements at AWMM include:

- over one million collection records are now accessible online, with AWMM recognised as an example of international best practice by the global World Wide Web Consortium
- the Pacific Collections Access Project saw engagement with community leaders and over 2000 people from Auckland's Pacific communities who provided background information and images to enrich understanding of 1000 Cook Islands and Fijian collection items
- over 200,000 people visited the award-winning *Volume: Making Music in Aotearoa* exhibition which was created in collaboration with industry partners.

Key achievements at MOTAT include:

- increased visitation and engagement stakeholders through special events such as the Science Street Fair and Fire & Rescue Day. Compared to the prior year, Science Street Fair visitor numbers increased by 67 per cent, and Fire & Rescue Day by 18 per cent
- upgrading exhibition spaces and improving infrastructure, including painting buildings in colours complementary to MOTAT's new wayfinding system
- developing and producing relocatable education outreach modules which are currently being tested around the museum before being rolled out to the community
- focusing on the professional management of the MOTAT collection with the progression of the Collection Review Project and preparations to relocate stored artefacts to high-quality storage facilities.

Auckland Council contributes approximately \$16 million in annual funding to 10 other independent regional organisations through the Auckland Regional Amenities Funding Act to support those organisations in their delivery of services to Auckland residents. The following are key achievements from some of these organisations.

- Stardome celebrated 50 years since the opening of the observatory. The longevity of the organisation and number of visitors each year is testament to public interest and the importance of an astronomical facility in a large city.

Key achievements at New Zealand Opera include:

- producing 17 mainstage performances in Auckland and seven performances with co-producers
- the company's Auckland education and outreach engagements, including free concerts and workshops, grew from 2000 participants in 2013 to 9000 in 2016
- in 2016, 3000 Auckland children attended the schools show and over 1000 attended dress rehearsals – almost all experiencing opera for the first time.

Key achievements for Coastguard Northern Region include:

- 707 volunteers across the Auckland region managed 76,996 radio calls and responded to 1308 calls for help, bringing 2798 people home safely
- in response to the continuing tragedies on the often-treacherous west coast harbour bars, Coastguard's Raising the Bar seminars were developed to better equip boaties with knowledge and local experience before heading out onto the water.

ASB Waterfront Theatre opened in September 2016. The venue features a 668-seat theatre designed specifically for spoken word and dance, a café and bar, gallery and hosting space, and an outdoor courtyard. Highlights include:

- over 50,000 visitors attended performances, events and free community activities during the first six months of operation
- the theatre was a winner in the Public Architecture category at the 2017 Auckland Architecture Awards.

Auckland Rescue Helicopter Trust carried out 1100 missions over the year, a significant portion of which saw a life saved or serious ongoing medical issues avoided.

Governance and monitoring of CCOs and other external partnerships

The new electoral term brought a stronger focus on the accountability and transparency of the six substantive CCOs. This led to the establishment of the CCO Accountability Review which covers 17 of the 20 available CCO accountability tools (legislative and non-legislative) and how these could be improved. The review will be completed at the end of June 2018 as part of the Long-term Plan 2018-2028 process.

Challenges

- Overcoming voter fatigue to successfully plan and deliver by-elections that may be triggered by the 2017 general election.
- Overcoming consultation fatigue of iwi that provide to advice to council.
- Ensuring the cost-effectiveness of community engagement.
- Ensuring ratepayers are receiving the best value for the money spent on regional facilities and funding.
- Complying with increasing and changing legislative requirements.

How we performed

We only achieved one of our five performance measures, although two of the not-achieved measures have improved results compared to last year.

The percentage of residents who feel they can participate in Auckland Council decision-making increased by six per cent. This was matched by an eight per cent decrease in those who responded negatively to this question (from 33 per cent to 25 per cent), marking a significant step in the right direction for this measure.

Improvement initiatives included a drive to increase voter participation in the 2016 council elections, and more accessible information and support for people attending committee meetings.

The People's Panel, an online panel of Aucklanders who give feedback on issues and council decisions, is seeking greater representation from young people, and Māori, Pacific and Asian ethnicities.

The Annual Plan 2017/2018 consultation saw a lift in submission numbers in all these target groups. Further improvement is expected with next year's focus turning to partnering with key ethnic community groups to help drive engagement, and increase representation of these hard-to-reach audiences.

Auckland Council values its relationships with Māori and is committed to achieving better outcomes with Māori. One of the mechanisms for this is participation in our decision-making processes. We have a number of arrangements that in 2016/2017 enabled Māori to directly influence decision-making or participate in decision-making processes. These included participation in governing body committees, governance arrangements and participation in operational matters.

In 2016, the council restructured its Māori Strategy and Relations unit and a new role was created to develop a programme focusing on improving both council and Māori capability and capacity to engage.

We will continue to support elected members to drive Māori responsiveness and better enable participation and engagement across the organisation.

The result for the number of Māori organisations that consider they have an appropriate working relationship with the council is low, with one out of 12 responding positively and a further four giving neutral responses.

Key initiatives to improve this result, including:

- formalising the council's relationship with mana whenua through relationship agreements
- development of a Māori information portal enabling council staff to access clear guidelines, processes, protocols and relevant background information to help prepare and engage with Māori
- development of capacity funding agreements which are now in place between the council and all 19 mana whenua entities supporting the establishment of a Mana Whenua Kaitiaki Forum in collaboration with mana whenua. Terms of reference were

agreed in July 2016, and there have been several workshops to agree a strategic action plan, and a secretariat is now in place.

Ensure communities can easily engage in council decision-making and have access to information

Percentage of residents who feel they can participate in Auckland Council decision-making



2017 target:	2017 actual:	2016 actual:	2015 actual:
50%	34% ⁽¹⁾	28%	New

Percentage of Māori residents who feel they can participate in Auckland council decision making



2017 target:	2017 actual:	2016 actual:	2015 actual:
50%	32% ⁽²⁾	34%	New

Number of complaints regarding council democratic processes upheld by the Auditor-General or Ombudsman



2017 target:	2017 actual:	2016 actual:	2015 actual:
0	0	0	0

Support elected members, council and Māori to work together to achieve better outcomes for Tāmaki Makaurau – Auckland and enable the council to effectively contribute to Māori wellbeing

Percentage of Māori organisations who consider they have an appropriate working relationship with the council



2017 target:	2017 actual:	2016 actual:	2015 actual:
85%	8% ⁽³⁾	No result	27%

Number of formalised relationship arrangements between the council and mana whenua⁽⁴⁾



2017 target:	2017 actual:	2016 actual:	2015 actual:
19	11 ⁽⁵⁾	10	10

Note

- 1 Performance lifted since last year as we created more opportunities for people to participate and engage with the council.
- 2 Although the result is lower than last year, there has been a seven per cent reduction in the number of negative responses to this

question. Initiatives to improve the result include invitations to participate in governing body committees and support for elected members to drive Māori responsiveness.

- 3 For this measure, Māori organisations is represented by the 19 mana whenua entities of Tāmaki Makaurau. The 2017 result reflects the responses of the 12 mana whenua entities that took part in the research this year. Work to identify appropriate non-mana whenua organisations for this research has begun.
- 4 Relationship arrangements includes legacy agreements or memoranda of understanding between iwi and the former Auckland councils, as well as the current relationship agreements being formalised between mana whenua entities, and the mayor, Governing Body and local boards.
- 5 The council has relationship arrangements in place with 11 mana whenua entities. This includes nine legacy memoranda of understanding, and two new relationship agreements. Over the last year, the Governing Body and 10 local boards formally adopted the relationship agreement process, and 10 mana whenua entities started work on the first draft of their relationship agreements.

Local governance

This group of activities covers advice and support to local boards.

The service performance information and funding impact statement are available on pages 39 to 41 of volume 2.

Investment

What we do

Manage the council's shareholding and investment in Ports of Auckland Limited (100 per cent owned), Auckland International Airport Limited (22.4 per cent owned) and Auckland Film Studios Limited (100 per cent owned).

Effects on the community

In the past year, our investment activities have resulted in support for the local economy and financial returns that are used to fund council activities that benefit Auckland. Evidence of these positive effects on the community can be found in the sections below.

There could be some negative effects associated with activities from the entities in which the council invests, such as noise and

pollution. The companies in which we invest are committed to being good corporate citizens and mitigate these effects appropriately.

What we spent

	Actual (\$M)* 2017	Long-term Plan 2017
Operating income ⁽¹⁾	200	208
Operating expenditure ⁽²⁾	135	163
Surplus (deficit)	65	45
Capital expenditure ⁽³⁾	88	201

Note

- 1 Operating income is below budget due to lower volumes of Ports of Auckland against the long-term plan
- 2 Operating expenditure is below budget mainly due to reduced cost of services
- 3 Capital expenditure is below budget due to the deferral of Ports of Auckland projects

* See page 184 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our investment activities.

- ACIL returned a dividend of \$85.9 million to the council, \$19.4 million more than the prior year.
- ACIL achieved a return on equity of 10.3 per cent, higher than the target of 6.8 per cent.
- ACIL has encouraged Ports of Auckland and Auckland Film Studios to develop knowledge of, and support, the council's policies and contribution to Māori wellbeing.

Ports of Auckland Limited

Ports of Auckland Limited (POAL) produced an excellent result in the face of a difficult period for the global shipping industry. Key points of note are:

- POAL delivered a full-year after-tax surplus of \$67.1 million (prior year \$83.2 million), which is \$19.4 million higher than the current year's budget of \$47.7 million. This increase was largely due to the Auckland Council Group tax offsetting agreement.
- POAL paid \$53.7 million of dividends to ACIL for the year, which is \$14.5 million above the full-year budget (\$39.2 million).
- While higher volumes were achieved this year, the operating revenue was close to budget. Higher operating costs relating to the consolidation of Nexus and Conlinxx, supply

chain, IT and professional services were offset by investment property revaluation gains and favourable interest expenses.

- POAL achieved a 10 per cent return on equity, above the SOI target of 9.1 per cent (prior year 15.6 per cent).
- POAL handled 952,000 TEU (20-foot equivalent unit, a unit of cargo capacity), compared to 907,000 TEU in the previous financial year. Auckland remains the country's largest container port.
- This year POAL saw:
 - an 11 per cent increase in bulk and break bulk volumes to 6,459 million tonnes, compared to 5,799 million tonnes in the previous year
 - a 20 per cent increase in car numbers to 279,383 from 248,065 in the previous year
 - a one per cent decrease in ship calls, from 1588 to 1572.
- POAL productivity results:

Productivity measure	2017 result	2016 result
Crane rate ⁽¹⁾	34.4	36.6
Vessel rate ⁽²⁾	69.4	74.3
Ship rate ⁽³⁾	77.2	84.0

1. Crane rate is the number of containers a crane lifts on and off a container ship in an hour (as reported by the Ministry of Transport)
2. Vessel rate is the number of containers moved on and off a container ship in an hour of labour (as reported by the Ministry of Transport)
3. Ship rate is the number of containers moved on and off a container ship in an hour (as reported by the Ministry of Transport)

Auckland International Airport Limited

Our investment returns saw a major contribution from our shareholding in Auckland International Airport Limited (AIAL):

- ACIL's share of the net profit after tax was \$72.4 million. The share price increased from \$6.50 to \$7.13 during the year, leading to a \$167.8 million increase in the value of shares owned by ACIL. Since the establishment of ACIL on 1 November 2010, the value of shares in AIAL has risen from \$621.4 million to \$1.9 billion (as at 30 June 2017).

- International passenger numbers (excluding passengers in transit) at Auckland Airport were up by 11.3 per cent for the year.

Auckland Film Studios Limited

The net after-tax surplus for Auckland Film Studios Limited (AFSL) for the year was \$6.3 million (prior year \$1.1 million). The occupancy rate for the year was 94 per cent, above the 37.5 per cent SOI target (prior year 63 per cent).

Challenges

The newly-elected council's response to the Port Future Study remains an outstanding item. It presents a challenge for both POAL and the council in identifying a viable future alternative location for the port, and in agreeing under what conditions the port will relocate.

How we performed

We met our performance measure target, returning positive results for council investments

Manage council investments to optimise returns

Return on equity (ROE) for ACIL group 

2017 target:	2017 actual:	2016 actual:	2015 actual:
6.8% ⁽¹⁾	10.3% ⁽²⁾	22.0%	12.3%

Note

1	Revised target	2017 LTP Target
	6.8%	7.4%

The revised target is lower than the long-term plan budget due to higher equity

- 2 2016 ROE includes asset revaluations at both AIAL and POAL; excluding revaluations, the 2016 ROE was 8.6 per cent. In 2017 AIAL did not revalue their property, plant and equipment and POAL only revalued its land.

Organisational support

What we do

- Corporate support services
- Management of our financial assets
- Stewardship of council finances and developing a culture of value for money

Effects on the community

In the current year, our organisational support activities have resulted in:

- improved digital and face-to-face interaction with customers and community members
- improved efficiency in the delivery of day-to-day services
- increased monitoring of the delivery of value for money for ratepayers
- better transparency and accountability.

Evidence of these positive effects on the community can be found in the sections below.

There are no significant negative effects associated with these activities.

What we spent

	Actual (\$M)*	Long-term Plan 2017
Operating income	239	240
Operating expenditure ⁽¹⁾	253	202
Surplus (deficit)	(14)	38
Capital expenditure ⁽²⁾	74	68

Note

- 1 Operating expenditure is above budget due to information and Communication Technology deliverables and higher consultancy expense
- 2 Capital expenditure is above budget due to ICT deliverables and commencement of façade work at Albert Street building

* See page 185 for the full funding impact statement and variance commentary for this group of activities.

What we delivered

This section includes key achievements for our organisational support activities.

Digital services

- We continued to expand the range of council services available online. Our target is to have 70 per cent of our services digital by 2019. During the year our progress towards this

jumped from eight per cent in the first quarter to 22 per cent in the third quarter.

- Strong uptake of single sign-on capability enabling customers to manage online council interactions with one log-on.
- We launched new tools and smart forms for licensing and compliance services such as dog registration and event permitting.
- We made more facilities bookable online, including library and community halls and meeting rooms.
- We began the launch of Auckland Council's redeveloped, mobile-first website, which is being created using a customer-centred design approach that has significantly improved accessibility and ease of use.

Information systems transformation

- We completed NewCore, our project to consolidate the systems for management of customer interactions, licensing applications, compliance activities, property creation and maintenance, invoicing, receipting and debt collection activities. It replaces a large number of legacy systems, delivers consistent service across the region and enables staff to do their jobs more effectively.

Customer services

- The first phase of a programme to improve the effectiveness and efficiency of contact centres was completed in June. Six contact centres have been consolidated into one location in Manukau, reducing our property footprint and operational costs. This initiative also supports the aims of The Southern Initiative by creating employment opportunities in south Auckland.
- Following engagement with staff, we launched a home agent programme that allows some of our customer service representatives to work from home.

Communication and engagement

- The OurAuckland website received more than two million visits in 2017, an increase of 123 per cent over the previous year, reflecting its reputation for providing timely and reliable information about Auckland, the council and local events.
- The 'Show your love for Auckland' election-awareness campaign contributed to the three per cent increase in voter turnout.

- Our consultation programme for the Annual Plan 2017/2018 generated 8058 submissions – a 143 per cent increase on the previous year which also included significant increases in the number of responses from Māori, and Pacific and Asian peoples.

Treasury and financial management

- 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 ratings were reaffirmed in October 2016. These ratings affect the interest rate the council pays on its debt.
- Our procurement team negotiated benefits (value associated with procurement activity) to the value of \$100 million which will be realised over the life of the relevant contracts.
- A comprehensive programme of savings and efficiencies that included:
 - a review of our Information and Communication Technology (ICT) strategy, priorities and team structure
 - a review and reduction of ICT license and maintenance costs
 - consolidation and optimisation of the vehicle fleet.

Strategy and performance planning

Several initiatives were completed to help achieve the performance measures in the Auckland Council Performance Plan 2017/2019. These include:

- improved prudent governance forums
- improving our strategic planning process
- ensuring stringent business case evaluation and cost-versus-benefits analysis
- introducing a regular organisational performance review cycle.

Challenges

- Maintaining stringent evaluation and prioritisation processes to ensure we are achieving value for money for Aucklanders.
- Strong population growth continues to increase demand on our contact centres, putting pressure on service level targets.

How we performed

We did not meet our level of service for managing our diversified asset portfolio of investments due to the partial sell-down of the portfolio.

Prudent financial management is monitored through the overall financial results of the council, which are reported on pages 63 to 73 of this volume and in volume 3.

Manage the council’s diversified asset portfolio investments to optimise returns			
Rolling 10 year return for diversified financial assets portfolio ⁽¹⁾			
	2017 actual:	2016 actual:	2015 actual:
Equal or exceed return on reference portfolio	9.1% ⁽²⁾	9.2%	10.6%



Note

- 1 Rolling average return for diversified financial assets portfolio since amalgamation, then rolling 10 years. The return is the weighted average of the various indices included in the portfolio
- 2 The return on the reference portfolio was 9.6 per cent meaning we did not achieve the target. The lower return was predominantly due to a high level of cash holdings in the fund while the partial sell-down of \$100m was being actioned in August 2016

Funding impact statement – Regional governance

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		98	98	93
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		2	2	2
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	2	-
Total operating funding		101	102	95
Applications of operating funding:				
Payment to staff and suppliers	1	87	95	89
Finance costs		-	-	-
Internal charges and overheads applied ¹		7	7	6
Other operating funding applications		-	-	-
Total applications of operating funding		94	102	95
Surplus (deficit) of operating funding		7	-	-
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	2	(7)	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		(7)	-	-
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		-	-	-
- to replace existing assets		-	-	-
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		-	-	-
Surplus (deficit) of capital funding		(7)	-	-
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- 1 Payment to staff and suppliers is below budget due to unfilled vacancies, underspending of elections costs, and lower committee costs due to fewer District Licensing Committee meetings in FY17.
- 2 Decrease in debt is mainly due to underspent in payment to staff and suppliers which has resulted in lower funding requirement

¹ Internal charges are allocated based on the long-term plan budget

Funding impact statement – Investment

For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		(74)	(74)	(69)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1	214	240	225
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	60	42	40
Total operating funding		200	208	196
Applications of operating funding:				
Payment to staff and suppliers	3	121	115	113
Finance costs	4	14	35	28
Internal charges and overheads applied		-	-	-
Other operating funding applications	5	-	13	12
Total applications of operating funding		135	163	153
Surplus (deficit) of operating funding		65	45	43
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	6	23	156	114
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		23	156	114
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		78	87	106
- to improve the level of service		-	2	2
- to replace existing assets		10	112	49
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	7	88	201	157
Surplus (deficit) of capital funding		(65)	(45)	(43)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Fees and charges are below budget due to reduced revenue from Ports of Auckland compared to original budget in the LTP.
- Local authorities fuel tax, fines, infringement fees and other receipts are above budget mainly due to higher dividend received than expected.
- Payment to staff and suppliers above budget mainly due to higher salary expenses to generate higher revenue and rising labour cost. In addition, there are higher dredging and pavement repairs and maintenance costs.
- Finance cost is below budget due to lower average actual interest rates, combined with lower debt levels in comparison to long term plan.
- Other operating funding applications are nil because the Auckland Council Group tax offsetting agreement eliminates planned tax expenses.
- Increase in debt is lower than anticipated due to capital expenditure being below budget, which has resulted in lower capital funding requirement.
- Capital expenditure below budget mainly due to deferral of the commencement of major projects such as The Intelligent Terminal and the purchase of Quay Cranes.

Funding impact statement – Organisational support
For the year ended 30 June 2017

\$million	Note	Actual 2017	Long-term Plan 2017	Long-term Plan 2016
Sources of operating funding:				
General rates, UAGC, rates penalties		13	13	(2)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		1	-	-
Fees and charges	1	-	2	2
Internal charges and overheads recovered		195	195	194
Local authorities fuel tax, fines, infringement fees and other receipts		30	30	28
Total operating funding		239	240	222
Applications of operating funding:				
Payment to staff and suppliers	2	235	191	190
Finance costs	3	18	11	15
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		253	202	205
Surplus (deficit) of operating funding		(14)	38	17
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions	4	2	-	-
Increase (decrease) in debt	5	86	30	62
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		88	30	62
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		27	43	39
- to replace existing assets		49	38	46
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		(2)	(13)	(6)
Total applications of capital funding	6	74	68	79
Surplus (deficit) of capital funding		14	(38)	(17)
Funding balance		-	-	-

Variance explanations – Actual 2017 to Long-term Plan 2017

- Fees and charges are below budget due to lower fees received than originally planned in the long-term plan.
- Payment to staff and suppliers is above budget due to:
 - redundancy costs for Project Ora and additional contract staff to support new systems (Cloud Portfolio Analysis);
 - consultancy charges for EY who was engaged to assist in identifying organisation wide procurement benefits under project HariHari
 - ASB transition costs and progress to in-house valuations (Project Valor)
 - ERP SAP maintenance support costs which were not budgeted for.
- Finance costs is above budget due to higher debt requirement than anticipated.
- Development and financial contributions are above budget due to contributions received which were imposed on old resource consents prior to 2015 as per Financial Policies Contribution Policy 2015 and are still receivable.
- Debt has increased more than anticipated due to capital expenditure being above budget, which has resulted in a higher funding requirement.
- Capital expenditure is above budget mainly due to:
 - façade work at Albert street building which was not budgeted in the long-term plan has started

- NewCore implementation, which was deferred and completed during the current financial year
- Three Kings Service Centre renewals which was deferred from FY16.

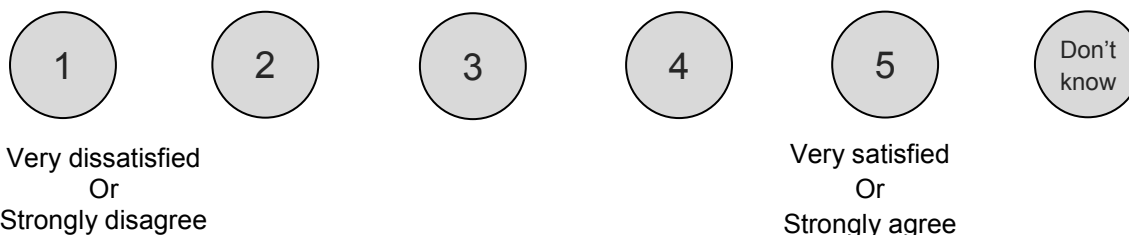
TE WHAKAMAHI I NGĀ KITENGA RANGAHAU I ROTO I NGĀ RĪPOATA ARONGA RITENGA MAHI

Use of surveys in reporting performance measures

The measurement of resident and participant satisfaction with the services, events and facilities provided by the council is conducted using external surveys.

External customer surveys

The satisfaction scales used were as follows:



A positive rating is either 4 or 5.

This scale was used for most satisfaction measures. Exceptions were those who visited a regional park where they were required to state yes or no, and the Net Promoter Score for pools and leisure facilities, where an 11-point scale was used and the top two were counted as a positive rating (recommend) and the bottom seven were counted as a negative rating (not recommend). The result is calculated by subtracting the percentage of customers who would not recommend our facilities from the percentage of customers who would. This gives a score of between -100 (all customers would not recommend) and +100 (all customers would recommend).

Auckland residents' survey

Colmar Brunton New Zealand conducted the annual survey of residents. The survey primarily measures respondents' use of, and satisfaction with, a range of council services. It was conducted using a mix of online, phone and face-to-face interviews. The range of methods addresses the difficulty of achieving robust and representative samples of small populations and hard-to-reach groups online. The Colmar Burton online research panel was used to get a wide range of respondents across the region.

The Inivio (previously known as Knowledge Management Services) sample database was also employed to interview Aucklanders. Inivio is primarily used for marketing, research and analysis, and is a licensed reseller of the White

Pages Directory. This database was used to target residents from Waiheke and Great Barrier and also for targeting Māori residents, focusing on areas with the highest population representation.

Face-to-face intercept interviews were conducted on Great Barrier at Tryphena, in and around the main hub and visitor centre, and on the ferry over to the island. Colmar Brunton's experienced field interviewers were used to conduct these face-to-face interviews. For the face-to-face intercept interviews on Great Barrier, people were approached and asked to participate in the survey.

The population used to select respondents was Auckland residents aged 15 and over.

Demographic quotas were set by age, gender, ethnicity and local board area.

Sample size	Margin of error
4242	± 1.5%

The main data set was post-weighted according to age, gender, ethnicity and area, to ensure the sample profile matched the population of the Auckland region.

This survey is related to the following performance measures:

- percentage of Aucklanders satisfied with historic heritage management in Tāmaki Makaurau/Auckland (Volume 1)
- percentage of customers satisfied with overall reliability of waste collection services (Volume 1)
- percentage of residents who feel they can participate in Auckland Council decision making (Volume 1)
- percentage of Māori residents who feel they can participate in Auckland Council decision making (Volume 1)
- percentage of Aucklanders that feel Auckland is an eventful, fun and exciting city (Volume 1)
- percentage of Aucklanders that feel art and culture is part of their everyday life (Volume 1)
- percentage of Aucklanders that feel connected to their neighbourhood and local community (Volume 2)
- percentage of Aucklanders that feel their local town centre is safe (day) (Volume 2)
- percentage of Aucklanders that feel their local town centre is safe (night) (Volume 2)
- percentage of visitors satisfied with the presentation of cemeteries (Volume 1)
- percentage of the people of Auckland with a greater awareness of spiritual, ancestral, cultural, customary and historic significance of the Tūpuna Maunga (Volume 1)
- percentage of the public who have used a regional park in the last 12 months (Volume 1)

- percentage of residents participating at least once per week in sport and recreation (Volume 1)
- percentage of residents satisfied with the provision (quality, location and distribution) of local parks and reserves (Volume 2)
- percentage of residents who visited a local park or reserve in last 12 months (Volume 2)
- percentage of residents satisfied with the provision (quality, location and distribution) of sports fields (Volume 2).

Auckland libraries customer satisfaction survey

Gravitas Research and Strategy Limited surveyed library users. The survey primarily measures respondents' satisfaction with libraries' services. The survey used a mixed-method approach. On-site interviewing staff were used to introduce the survey to customers and to invite/encourage them to take part, either by completing a paper copy of the questionnaire or completing the survey online. On-site interviewing staff were also available to respondents while they completed the questionnaire to answer queries, collect completed questionnaires and thank them for their help. Invitations to participate in the online survey were also sent to a random selection of customers identified from the membership database.

Consistent with 2012 to 2016, respondents were library customers who had visited an Auckland library in person in the four months prior to the survey. With the exception of library staff and those younger than 15 years, all library customers were eligible to participate in the in-library survey, irrespective of their library membership status, and reason or length of their visit. Surveys were done in each Auckland library, including the four mobile libraries. The data has been weighted so that the demographic and behavioural profile of the online survey sample matches that of the in-library (randomly selected) sample, and the contribution of each library to the total result is relative to its patronage.

Sample size	Margin of error
8510	± 1.06%

This survey is related to the following performance measures:

- percentage of customers satisfied with the range of collection items available (Volume 1)
- percentage of Māori satisfied with the range of collection items available (Volume 1)
- percentage of customers satisfied with the Auckland Libraries website (Volume 1)
- percentage of customers satisfied with the quality of library service delivery (Volume 2)
- percentage of visitors satisfied with the library environment (Volume 2).

Leisure Net Promoter Score research

Net Promoter Score (NPS) measures customer loyalty and satisfaction. This is measured via a survey question where survey respondents are asked to rate their likelihood to recommend the facility on an 11-point rating scale. The NPS is then calculated by subtracting the percentage of customers who would not recommend our facilities (i.e. those giving a rating of 0 – 6) from the percentage of customers who would (i.e. those giving a rating of 9 or 10), to determine a score of between -100 (all customers would not recommend) and +100 (all customers would recommend).

Nielsen surveyed Auckland Council leisure centre active members. This includes fitness/gym members as well as those who are enrolled in programmes such as Learn to Swim, and early childhood and recreation programmes. The survey measured members' willingness to recommend pools and leisure centres.

The survey used an online method. Daily invitations were sent to members of 37 facilities from lists provided by council. These invitations were either sent by email to members who had provided an email address

to the council or by SMS message to those who had not provided an email address but had provided their mobile phone number. As in 2015/2016, the survey data was weighted by membership numbers so that the contribution of each leisure facility to the total result is relative to its patronage.

The Annual Report 2015/2016 survey was a point-in-time study conducted from 27 June to 10 July 2016. By contrast, from 14 December 2016, the council moved to a continuous automated approach to the research where an average of 400+ survey invites are sent to leisure centre members every day with the exception of the Easter and Christmas periods. Therefore, the reported results for 2016/2017 cover the period from 14 December 2016 to 30 June 2017.

The different time period for the two surveys as outlined above could have an impact on the comparability of results from 2015/2016 to 2016/2017.

However, this new approach has the following key benefits:

- results are recorded live in real time on the platform allowing council staff to monitor results and respond accordingly
- sample sizes are large, ensuring robust results for each leisure centre and local board area
- trends in results can be tracked over time (e.g. from month-to-month)
- reduction in administration costs as survey invites and reporting are managed automatically.

Sample size	Margin of error
1788	± 2.3%

This survey is related to the following performance measure:

- Customers Net Promoter Score for Pool and Leisure Centres (Volume 2).

Local arts activities survey

Buzz Channel surveyed participants of the council’s art activities to measure their satisfaction. The population of interest for the survey includes all those who have participated in arts activities (e.g. a class or educational programme, workshop, opening, activities, events) that were held from April-June 2017.

The survey used a mix of self-completion, online and face-to-face interviews. An online survey was sent to participants from lists of registered attendees provided by the council. For arts activities where there is no registration process, interviewers approached participants at selected arts and cultural activities in public spaces and inside facilities, and invited them to take part, either by completing a face-to-face interview or completing the survey online.

The research approach was the same as in 2016 except that in 2017, the survey ran for a full year from July 2016-June 2017. The set-up of this research programme began in 2015 and launched in April 2016, resulting in a shorter time period for the previous financial year.

Sample size	Margin of error
767	± 3.0%

This survey is related to the following performance measure:

- percentage of participants satisfied with council delivered local arts activities (Volume 2).

Customer experience monitor survey

Buzz Channel managed an ongoing continuous feedback survey process on behalf of the council. All customers (except those who unsubscribed and were removed all contact lists) who had received a service or interacted with one of five regulatory business units were eligible to participate. This included customers applying for a resource consent, building consent, food or alcohol licence, and customers who had contacted the council to

make an enquiry or raise an issue regarding noise control, a resource consent or a building consent.

On a weekly cycle, the council provided a sample list of all relevant customers to Buzz Channel which administered the survey on the council’s behalf. A mixed-method research approach was used, comprising online surveys disseminated via email, text message, and computer-assisted telephone interviewing. (CATI).

All customers (not a sample) who provided an email address were emailed a link to the relevant online survey relating to their interaction. Likewise, all customers (not a sample) who provided a mobile telephone number, but not an email address, were sent a text message with a link to the relevant online survey. In addition, a random sample of 22 customers (across all five business units) who provided a landline telephone number (and not an email or mobile number) were contacted by telephone to complete the CATI survey.

Surveys were conducted continuously over the year, based on the weekly customer sample delivered to Buzz Channel by the council. In most bases, customers were surveyed within two weeks of their interaction with the council. The exception was over the Christmas break, when interviewing was suspended between 21 December and 10 January.

A minor exception to the above method included the following:

- from mid-November 2016, Healthy Waters customers who provided a mobile telephone number were surveyed via CATI rather than text.

For the 2016/2017 Annual Report, results are based on scores from the Customer Experience Monitor up until the mid-June point. The last two weeks of June are excluded to meet reporting deadlines. An analysis using predicted satisfaction scores have found that there will be a negligible impact on final results.

Service unit	Sample size	Margin of error
Alcohol licensing	2463	± 1.5%
Building control	2482	± 2.0%
Food licensing	1085	± 2.3%
Noise control	1137	± 2.9%
Resource consents	1031	± 3.0%

This survey is related to the following performance measures:

- percentage of customers satisfied with the overall quality of building control service delivery (Volume 1)
- percentage of customers satisfied with the overall quality of resource consents service delivery (Volume 1)
- percentage of complainants satisfied with noise control services (Volume 1)
- percentage of customers satisfied with the food and hygiene licensing service (Volume 1)
- percentage of customers satisfied with the alcohol licensing service (Volume 1).

Social housing for older person's survey

Gravitas Research and Strategy Limited surveyed the council's housing for older people tenants about their satisfaction with their housing. The survey used a mail-out self-completion methodology with a survey form to be completed and posted back (freepost) or online (by following the instructions printed on the survey form to access the online link). Consistent with 2012 to 2016, respondents were current tenants who completed the questionnaire and returned it by the due date. The overall results have been weighted by housing area (north, south, west) so that the contribution of region to the total result is relative to its proportion of the total housing stock.

Sample size	Margin of error
623	± 2.8%*

*Adjusted using the finite population correction factor to reflect small population sizes

This survey is related to the following performance measure:

- percentage of tenants satisfied with provision and management of 'housing for older people' (Volume 1).

Grants survey

Gravitas Research and Strategy Limited surveyed council grant applicants from July 2016 to March 2017 for any of the following: arts and culture, community, events, environment, heritage or sport and recreation. This may be regional, local, quick response or Creative Communities grants. The survey primarily measures applicants' satisfaction with the information, advice and assistance provided in relation to the grant application process.

An online survey was sent to all grant applicants. This included successful and unsuccessful applicants and those who had not yet been notified of the outcome of their application. Results for each grant type have been weighted by outcome status (approved, declined, processing) to reflect the actual outcome status in the applicant population.

Results for local grants have also been weighted by sub-region (north, west, central, south), and regional grants results have been weighted by type of grant (e.g. Waterways Protection Fund) or focus (e.g. arts, community). 'Total sample' results have been weighted to reflect the actual distribution of grant types in the applicant population.

Sample size	Margin of error
603	± 3.06%*

Adjusted using the finite population correction factor to reflect small population sizes

This survey is related to the following performance measure:

- percentage of funding/grant applicants satisfied with information, assistance and advice provided (Volume 2).

Events evaluation research

Colmar Brunton New Zealand surveyed attendees at various events in 2016/2017. The survey measured respondents' satisfaction with local events. It was conducted using a mix of online and face-to-face interviews.

Interviewers approached attendees aged 15 years or over at the event and requested their participation in the survey. Attendees who consented provided an email address and were subsequently emailed a link to an online questionnaire for completion. People without email addresses were interviewed on the spot by completing a paper questionnaire.

Sample size	Margin of error
1979	± 2.0%

This survey is related to the following performance measure:

- percentage of attendees satisfied with council delivered and funded local events (Volume 2).

For each local board, we aim to survey at least two events each year, with the following events being surveyed for this year:

- Albert-Eden – none surveyed
- Devonport-Takapuna – Takapuna Beach Summer Days, Takapuna Easter Carnival
- Franklin – Movies in Parks, Waiuku Steel and Wheels
- Great Barrier – none surveyed
- Henderson-Massey – Movies in Parks (Hoani Waititi Marae), Snow in the Park
- Hibiscus and Bays – Weetbix Tryathlon
- Howick – Howick Santa Parade, Dancing in the Park
- Kaipātiki – none surveyed
- Māngere-Ōtāhuhu – Movies in Parks (Sturges Park), Portage Crossing
- Manurewa – Manurewa Christmas in the Park, Manurewa Santa Parade
- Maungakiekie-Tāmaki – Glow in the Park, Panmure Family Day
- Ōrākei – Carols on the Green, Movies in Parks (Roberta Reserve)

- Ōtara-Papatoetoe – Ōtara Christmas Parade and Festival, ASB Polyfest
- Papakura – Carols in the Park, Movies and Music in Parks (Central Park)
- Puketāpapa – Puketāpapa Christmas Festival
- Rodney – Helensville Santa Parade, Warkworth A&P Show
- Upper Harbour – Movies in Parks (Collins Park)
- Waiheke – none surveyed
- Waitākere Ranges – Kauri Carnival
- Waitematā – Grey Lynn Park Festival
- Whau – Indian Kite Day, Chinese New Year Festival.

Mana whenua research

Arapai Limited surveyed mana whenua organisations across the region, to measure a) satisfaction with the relationship with council, and b) satisfaction with the council's engagement on key issues.

The research was done by meeting kanohi-kite-kanohi (face to face) with mana whenua chairs for either online as an electronic survey, or by phone discussion with mana whenua representatives involved with engagement activities with healthy waters and parks.

Twelve of the 19 mana whenua organisations participated in the research.

This survey is related to the following performance measures:

- proportion of Māori organisations who consider they have an appropriate working relationship with the council
- proportion of mana whenua satisfied with the council's engagement with iwi in relation to stormwater projects (Volume 1)
- proportion of mana whenua satisfied with their engagement in the kaitiakitanga and stewardship of parks and reserves (Volume 1).

RĀRANGI KOHINGA

References

The references to documents and information on Auckland Council's website and other websites are provided solely for the convenience of readers, who may require more detailed information. None of the documents or other information on these websites forms part of the Annual Report 2016/2017.

General

Auckland Plan

www.aucklandcouncil.govt.nz/EN/planspolicies/projects/plansstrategies/theaucklandplan/Pages/theaucklandplan.aspx

Long-Term Plan (LTP)

<http://www.aucklandcouncil.govt.nz/EN/planspolicies/projects/plansstrategies/longtermplan2015/Pages/home.aspx>

Annual Report

http://www.aucklandcouncil.govt.nz/EN/planspolicies/projects/reports/annual_report/Pages/annualreportshome.aspx

Substantive council-controlled organisations

Auckland Transport

<https://at.govt.nz/>

Auckland Council Investments Limited

www.acinvestments.co.nz

Auckland Tourism, Events and Economic Development

www.aucklandnz.com/ATEED

Panuku Development Auckland

www.panuku.co.nz/

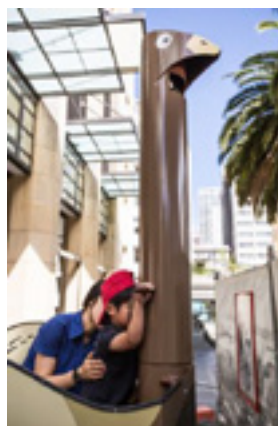
Regional Facilities Auckland

www.rfal.co.nz/

Watercare Services Limited

www.watercare.co.nz/

Auckland development



Auckland Unitary Plan

<http://ourauckland.aucklandcouncil.govt.nz/articles/news/2016/07/the-auckland-unitary-plan-a-very-simple-explanation>

Auckland Transport Alignment Project

www.transport.govt.nz/land/auckland/atap

Air Quality By-Law

www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/bylaws/current-bylaws/Pages/air-quality-by-law-indoor-domestic-fires.aspx

Open Space Provision Policy

www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/Documents/open-space-provision-policy.pdf

Tai Timu Tai Pari, The Hauraki Gulf marine spatial plan

www.seachange.org.nz/

Haumaru Housing Limited

www.haumaruhousing.co.nz/

City Centre Masterplan

<http://www.aucklandcouncil.govt.nz/en/planspolicies/projects/plansstrategies/ccmp/Pages/home.aspx>

Auckland Conversations

<http://conversations.aucklandcouncil.govt.nz/welcome>

The Southern Initiative

www.aucklandcouncil.govt.nz/EN/planspolicies/projects/CouncilProjects/Pages/southerninitiative.aspx

Housing for Older People (HfOP) policy

www.aucklandcouncil.govt.nz/en/newsevents/culture/communityfundingsupport/housingforolderpeople/pages/home.aspx

Auckland Waterfront Plan

<http://temp.aucklandcouncil.govt.nz/EN/planspolicies/projects/plansstrategies/theaucklandplan/draftwaterfrontplan/Pages/home.aspx>

Economic and cultural development



Youth Employment Traction Plan

<http://www.youthconnections.co.nz/about/>

BuildAKL recruitment campaign

<http://www.buildakl.co.nz/#/boards/buildakl>

GridAKL

<https://gridakl.com>

FoodBowl

foodinnovationnetwork.co.nz/location/foodbowl

AV/VR Garage

www.arvrgarage.nz

Auckland Convention Bureau

www.aucklandnz.com/meet

JobFest

<http://jobfest.co.nz>

Auckland Zoo

www.aucklandzoo.co.nz

Auckland Art Gallery

www.aucklandartgallery.com/

Auckland Live

www.aucklandlive.co.nz/

Auckland Conventions

www.aucklandconventions.co.nz

Auckland Stadiums

www.aucklandstadiums.co.nz/home

Environmental management and regulation



Special Housing Areas (SHAs)

www.aucklandcouncil.govt.nz/EN/ratesbuildingproperty/housingsupply/Pages/specialhousingareas.aspx

Consenting Made Easy

<https://www.aucklandcouncil.govt.nz/building-and-consents/Pages/building-default.aspx>

Provisional Local Alcohol Policy
<https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/provisionallocalalcoholpolicy/provisionallap.pdf>

Waste Minimisation and Management Plan
www.aucklandcouncil.govt.nz/en/environment/waste/rubbishrecycling/wastemanagementandminimisationplan/pages/home.aspx

Para Kore ki Tāmaki Makaurau initiative
<http://parakore.maori.nz>

Sustainable Schools programme
<http://temp.aucklandcouncil.govt.nz/EN/environmentwaste/sustainabilityconservation/Documents/learningthroughexperience2016.pdf>

Pest Management Plan
<https://www.aucklandcouncil.govt.nz/environment/what-we-do-to-help-environment/Pages/default.aspx>

Civil Defence and emergency management
www.aucklandcivildefence.org.nz

Te Auaunga Oakley Creek project
[www.boffamiskell.co.nz/project.php?v=te-auaunga-awa-\(oakley-creek\)-restoration](http://www.boffamiskell.co.nz/project.php?v=te-auaunga-awa-(oakley-creek)-restoration)

Taiāotea stream restoration project
<http://ourauckland.aucklandcouncil.govt.nz/articles/news/2017/04/restoring-our-streams>

Governance and support



Local Government Official Information and Meetings Act 1987 (LGOIMA)
www.legislation.govt.nz/act/public/1987/0174/atest/whole.html

Advisory panels
www.aucklandcouncil.govt.nz/en/aboutcouncil/representativesbodies/advisorypanels/pages/aboutadvisorypanelshome.aspx

Tūpuna Maunga Authority
<https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/kaupapa-maori/comanagement-authorities-boards/tupuna-maunga-tamaki-makaurau-authority/Pages/default.aspx>

Te Poari o Kaipatiki ki Kaipara
<https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/kaupapa-maori/comanagement-authorities-boards/Pages/te-poari-kaipatiki-kaipara.aspx>

Our Auckland
<http://ourauckland.aucklandcouncil.govt.nz>

Transport



City Rail Link (CRL)
<https://at.govt.nz/projects-roadworks/city-rail-link/>

Auckland cycleways
<https://at.govt.nz/cycling-walking/auckland-cycle-run-walkway-maps>

Parks, community and lifestyle



Auckland Libraries

<https://www.aucklandlibraries.govt.nz>

Auckland Libraries we love feedback

<http://ourauckland.aucklandcouncil.govt.nz/articles/news/2016/09/library-feedback>

Empowered Communities Approach (ECA)

www.ancad.org.nz/empowered-communities

Online booking system for community venues

<https://bookings.aucklandcouncil.govt.nz/facilities/community-facilities/search>

Tūpuna Maunga Integrated Management Plan

www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/kaupapa-maori/comanagement-authorities-boards/tupuna-maunga-tamaki-makaurau-authority/Pages/default.aspx

Community Grants Policy

www.aucklandcouncil.govt.nz/en/newsevents/culture/communityfundingsupport/pages/grants-policyandprogrammes.aspx

Water supply and wastewater



Waikato Water Treatment Plant

<https://www.watercare.co.nz/about-watercare/our-services/waikato-river-water/Pages/default.aspx>

Huia Water Treatment Plant

<https://www.watercare.co.nz/about-watercare/Projects%20around%20Auckland/huia/Pages/Huia-water-treatment-plant-replacement.aspx>

Hunua 4 watermain

<http://www.watercare.co.nz/about-watercare/Projects%20around%20Auckland/hunua4/Pages/Hunua-4-watermain.aspx>

Northern Interceptor Project

https://www.watercare.co.nz/about-watercare/Projects%20around%20Auckland/Northern_interceptor/Pages/Northern-Interceptor.aspx

Me pēhea te whakapā mai ki te kaunihera

How to contact the council

Online	www.aucklandcouncil.govt.nz/contactus
Phone	09 301 0101
Post	Auckland Council, Private Bag 92300, Auckland 1142

At a customer service centre	
Albany	30 Kell Drive, Albany
Birkenhead	Corner of Rawene Road and Hinemoa Street, Birkenhead
Browns Bay	Corner of Bute Road and Glen Road, Browns Bay
Central city	Bledisloe House, 24 Wellesley Street, Auckland Central
	35 Graham Street, Auckland Central
Devonport	2 Victoria Road, Devonport
Glen Eden	39 Glenmall Place, Glen Eden
Glenfield	90 Bentley Avenue, Glenfield
Great Barrier Island	75 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
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 our website for opening hours and list of services available at each service centre.

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