

Te Tahua Taungahuru Te Mahere Taungahuru 2018-2028

The 10-year Budget

Long-term Plan 2018-2028

Volume 2:
Our detailed budgets, strategies and policies

He Mihi

Tērā tō waka te hoea ake e koe i te moana o te Waitematā kia ū mai rā ki te ākau i Ōkahu.
Ki reira, ka mihi ake ai ki ngā maunga here kōrero,
ki ngā pari whakarongo tai,
ki ngā awa tuku kiri o ōna manawhenua, ōna mana ā-iwi taketake mai, tauiwi atu.
E koro mā, e kui mā i te wāhi ngaro, ko Tāmaki Makaurau tā koutou i whakarere iho ai, ki ngā reanga whakaheke,
ki ngā uri whakatupu – ki tō iti, ki tō rahi.
Tāmaki – makau a te rau, murau a te tini, wenerau a te mano. Kāhore tō rite i te ao.
Tō ahureinga titi rawa ki ngā pūmanawa o mātou kua whakakāinga ki roto i a koe.
Kua noho mai koe hei toka herenga i ō mātou manako katoa.
Kua ūhia nei mātou e koe ki te korowai o tō atawhai, ki te āhuru o tō awahi, ki te kuku rawa o tō manawa.
He mea tūturu tonu whakairihia, hei tāhuhu mō te rangi e tū iho nei, hei whāriki mō te papa e takoto ake nei.
Kia kōpakina mātou e koe ki raro i te whakamarumarū o āu manaakitanga.
E te marae whakatutū puehu o te mano whāioio, e rokohanga nei i ngā muna, te huna tonu i ō whāruarua
i ngā hua e taea te hauhake i ō māra kai, i ngā rawa e āhei te kekerihia i ō pūkoro. Te mihia nei koe e mātou.
Tāmaki Makaurau, ko koe me tō kotahi i te ao nei, nōku te māringanui kia mōhio ki a koe, kia miria e te kakara o
te hau pūangi e kawē nei i ō rongō.
Ka whītiki nei au i taku hope ki ngā pepehā o onamata, ki ōku tūmanako mō āpōpō me ōku whakaritenga kua
tutuki mō te rā nei.
Tāmaki Makaurau, tukuna tō wairua kia rere.

*Let your canoe carry you across the waters of the Waitematā until you make landfall at Ōkahu.
There, to greet the mountains, repository of all that has been said of this place,
there to greet the cliffs that have heard the ebb and flow of the tides of time, and the rivers that cleansed the forebears
of all who came,
those born of this land and the newcomers among us all.
To all who have passed into realms unseen, Auckland is the legacy you leave to those who follow,
your descendants – the least, yet, greatest part of you all.
Auckland – beloved of hundreds, famed among the multitude, envy of thousands. You are unique in the world.
Your beauty is infused in the hearts and minds of those of us who call you home.
You remain the rock upon which our dreams are built.
You have cloaked us in your care, taken us into the safety of your embrace, to the very soul of your existence.
It is only right that you are held in high esteem, the solid ground on which all can stand. You bestow your benevolence
on us all.
The hive of industry you have become motivates many to delve the undiscovered secrets of your realm,
the fruits that can still be harvested from your food stores and the resources that lie fallow in your fields.
We thank you.
Auckland you stand alone in the world, it is my privilege to know you,
to be brushed by the gentle breeze that carries the fragrance of all that is you.
And so I gird myself with the promises of yesteryear, my hopes for tomorrow and my plans for today.*

How this 10-year Budget 2018-2028 is arranged

Finding your way around the three volumes



Volume 1: An overview of our 10-year Budget

Part 1: Provides an introduction to our 10-year Budget including decisions made on the key issues which were consulted on. Our plan for the next 10 years includes a brief overview of the plans, strategies and budget that has been adopted by the Governing Body.

Part 2: Contains our prospective financial statements for 2018-2028 and other key financial information.

Part 3: Report from the Auditor General.

Part 4: Provides Supplementary information on how to contact the council, its structure and people. Glossary of terms and key word index.



Volume 2: Our detailed budgets, strategies and policies

Part 1: Our key strategies – including a Summary of The Auckland Plan 2050, discussion on Māori Identity and Wellbeing and Auckland's 30-year Infrastructure strategy and Financial strategy.

Part 2: Our Activities – key information on what services Auckland Council delivers, performance measures and budget.

Part 3: Our policies – Revenue and Financing policy, Funding impact statement (including the rating mechanism), Financial reporting and prudence benchmarks, Local board funding policy, Allocation of decision making responsibility for non-regulatory activities, Summary of Significance and Engagement policy and CCO Accountability policy.

Part 4: Summary of the Tūpuna Maunga Authority Operational Plan 2018/2019.

Part 5: Our Council-controlled organisations.

Part 6: Supplementary information – Glossary of terms and Key word index.



Volume 3: Local Board information and agreements

Part 1: Provides information on local boards, the development of local board plans and agreements and a summary of planned local board expenditure for 2018-2028.

Part 2: Contains specific information for each of the 21 local boards, including a local board agreement (outlining local activity initiatives and budgets for 2018/2019), and an introductory section that provides context for the agreement.

Part 3: Supplementary information – Glossary of terms and Key word index.



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1.1 Summary of The Auckland Plan 2050 –Tāmaki Makaurau in the future

This section summarises The Auckland Plan 2050 which was adopted on 5 June 2018.

The Auckland Plan includes outcome measures to cover things such as housing delivery, employment and greenhouse gas emissions which the council contributes towards but is not wholly responsible for. We are continuing to work with central government on the development of suitable targets for these outcome measures. We are also developing a performance management framework with clear linkages between these outcome measures and our contribution to these outcomes as represented by the performance information in our Groups of Activity statements (found in Part 2 of this volume).

Auckland's key challenges

Auckland is a culturally diverse and vibrant region with a stunning natural environment, thriving urban area and productive rural land. As the largest commercial centre in New Zealand, it contributes almost 40 per cent of New Zealand's GDP.

Over 1.6 million people of more than 120 different ethnicities live in Tāmaki Makaurau. While there will be more children and young people living in Auckland in the future, the proportion of Aucklanders who are children and young people will decrease. The number of older Aucklanders (those aged 65 and over) is projected to more than double in the decades between 2013 and 2043. Auckland's population is expected to be around two million people by 2028 and 2.4 million by 2048.

The speed and scale of Auckland's continuing growth brings three key challenges:

- **Population growth and its implications**

Population growth is outstripping the ability to provide enough housing and supporting infrastructure (transport, water, wastewater, libraries, community facilities, parks etc). It puts pressure on our communities, our environment, our housing and our roads. It means increasing demand for space, infrastructure and services. We need to find new ways to pay for the critical infrastructure necessary to build new communities and support existing communities and more people with the right skills to deliver that infrastructure.

- **Sharing prosperity with all Aucklanders**

Auckland's success is dependent on how well Auckland's prosperity is shared. Many Aucklanders are prosperous and have high living standards yet there are significant levels of socio-economic deprivation across Auckland, often in distinct geographic areas. Income, employment, health and education outcomes are different in various parts of Auckland, and there are distinct patterns across broad ethnic and age groups. In part this is due to unequal access to education and employment opportunities. Along with high and often unaffordable housing costs this is resulting in fewer Aucklanders being able to fully prosper.

- **Reducing environmental degradation**

Much of Auckland's appeal is based on the natural environment. Auckland's significant features include harbours, beaches, lakes, coastline, maunga, rain-forest clad ranges, and the Hauraki Gulf islands. They are part of our cultural heritage and are an important part of Auckland's identity. But they are vulnerable to degradation from the impacts of human activities. Despite regulation and considerable effort, Auckland's environment continues to be affected by past decisions, and its rapid growth and development. Many of our environmental indicators are in decline. We need to improve the health of our environment and continue to improve our resilience to emerging threats such as climate change effects. Each delay in making sustainable decisions means fewer and fewer opportunities to halt the decline in our already stressed environment.

The Auckland Plan 2050 sets out 20 directions and 37 focus areas that will address these challenges over the next 30 years, and that will give life to six broad outcomes Aucklanders told us mattered most to them.

Tāmaki Makaurau in the future

The Auckland Plan 2050 sets the direction for improving the social, economic, environmental and cultural wellbeing of Aucklanders into the future through six outcomes and the Development Strategy.

Outcome	Outcome description
Belonging and Participation	All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential
Māori Identity and Wellbeing	A thriving Māori identity is Auckland’s point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders
Homes and Places	Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places
Transport and Access	Aucklanders will be able to get where they want to go more easily, safely and sustainably
Environment and Cultural Heritage	Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage, for its intrinsic value, and for the benefit of present and future generations
Opportunity and Prosperity	Auckland is prosperous with many opportunities and delivers a better standard of living for everyone

The Auckland Plan 2050 also sets out our Development Strategy, Auckland’s plan for how we will physically manage growth and change until 2050, including how we will sequence growth and development. It takes account of the outcomes we want to achieve, as well as population growth projections and what the Auckland Unitary Plan allows for. It provides a pathway for Auckland’s future physical development and a framework to align planning and infrastructure provision. This includes:

- significant redevelopment and intensification in areas that are already developed
- newly established communities in the future urban areas
- enabling business growth by supporting flexible and adaptable business areas
- limiting residential growth in rural areas to ensure that rural production can continue and develop, while maintaining rural values.

How do the 10-year Budget 2018-2028 and Auckland Plan 2050 fit together?

The Auckland Plan 2050 sets our long-term direction for the next 30 years. It looks at the important challenges we need to address and recommends ways in which Aucklanders and others involved in the future of Auckland can best respond to the big issues our region faces. Auckland Council is required by law to prepare and develop this plan with, and on behalf of all Aucklanders, and we all have a shared responsibility for implementing it.

The 10-year Budget outlines Auckland Council’s funding priorities and sets out how we’re going to pay for them to deliver our contribution to the Auckland Plan 2050. Auckland’s councillors make decisions through the 10-year Budget process on what will be funded and when funding will be available, and how much ratepayers, residents and other users will contribute to delivering on different outcomes in the Auckland Plan 2050.

How will this 10-year Budget contribute to the Auckland Plan 2050?

The Auckland Plan 2050, adopted in June 2018, sets out Auckland's strategic direction. Auckland Council has worked closely with central government during its development and will continue to do so through the plan's implementation, particularly where we have shared implementation roles. The work to update the 2012 Auckland Plan has been timed to ensure that there are opportunities for the new directions and approaches in the Auckland Plan 2050 to be reflected in Auckland Council's 10-year Budget 2018-2028 decisions and also in the new government's first budget cycle.

Auckland Plan 2050 outcome: Belonging and Participation

All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential.

We have a diverse population in terms of ethnicity and national origin, culture, religion, lived experience, socio-economic status, gender, gender identity, sexual orientation, disability, age, and rural or urban location. To ensure positive life experiences for all Aucklanders, we need to be open to learning about and valuing differences, and to understand our shared and different histories. This will lead to living together with greater acceptance, trust and mutual respect, and people working together to create a shared future.

We will achieve this outcome by:

- fostering an inclusive Auckland where everyone belongs
- improving the health and wellbeing for all Aucklanders by reducing harm and disparities in opportunities

In practice this means:

- creating safe opportunities for people to meet, connect, participate in and enjoy community and civic life
- providing accessible services and social and cultural infrastructure that are responsive in meeting peoples' evolving needs
- supporting and working with communities to develop the resilience to thrive in a changing world
- valuing and providing for Te Tiriti o Waitangi / the Treaty of Waitangi as the bicultural foundation for an inter-cultural Auckland
- recognising, valuing and celebrating Aucklanders' differences as a strength
- focussing investment to address disparities and serve communities of greatest need
- recognising the value of arts, culture, sport and recreation to quality of life.

We will measure success across this outcome by evaluating:

- Aucklanders' sense of community in their neighbourhood
- Aucklanders' sense of safety in their homes and neighbourhood
- Aucklanders' quality of life
- relative deprivation across Auckland
- Aucklanders' health
- Te Tiriti o Waitangi / Treaty of Waitangi awareness and understanding.

This 10-year Budget will contribute to this outcome by providing safe and accessible parks, reserves and beaches, and sport and recreation programmes and opportunities to get Aucklanders more active, more often. It also provides opportunities for people to meet, connect and participate in and enjoy community and civic life through support for community organisations, providing community facilities and services and funding events that celebrate Auckland's diversity.

Specific initiatives supporting this outcome funded in this 10-year Budget include:

- the establishment of a Sport and Recreation Facilities Investment Fund
- the development of two new swimming pool and recreation facilities

- new community facilities at Takanini, Westgate and Avondale
- additional operating funding for the Auckland Art Gallery
- additional funding for regional grants programmes.

Auckland Plan 2050 outcome: Māori Identity and Wellbeing

A thriving Māori identity is Auckland's point of difference in the world - it advances prosperity for Māori and benefits all Aucklanders.

The strengths and contributions Māori bring to Auckland will fuel growth and advance Māori social, cultural, economic and environmental wellbeing. Māori continue to be important to Auckland's success, and successful outcomes can be achieved when we create opportunities for Māori self-determination and expression, shared efforts between Māori and others, and the integration of Māori values into planning, decision-making and delivery.

We will achieve this outcome by:

- advancing Māori wellbeing
- promoting Māori success, innovation and enterprise
- recognising and providing for Te Tiriti o Waitangi outcomes
- showcasing Auckland's Māori identity and vibrant Māori culture.

In practice this means:

- meeting the needs and supporting the aspirations of tamariki and their whānau
- investing in marae to be self-sustaining and prosperous
- strengthening rangatahi leadership, education and employment outcomes
- growing Māori inter-generational wealth
- advancing mana whenua rangatiratanga in leadership and decision-making and providing for customary rights
- celebrating Māori culture and supporting te reo Māori to flourish
- reflecting mana whenua mātauranga and Māori design principles throughout Auckland.

We will measure success across this outcome by evaluating:

- the benefits of whānau Māori measured through tamariki and rangatahi
- Māori in employment, education and training
- Māori decision making
- Te reo Māori across Tāmaki Makaurau.

This 10-year Budget will contribute to this outcome by enabling effective mana whenua and Māori participation in the council's regional governance processes, supporting co-governance and co-management arrangements, the ongoing development and implementation programme to promote Māori design work, and showcasing Māori identity and culture.

Specific initiatives supporting this outcome funded in this 10-year Budget include:

- additional funding for the Tūpuna Maunga Authority to protect and enhance Auckland's maunga (volcanic cones)
- additional funding to progress high-priority Māori responsiveness outcomes including relationship agreements, unique Māori identity co-design and protecting sites of historical and cultural significance.

Auckland Plan 2050 outcome: Homes and Places

Aucklanders will live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.

Auckland must think strategically about how the housing system can provide secure, healthy and affordable homes for all Aucklanders. As Auckland's population grows, we must provide sufficient public places that meet the needs of residents. They are an extension of our homes and the way we live, and their design must therefore be flexible to accommodate how people of all age groups will use them. Public places reflect who we are and where we have come from; they are the destinations we travel to and they contribute to our feeling of belonging.

We will achieve this outcome by:

- developing a quality compact urban form to accommodate Auckland's growth
- accelerating the construction of homes that meet Aucklanders' changing needs and preferences
- shifting to a housing system that ensures secure and affordable homes for all
- providing sufficient public places and spaces that are inclusive, accessible and contribute to urban living.

In practice this means:

- accelerating quality development at a scale that improves housing choices
- increasing security of tenure and broadening the range of tenure models, particularly for those most in need
- improving the built quality of existing dwellings, particularly rental housing
- investing in and supporting Māori to meet their specific housing aspirations
- creating urban places for the future.

We will measure success across this outcome by evaluating:

- new dwellings consented by location and type
- net new dwellings consented and completed
- housing costs as a percentage of household income
- homelessness
- resident satisfaction with the built environment at a neighbourhood level.

This 10-year Budget will contribute to this outcome through its building control and resource consents functions, by delivering projects and initiatives that unlock development opportunities and encourage development at scale, and through providing enabling bulk and social infrastructure and public places and spaces.

Specific initiatives supporting this outcome funded in this 10-year Budget include:

- significant infrastructure investment to support new housing development
- funding for Panuku's urban regeneration programmes within its Unlock and Transform areas
- funding to cover the costs of consenting and development contributions for the Auckland City Mission's redeveloped Hobson Street site.

Auckland Plan 2050 outcome: Transport and Access

Aucklanders will be able to get where they want to go more easily, safely and sustainably.

To lead successful and enjoyable lives, it is vital that people can easily, safely and sustainably reach the things that matter most to them, such as work, school, friends, recreation and healthcare. We need efficient ways for people, goods and services to move within and across Auckland, throughout New Zealand and across the world. We also need to make sure that people of all ages and mobility levels can go about their daily lives and get from one place to another easily, affordably and safely. Making it easier and more affordable for people to get to work, school or training is particularly important for increasing economic productivity and everyone's prosperity.

We will achieve this outcome by:

- better connecting people, places, goods and services
- increasing genuine travel choices for a healthy, vibrant and equitable Auckland
- maximising safety and environmental protection.

In practice this means:

- making better use of existing transport networks
- targeting new transport investment to the most significant challenges
- maximising the benefits from transport technology
- making walking, cycling and public transport preferred choices for many more Aucklanders
- better integrating land-use and transport
- moving to a safe transport network, free from death and serious injury
- developing a sustainable and resilient transport system.

We will measure success across this outcome by evaluating:

- access to jobs
- delays from congestion
- use of public transport, walking and cycling
- household transport costs
- transport-related deaths and injuries.

Auckland Council contributes to this outcome by providing transport services and infrastructure and by facilitating the delivery of infrastructure and alignment of investments with central government. This 10-year Budget includes \$12 billion of transport capital investment over the next ten years (including funds from leveraging the fuel tax). This is in addition to the government investment, bringing the total combined government transport investment in Auckland up to \$28 billion (capital and net operating costs) over the next ten years.

Auckland Plan 2050 outcome: Environment and Cultural Heritage

Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage for its intrinsic value and for the benefit of present and future generations.

Auckland's natural environment supports and enables all aspects of our society, economy and culture. It is connected to Aucklanders' sense of identity and place through our customs, practices, places, objects and artistic expressions and values passed on from generation to generation. Our natural environment affects our health and wellbeing too, and it provides us with clean air to breathe and fresh water to drink. It is home to many special local ecosystems and is essential for the survival of both indigenous wildlife and species from across the world. The impacts of climate change present challenges for Auckland, including damage to ecosystems and infrastructure as a result of changing climate conditions or extreme weather events. The environment and our shared cultural heritage provides an anchor for the sense of belonging that communities have to their place.

We will achieve this outcome by:

- ensuring the natural environment is valued and cared for
- applying a Māori world view to treasure and protect our natural environment (taonga tuku iho)
- using Auckland's growth and development to protect and enhance the natural environment
- ensuring Auckland's infrastructure is future-proofed.

In practice this means:

- encouraging all Aucklanders to be stewards of the natural environment and to make sustainable choices
- focussing on restoring environments as Auckland grows
- accounting fully for the past and future impacts of growth
- protecting Auckland's significant natural environments and cultural heritage from further loss
- adapting to a changing water future
- using green infrastructure to deliver greater resilience, long-term cost savings and quality environmental outcomes.

We will measure success across this outcome by evaluating:

- the state and quality of locally, regionally and nationally significant environments
- marine and fresh water quality
- air quality and greenhouse gas emissions
- protection of the environment
- resilience to natural threats
- treasuring the environment.

Auckland Council contributes to this outcome by providing water services (through its council-controlled organisation, Watercare Services Ltd) as well as stormwater and a range of other environmental services.

Our harbours, beaches and streams are being polluted by overflows from ageing sewerage and stormwater systems that can't cope with heavy rainfall and from contaminants washed into natural waterways. Through the use of a water quality targeted rate, this 10-year Budget will contribute to this outcome by speeding up delivery of Auckland's water quality programme from 30 years to 10 years.

This 10-year Budget will also enable us to invest more in environmental initiatives, funded through a targeted rate, to address the spread of pests, weeds and diseases that are threatening native species, in particular kauri dieback.

Other specific initiatives supporting this outcome funded in this 10-year Budget include:

- the establishment of a Climate Change Response fund to address emergency infrastructure repair works as well as proactively monitor and remediate at-risk infrastructure
- additional funding to manage the council's coastal assets.

Auckland Plan 2050 outcome: Opportunity and prosperity

We need to ensure Auckland is prosperous, with many opportunities, and delivering a better standard of living for everyone. To be truly successful Auckland needs sustainable prosperity that puts people and the environment at the centre of economic progress.

Targeted investment in education, training and skill development for all ages and lifelong education is vitally important.

Innovation and entrepreneurship will be essential elements for increasing employment and raising wages. This will strengthen Auckland's economy in a globally competitive environment and allow the economy to meet the needs of our growing population. Innovation among enterprises of all sizes can provide Auckland with the resilience to adapt in a rapidly changing world.

We will achieve this outcome by:

- creating the conditions for a resilient economy through innovation, employment growth and raised productivity
- attracting and retaining skills, talent and investment
- developing skills and talent for the changing nature of work and lifelong achievement.

In practice this means:

- harnessing emerging technologies and ensuring equitable access to high quality digital data and services
- ensuring regulatory, planning and other mechanisms support business, innovation and productivity growth
- advancing Māori employment and support Māori business and iwi organisations to be significant drivers of Auckland's economy
- leveraging Auckland's position to support growth in exports
- increasing educational achievement, lifelong learning and training, with a focus on those most in need.

We will measure success across this outcome by evaluating:

- labour productivity
- Aucklanders' average wages
- employment in advanced industries
- zoned industrial land
- level of unemployment
- use of internet in the home relative to income
- educational achievement of young people.

This 10-year Budget will contribute to this outcome by delivering projects and initiatives that highlight Auckland's profile which help to attract investment in areas that support business, innovation and productivity.

Specific initiatives supporting this outcome funded in this 10-year Budget include:

- continuing the development and implementation of the Wynyard Quarter Innovation Precinct
- expansion of The Southern Initiative to West Auckland (The Western Initiative). Its aim is to stimulate and enable community and social innovation in response to a number of social and economic challenges the west faces.

Auckland Plan 2050 Development Strategy

The Auckland Plan 2050 also sets out our Development Strategy, Auckland's plan for how we will physically manage growth and change until 2050, including how we will sequence growth and development. Around 1.6 million people currently live in Auckland. Over the next 30 years this number could grow by another 720,000 people to reach 2.4 million. This means we could need another 313,000 dwellings and up to 263,000 extra jobs.

Growth on this scale is significant and requires us to work together and ensure we have a clear understanding of where and when, investment in planning and infrastructure needs to be made and maintained. The Development Strategy provides the strategic direction for how and where growth can be realised over the life of the plan. It identifies the expected location, timing, and sequence of future development capacity in the existing urban areas and future urban areas.

We will achieve this by taking a quality compact approach to growth and development.

This means that future development will be focused in existing and new urban areas within Auckland's urban footprint, limiting expansion into the rural hinterland. By 2050, most growth will have occurred within this urban footprint, particularly focused in and around:

- **the city centre** - the focus of Auckland's business, tourism, cultural and civic activities
- **the nodes** - Albany, Westgate and Manukau, including their catchments, are critical to growth across the region, offering a broad range of business and employment activity, civic services and residential options
- **identified** development areas - specific locations that are expected to undergo a significant amount of housing and business growth in the next 30 years. Each development area will be different. Planning and investment will be targeted and prioritised to the areas where development capacity is taken up and will focus on addressing the impacts of increased demand on infrastructure and services.
- **future urban areas** - new communities will be established on the fringe of Auckland's existing urban area, and in rural and coastal settlements. The strategy sets out the agreed timing and sequencing for when future urban land will have live zoning and the necessary bulk infrastructure in place to enable development to commence. Sequencing spans three decades which helps to spread associated costs.

In practice this means:

- ensuring sufficient capacity for growth across Auckland
- embedding good design in all development
- sequencing what gets delivered
- aligning the timing of infrastructure provision with development
- supporting rural production.

We will measure success by evaluating:

- new dwellings consented
- location of new dwellings consented
- typology of new dwellings consented
- resident satisfaction with built environment at a neighbourhood level
- number of jobs accessible in the morning peak
- hectares of industrial zoned land.

In implementing the Development Strategy, Auckland Council has important regulatory, policy and facilitation roles. The council is also a provider of key infrastructure: stormwater, community facilities, parks and open space. Water, wastewater and local transport infrastructure is planned for and delivered by two council-controlled organisations: Watercare and Auckland Transport. The council works in partnership with central government agencies to implement infrastructure and plan for growth.

This 10-year Budget will contribute to the Development Strategy by enabling infrastructure to be delivered (see 1.3 Infrastructure strategy) to support housing and congestion outcomes, upgraded water infrastructure to support growth and address water quality issues, and additional investment in parks and community facilities to support growth and meet community expectations.

It will also support the Panuku Development Auckland urban regeneration projects within its Transform, Unlock and Support locations.

1.2 Māori Identity and Wellbeing

To support a thriving Māori identity and the wellbeing of Māori in Auckland, Auckland Council contributes through council group activities, budgets, levels of service and measures which collectively contribute to achieving Māori outcomes for Auckland, as guided by the directions and focus areas in the Auckland Plan 2050.

Auckland Plan 2050

The Auckland Plan sets out the overarching framework and strategic directions for Auckland Council. It includes activities that council does not provide, but for which it still has a role to advocate to other agencies (such as central government agencies) for improvement. Outcome 2 of the Auckland Plan is “Māori identity and wellbeing”, where a thriving Māori identity is Auckland’s point of difference in a world that advances prosperity for Māori and benefits all Aucklanders. Of the other five Auckland Plan outcomes, four have a Māori direction, focus area or content woven into the narrative. This approach reflects the interrelationships between Māori wellbeing and the other outcome areas in the Auckland Plan 2050.

The Auckland Plan identifies the following Directions and Focus Areas to deliver a thriving Māori identity in Auckland:

Outcomes and Directions	Focus Areas
Outcome 1: Belonging and Participation	
	Focus Area 4 Value and provide for te Tiriti o Waitangi / the Treaty of Waitangi as the bi-cultural foundation for an inter-cultural Auckland
Outcome 2: Māori Identity and Wellbeing	
Direction 1 Advance Māori well-being	Focus Area 1 Meet the needs and support the aspirations of tamariki and their whānau
Direction 2 Promote Māori success, innovation and enterprise	Focus Area 2 Invest in marae to be self-sustaining and prosperous
Direction 3 Recognise and provide for te Tiriti o Waitangi outcomes	Focus Area 3 Strengthen rangatahi leadership, education and employment outcomes
Direction 4 Showcase Auckland’s Māori identity and vibrant Māori culture	Focus Area 4 Grow Māori inter-generational wealth
	Focus Area 5 Advance mana whenua rangatiratanga in leadership and decision-making and provide for customary rights
	Focus Area 6 Celebrate Māori culture and support te reo Māori to flourish
	Focus Area 7 Reflect mana whenua mātauranga and Māori design principles throughout Auckland
Outcome 3: Homes and Places	
	Focus Area 4 Invest in and support Māori to meet their specific housing aspirations

Outcome 5: Environment and Cultural Heritage

Direction 2

Apply a Māori world view to treasure and protect our natural environment (taonga tuku iho)

Outcome 6: Opportunity and Prosperity

Focus Area 5

Advance Māori employment and enable Māori businesses and iwi organisations to be significant drivers of Auckland's economy

Council groups of activities contributing to Māori identity and wellbeing

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

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

The total budget for activities that directly contribute to Māori identity and wellbeing totals \$150 million (combined capital and operating expenditure).



The Māori Responsiveness Framework (MRF) outlines the goals, outcomes and priorities that council group will focus on to deliver on the Auckland Plan. These activities have been brought together in this section to provide the council group an overview that enables monitoring of progress towards the shared outcomes and priorities of the council group. Activities, outlined below, align to the three goals of the Māori Responsiveness Framework and form the basis of the council-family's Māori outcomes programme.

Whiria Te Muka Tangata Goal: Strong Māori Communities

Auckland council focuses its efforts on delivering outcomes in communities and will work with Māori to strengthen and enable Māori communities to thrive. Activities to deliver this are grouped under the four wellbeing outcomes below with identified council priorities:

Strong Māori Communities

Social Auckland council activity strengthens Māori wellbeing and resilience

Activities include:

Priority: Papakainga and Māori Housing

- Enabling the development of Māori housing and papakāinga through funding assistance and improvement of processes and planning.

Priority: Whānau and Tamariki Wellbeing

- Supporting whānau and tamariki wellbeing through services delivered in council facilities (e.g. libraries) as well as support whānau safety through licensing activities.

These activities help deliver on the Auckland Plan, Outcome 1: Homes and Places, and Outcome 2: Māori Identity and Wellbeing of the Auckland Plan.

Cultural Māori cultural identity, heritage, and mātauranga Māori thrive

Activities include:

Priority: Marae Development

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

Priority: Reo Māori Outcomes

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

Priority: Māori Identity and Culture

- Māori identity and culture is advanced through cultural experiences, such as events, and placemaking activities such as urban design and the application of Te Aranga design principles in our spaces and places, sites of significance work, and Māori public art.

These activities help deliver on Outcome 1: Belonging and Participation, and Outcome 2: Māori Identity and Wellbeing, of the Auckland Plan.

Economic Auckland council activity promotes Māori success, innovation and enterprise

Activities include:

Priority: Māori Business, Tourism and Employment

- Council actively provides economic opportunities for Māori and supports Māori growth in business, tourism and enterprise.

Priority: Realising Rangatahi Potential

- Council enables rangatahi participation in council activities to support rangatahi in leadership, training and employment.

These activities help deliver on Outcome 2: Māori Identity and Wellbeing, and Outcome 6: Opportunity and Prosperity, of the Auckland Plan.

Environmental Auckland council protects, enhances and restores environmental taonga by applying a Māori world-view

Activities include:

Priority: Kaitiakitangi Outcomes (particularly water)

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

These activities help deliver on Outcome 5: Environment and Cultural Heritage of the Auckland Plan.

Whiria Te Muka Tangata Goal: Effective Māori Participation

Council will work with mana whenua and mataawaka to identify areas that are of value to them and enable opportunities for leadership and influence. This includes council establishing mutually beneficial relationships with Māori, and the support of appropriate fora to enable Māori participation both at a governance and operational level. This also includes establishing formal relationship agreements between council's governing body, local boards and Mana Whenua, the continuation and establishment of appropriate co-governance and co-management arrangements, and the provision of capacity contracts.

Contribution to Māori capacity

The Local Government Act 2002 requires local authorities to consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority. The projects and activities that make up this programme are captured within the council-family Māori outcomes programme. Auckland Council contributes in several ways including:

- Provision Māori capacity contracts enabling mutually beneficial outcomes.
- Supporting forums that represent mana whenua and Māori resident and ratepayers interests.
- Providing resource in kind such as technical expertise, research assistance, meetings rooms and event spaces.
- Co-ordinating an integrated approach between Auckland Council and its CCOs as a way to address matters of significance to Māori.

Whiria Te Muka Tangata Goal: An Empowered Organisation

Council will work to ensure staff are enabled to meet obligations under Te Tiriti o Waitangi / The Treaty of Waitangi, through appropriate training (for example ngā kete akoranga), the MAHI strategy. Council will also work to ensure that its policies, processes, plans and strategies are appropriately revised to the other two goals of Whiria Te Muka Tangata. This includes ensuring the council group and departments focus on delivering effective Māori Responsiveness Plans which identify how departments and the six substantive council-controlled organisations will deliver on outcomes and priorities of the Māori Responsiveness Framework.

Māori measures and targets

This 10-year Budget identifies specific Māori measures and targets that align with the outcomes within the goals of Whiria Te Muka Tangata/Māori Responsiveness Framework. These measures are important to demonstrate progress of delivery against commitments to Māori. Measures are focused on the activities that council delivers and are tied back to the outcomes of the Auckland Plan.

AP Outcome	MRF Goal	Level of Service	Suggested Measure	Target by 2028	Groups of Activities
O2: Māori Identity and Wellbeing	Strong Māori Communities - Culture	We contribute to resilient, sustainable, and thriving marae facilities and infrastructure that support marae as hubs for their communities	The number of mana whenua and mataawaka marae that receive support to renew or upgrade marae infrastructure (Out of 33 existing Marae)	33	2.7 Regionally delivered council services
O3: Homes and places	Strong Māori Communities - Social	We support the Māori led housing and papakainga development through the planning processes	The number of Māori organisations and trusts projects that have been supported to achieve Māori housing and papakainga development	25	2.7 Regionally delivered council services
O1 Belonging and participation and O2 Māori Identity and Wellbeing	Strong Māori Communities - Culture	We showcase Auckland's Māori identity and vibrant Māori culture	The percentage of regional programmes, grants and	17.20%	2.7 Regionally delivered

AP Outcome	MRF Goal	Level of Service	Suggested Measure	Target by 2028	Groups of Activities
			activities that respond to Māori aspirations		council services
O1 Belonging and participation and O2 Māori Identity and Wellbeing	Strong Māori Communities - Culture	We showcase Auckland's Māori identity and vibrant Māori culture	The percentage of local programmes, grants and activities that respond to Māori aspirations	11.4%	2.6 Local council services
O1 Belonging and participation and O2 Māori Identity and Wellbeing	Effective Māori participation	We provide opportunities for Māori to contribute to community and civic life	The number of iwi that have signed a formal relationship agreement with the Governing Body (Out of 19)	19	2.7 Regionally delivered council services
O1 Belonging and participation and O2 Māori Identity and Wellbeing	Effective Māori participation	We provide opportunities for Māori to contribute to community and civic life	The number of local boards that have signed a formal relationship agreement with at least one iwi (Out of 21)	21	2.6 Local council services
O1 Belonging and participation and O2 Māori Identity and Wellbeing	Effective Māori participation	We provide opportunities for Māori to contribute to community and civic life	The percentage of Māori residents who feel they can participate in the council decision making	50%	2.7 Regionally delivered council services
O6: Opportunity and Prosperity	Strong Māori Communities: Economic	We deliver information, advice, programmes and initiatives to support the creation of high value jobs for all Aucklanders	The number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention	120	2.8 Council controlled services
O3: Homes and Places	Strong Māori Communities: Social	We provide a coordinated council response to major development and infrastructure programmes, including major housing developments	The percentage of Development Programme Office programmes that identify and engage with key stakeholders including Mana Whenua and Māori organisations	95%	2.7 Regionally delivered council services
O3: Homes and Places	Strong Māori Communities: Cultural	We make the waterfront and town centres dynamic, culturally-rich, safe and sustainable places for Aucklanders and visitors to enjoy	The number of significant Māori initiatives implemented per annum	78	2.8 Council controlled services
O3: Homes and Places	An Empowered Organisation	We meet all planning and legislative requirements	The percentage of adopted core strategies, policies, and plans incorporating Māori outcomes or developed with Māori participation	100%	2.7 Regionally delivered council services
O1: Belonging and Participation	Strong Māori Communities: Cultural	Regional Facilities Auckland deliver arts, wildlife, collections, sports and events that provide experiences that are engaging and embraced by Aucklanders	The number of programmes contributing to the visibility and presence of Māori in Auckland, Tamaki Makaurau	20	2.8 Council controlled services

Monitoring progress

Overseeing the delivery of Māori outcomes will be Te Toa Takitini executive leadership group that has been established to lead and influence better outcomes with Māori for Tāmaki Makaurau/Auckland by:

- Driving a shift in culture across the Auckland Council group, in thinking and practice to improve outcomes for Māori in Tāmaki Makaurau
- Ensure that this cultural shift is embedded in ways that are self-sustaining and systemic
- Providing executive leadership to the delivery of Māori outcomes through Te Toa Takitini Māori Outcomes portfolio.

1.3 Auckland's 30-year Infrastructure Strategy

Section one: Introduction and Context

The services provided by well-functioning infrastructure networks underpin the success of Auckland as a place to live, visit and invest. Auckland needs infrastructure that can cope with increasing demand as the city grows, a changing environment and that meets community expectations for service delivery.

Infrastructure investments have long-term consequences for the future of Auckland. They will influence the form of our city and how well it functions for future generations. Auckland Council's expenditure on creating and maintaining infrastructure is of a magnitude that investment decisions are important for the ongoing financial well-being of Auckland Council and ratepayers.

This strategy takes a medium to long-term view of Auckland's Infrastructure, covering the period to 2048. The strategy explains:

- Auckland Council's infrastructure portfolio, role in providing infrastructure and the contribution this makes to our strategic outcomes
- The significant infrastructure challenges and opportunities facing Auckland over the next 30 years, and our responses to these
- The key infrastructure decisions
- An overview of the anticipated investment in infrastructure by Auckland Council to 2048.

Supporting assumptions used in development of this strategy are outlined in section five.

This strategy should be read in conjunction with the Financial Strategy, which sets out the current financial constraints of funding the anticipated investment in infrastructure and options for different funding mechanisms.

The strategy covers Auckland Council group assets required under section 101B of the Local Government Act 2002 and other assets with a high value and level of expenditure that make a high contribution towards achieving Auckland's strategic outcomes. Asset covered include:

- transport assets - public transport, roads and footpaths
- water assets - wastewater, water supply and stormwater, including flood control
- community assets - parks and community facilities.

Some of the infrastructure issues discussed in this strategy (such as housing outcomes and the development of the city centre and town centres) necessarily involve multiple categories of infrastructure. A key element of this strategy is the need to take a coordinated approach to infrastructure investment across the council group.

Table 1.1: Auckland Council's Infrastructure Portfolio

Auckland Council and its Council-Controlled Organisations have an extensive infrastructure portfolio, with the current value of assets across the infrastructure types covered by this strategy estimated to be \$30 billion. This represents about two thirds of total group assets.

<p>Transport \$9.3 billion</p>	<ul style="list-style-type: none"> • 7452km roads • 7137km footpaths • 41 rail stations • 21 wharves • 15 bus and busway stations • 10 multi-storey car park buildings • 818 pay by plate units
<p>Stormwater \$4 billion</p>	<ul style="list-style-type: none"> • 6000km of stormwater pipes • 541 ponds and wetlands • 150,000 manholes
<p>Water Supply \$3.6 billion</p>	<ul style="list-style-type: none"> • 12 dams • 13 bores and springs • 3 river sources • 15 water treatment plants • 91 reservoirs • 9096km water pipes
<p>Wastewater \$4.4 billion</p>	<ul style="list-style-type: none"> • 7999km wastewater pipes • 515 wastewater pump stations • 18 wastewater treatment plants
<p>Community Services \$8.6 billion</p>	<ul style="list-style-type: none"> • 32 regional parks • 3575 local parks • 190 sports parks • 54 cemeteries • 55 libraries • 191 community halls / centres • 42 recreational/aquatic facilities • 40 art facilities

Delivering Auckland's Infrastructure

Auckland's infrastructure directly supports how well the city and region functions. Decisions on infrastructure investments are important to achieving the outcomes identified in the overarching strategy for the region, the Auckland Plan 2050 (see figure 1.1), which was adopted in June 2018.

Auckland Council has a number of roles in the planning and delivery of infrastructure and is a major investor across a broad range of infrastructure types. It is a facilitator, working with other infrastructure providers to deliver affordable services to residents and businesses. It also has a regulatory role; designating, consenting, monitoring and developing new planning rules and policy for infrastructure.

Responsibilities for the infrastructure subject to this strategy are spread across the council group, including the Council-Controlled Organisations (CCOs) Auckland Transport and Watercare Services Limited.

While this strategy focuses on infrastructure for which Auckland Council is responsible, other public and private organisations play important roles in the delivery of infrastructure networks, depending on either the type or scale of infrastructure. Figure 1.2 illustrates responsibilities for infrastructure delivery in Auckland.

Figure 1.1: The Auckland Plan 2050

The Auckland Plan 2050 establishes outcomes, focus areas and direction for the long-term development of Auckland. The plan guides the actions of Auckland Council, including the CCOs, and provides direction to align decision making about growth and infrastructure investment between the public and private sectors.

The Auckland Plan 2050 identifies three long-term infrastructure challenges and opportunities:

- Coordinating investment and planning to enable growth
- Enhancing the performance of Auckland's infrastructure
- Creating resilient infrastructure networks.

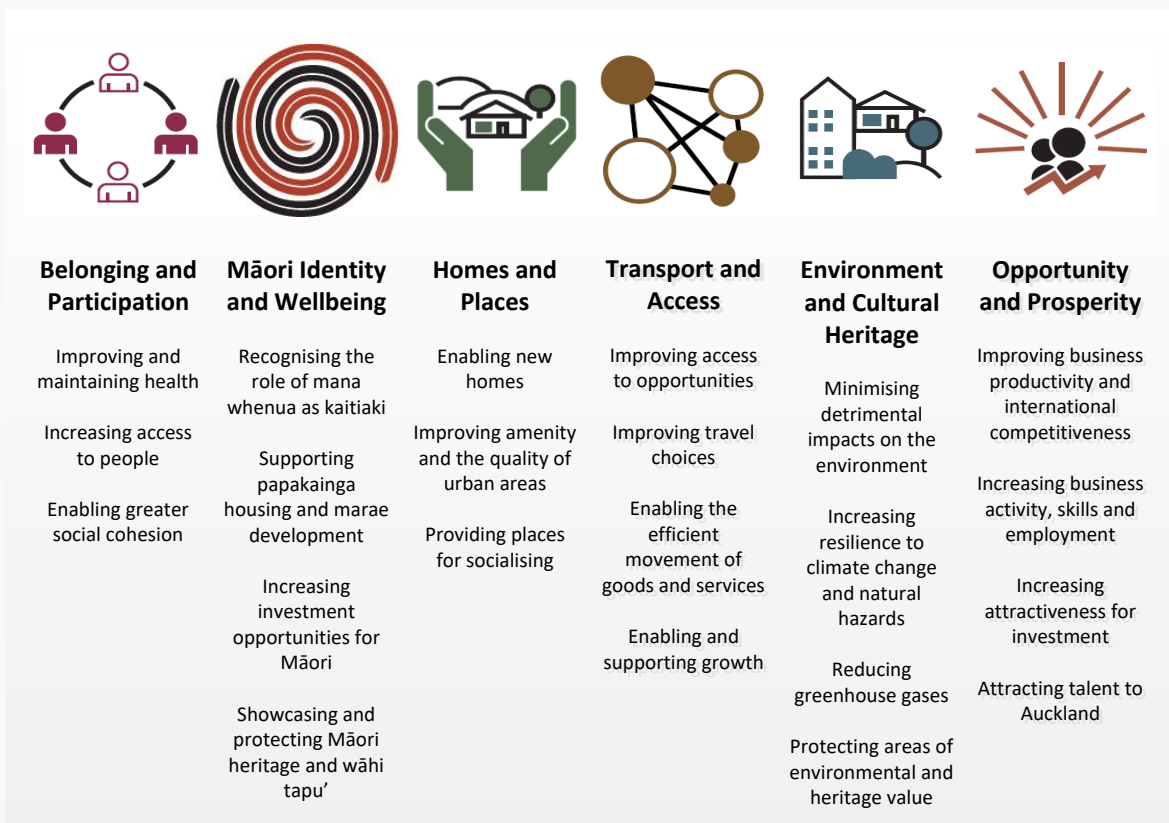
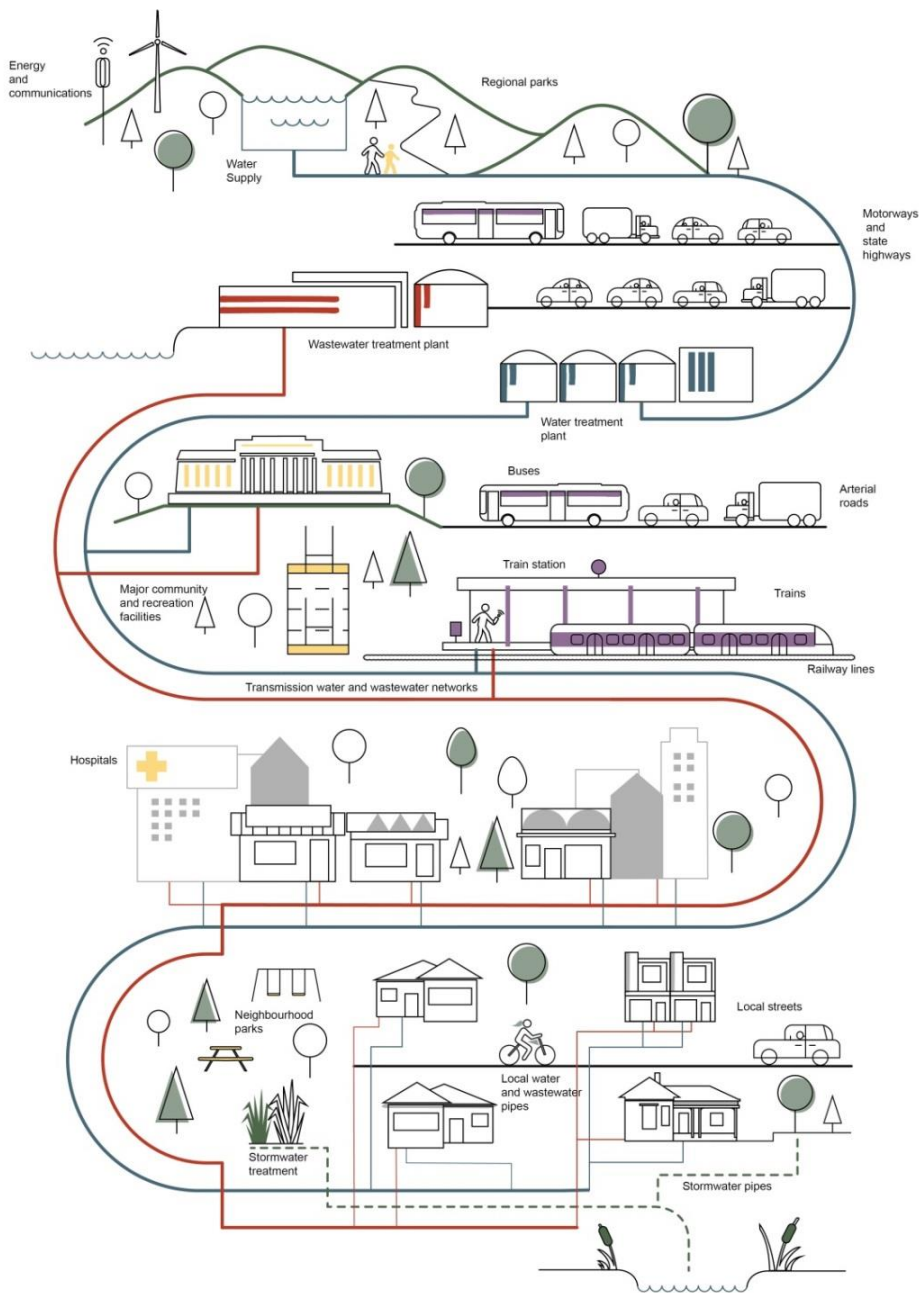


Figure 1.2: Delivering Auckland's Infrastructure

Delivering Auckland's infrastructure requires co-ordination across a number of public and private organisations depending on the type or scale of infrastructure. Typically:

- Government provides state highways, railway lines, and some social infrastructure such as schools and hospitals. It also subsidises other transport infrastructure.
- Auckland Council, including its council-controlled organisations, provides arterial roads, public transport systems, water supply, wastewater and stormwater networks and social infrastructure such as community facilities and parks.
- Developers initially construct local streets and pipe networks which are then vested with council to own and maintain.
- Energy and communications infrastructure is typically supplied by private utility companies.



Auckland over the next 30-years

Many infrastructure assets last for a long time and provide services for several decades. How Auckland grows and changes over the next 30-years and beyond will affect the performance of current infrastructure and future investment needs. Some of the changes expected to Auckland's people, environment and economy over this time that will influence infrastructure are discussed below.

People:

Auckland is a fast-growing city with a current population of 1.7 million. Over the next 30 years the city could grow by another 720,000 to reach 2.4 million. This means another 313,000 dwellings and 263,000 jobs for Auckland. The rate and speed of growth in Auckland puts pressure on infrastructure to cater for increased demand and enable the additional housing and business space needed to provide for a larger population.

Demographic changes will also affect the demand for, and the range of, services that need to be delivered by Auckland's infrastructure. Over the next 20 years, there will be increasing numbers of older people and they will make up a greater proportion of Auckland's population. Households are expected to decrease in size, from approximately 3 to 2.7 people per dwelling. The population is also expected to become more ethnically diverse, with Pacific and Asian people expected to make up a larger proportion of Auckland's population

Environment:

The latest State of the Environment (2015) report shows that while Auckland's air quality has improved significantly, marine and freshwater sites have been polluted by sediments and contaminants arising from development, building and industrial activities.

Auckland's population growth places increasing pressure on the environment. The development of 15,000 hectares of future urban land identified in the Unitary Plan could cause further degradation if not managed carefully. Increasing density in the existing urban area has the potential to exceed the capacity of existing infrastructure if investment does not keep up with growth.

Climate change is expected to have a variety of implications for Auckland's infrastructure networks. The most recent climate change projections indicate warming temperatures, less annual rainfall in the north but more in the south and stronger winds. More frequent and severe weather events are expected. The specifications of some infrastructure may no longer be adequate to deal with more rainfall, or a warmer climate. Sea-level rise will increase risks for assets on the coast from inundation and erosion.

Economy:

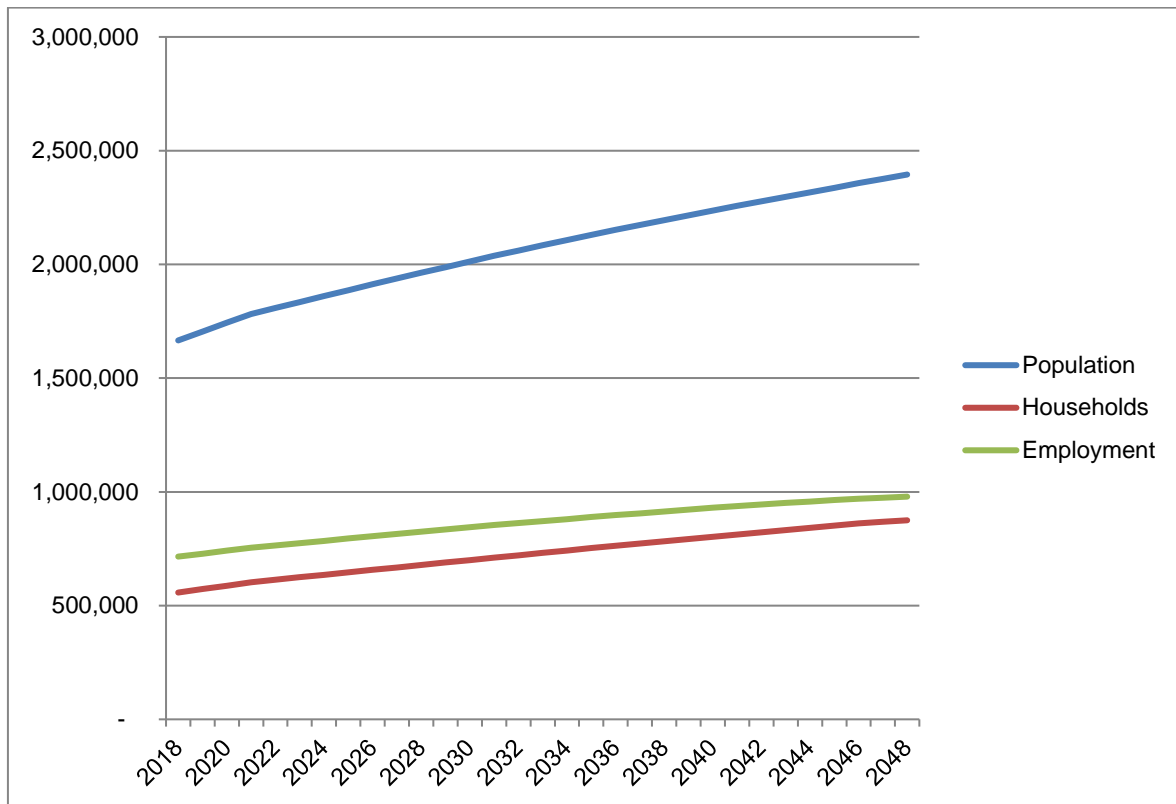
Auckland is New Zealand's main commercial centre, generating 38 per cent of New Zealand's Gross Domestic Product (GDP). The relative scale of Auckland compared with the rest of New Zealand is expected to continue to grow over the next 30 years. For example, Auckland's growth in the last two years is higher than the projected growth for Wellington over the next 30 years and 75 per cent of growth in the working age population (15 - 64 years) to 2043 will be in Auckland. The resilience and performance of Auckland's infrastructure is important for New Zealand's success, as more people and economic activity are concentrated in Auckland.

While employment is relatively dispersed across the region, further growth in the professional service sector is expected to concentrate employment in fewer, larger centres. This has implications for the transport network, as more people need to move to fewer locations during peak times.

Inter-regional connections between Auckland, Hamilton, Tauranga and Northland are important for economic and social success. Collectively, these areas are home to over half of New Zealand's population and generate more than half of the national gross domestic product. Auckland's ports also play a vital role connecting New Zealand to the rest of the world. Roughly 31 per cent of New Zealand's total trade passes through the Ports of Auckland and Auckland Airport accounts for 75 per cent of international arrivals and approximately 15 per cent

of foreign trade by value. Auckland's transport system needs to provide efficient access through the region and to the ports.

Chart 1.1: Auckland population, household and employment forecasts 2018 - 2048



Section two: Auckland's long-term infrastructure challenges, opportunities and responses

The population and economic growth anticipated in Auckland over the next 30 years, together with environmental pressures, present a number of infrastructure-related challenges and opportunities including:

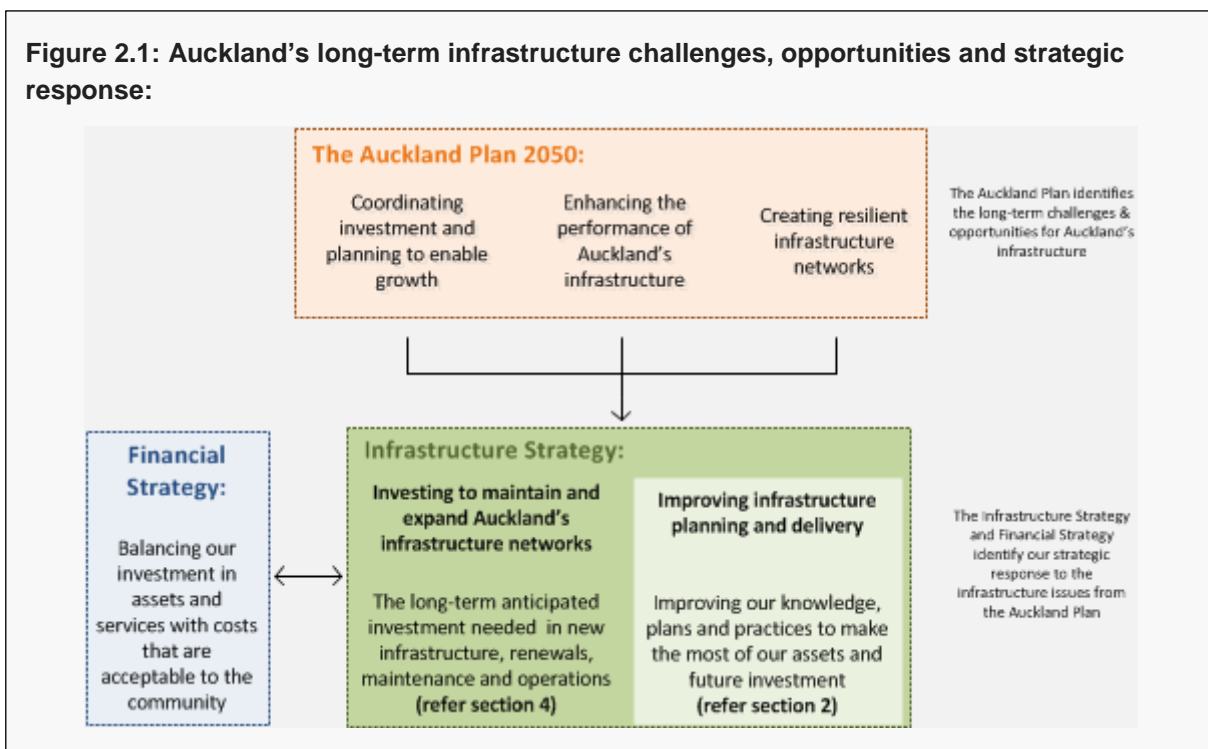
- coordinating investment and planning to enable growth
- enhancing the performance of Auckland's infrastructure
- creating resilient infrastructure networks.

There are two elements to Auckland's strategic response to these challenges and opportunities.

Significant investment is needed to maintain and expand infrastructure networks. Without an appropriate infrastructure investment response, there will be a significant reduction in council service levels in key areas such as transport, water quality and access to community services. Our proposed investment is outlined in the 30-year investment scenario (section 4) of this strategy. The current financial constraints of funding the anticipated investment and options for different funding mechanisms are outlined in the Financial Strategy, Section 1.4 of this document.

Auckland must also improve how infrastructure is planned and delivered to ensure future investments, and current assets, make the greatest possible contribution towards achieving the outcomes sought for the region, and deliver value for money.

Figure 2.1: Auckland's long-term infrastructure challenges, opportunities and strategic response:



This section of the strategy identifies key strategic responses, and examples of current initiatives, that are being progressed across the council group to improve how infrastructure is planned and delivered to address the long-term challenges and opportunities.

Coordinating investment and planning to enable growth

The next 30 years will require significant investment in infrastructure. Coordinated action between public and private infrastructure providers and the development sector is needed to enable the scale of development required to accommodate Auckland's growth. It is crucial that this investment is coordinated and aligned with growth, in order to minimise the opportunity costs of under-utilised assets, increase Auckland's productivity and achieve better environmental outcomes.

The National Policy Statement for Urban Development Capacity requires the provision of surplus capacity in infrastructure networks to accommodate fluctuations in the rate of growth and to meet housing and business needs over the short, medium and long-term. Ensuring that infrastructure networks have sufficient capacity to service growth is critical. This will require alignment between the expansion of bulk strategic water and transport networks, and investment in local infrastructure, particularly in areas where significant growth is planned to occur.

The scale of construction needed to cater for Auckland's growth also poses challenges to the operation of existing infrastructure networks. Aligning forward work programmes (i.e. 'dig once') allows for more efficient delivery and is less disruptive to existing communities. Construction impacts, such as additional heavy vehicle movements, may increase maintenance requirements for existing networks.

Strategic responses include:

- **Providing clear direction on the future location and timing of expected growth and infrastructure provision**, such as refreshing Auckland's long-term development strategy (see figure 2.2).
- **Collaborating with central government on long-term infrastructure investment plans**, such as the Auckland Transport Alignment Project.
- **Improving co-ordination across the council group to respond to major development and infrastructure programmes**, such as establishing the Development Programme Office.
- **Aligning forward work programmes**, such as developing an online portal to share information on planned projects and upcoming events to enable alignment between infrastructure providers.

Figure 2.2: The Auckland Plan 2050 Development Strategy

The Auckland Plan 2050 Development Strategy is a key tool for integrating growth and infrastructure over the next 30-years. The development strategy aligns the location and timing of investment across the council, CCOs, central government and the private sector by identifying:

Strategic Infrastructure Networks (refer figures in section 4)

Strategic networks influence where and when significant urban growth can occur. They provide bulk services in public transport, roads, water, and wastewater. Projects to expand strategic networks often require substantial public investment and have long lead-in times.

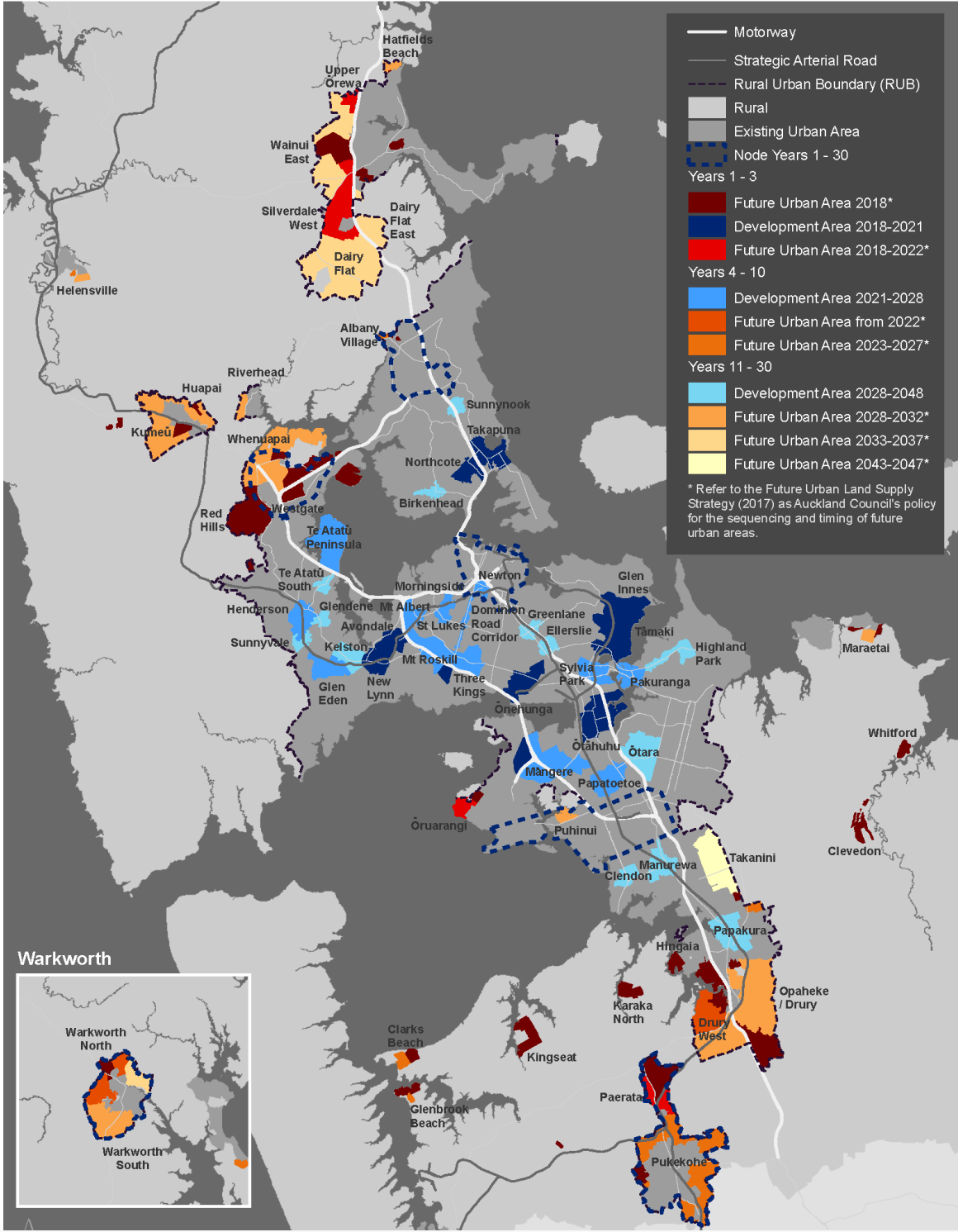
Future Urban Areas (refer figure 2.2)

Future urban areas are presently rural areas that will be urbanised in the future. They are currently not serviced with infrastructure needed to support urban development. Investment is required in bulk infrastructure to service these areas before they can develop, and then local infrastructure is required as they grow.

Nodes and Development Areas (refer figure 2.2)

Nodes and development areas are locations with the existing urban areas that are expected to grow significantly. Investment is required to ensure local infrastructure networks in these areas have capacity to keep up with growth.

Figure 2.2: The Auckland Plan 2050 Development Strategy



Enhancing the performance of Auckland's infrastructure

Even without the pressure of anticipated changes in Auckland's population over the next 30-years, Auckland's current infrastructure assets require maintenance, renewal and replacement. Regional disparities in service provision, resulting from historical underinvestment, need to be addressed.

Dealing with ageing and obsolete infrastructure

Some of Auckland's infrastructure is getting old and will need replacing. The investment in renewing ageing infrastructure is expected to significantly increase in the next three decades. For example, pipe networks established during Auckland's post-war urban expansion between the 1940s and 1960s are expected to require renewal from the 2020s onwards.

In addition, some infrastructure systems are becoming obsolete, do not meet modern standards or changing community needs. For example, the combined sewer and stormwater system in parts of the isthmus is prone to overflows, which have negative social and environmental impacts. Many older community buildings require investment to address hazards such as asbestos or seismic risk, and to ensure they are fit-for-purpose for changing community needs. Replacing ageing infrastructure presents opportunities to improve the environmental performance and resilience of networks, while increasing the capacity to provide for growth.

Differences in service provision and standards

Disparities in performance across different parts of Auckland need to be addressed. For example the transport network provides comparatively poor access to employment opportunities from south and west Auckland. Planned investment in strategic infrastructure networks, such as the construction of the City Rail Link, will help to address these issues as it will decrease travel time, particularly from the western urban area.

When Auckland Council was established it inherited an infrastructure portfolio built by predecessor local authorities with different policies, specifications and business practices. While the design and specification of assets and the levels of service provided need to be appropriate for different locations and communities, clear requirements for the provision and specification of infrastructure are essential to provide certainty for developers, and enable efficiencies in asset design, construction and maintenance over the entire asset lifecycle.

Demand management and emerging technologies

Demand management and emerging technologies will improve the performance of existing infrastructure networks and defer the need for some future investments. The ability to collect and analyse data on a large scale will improve understanding of how individuals and households use infrastructure systems and will allow for more targeted investment. For example, advancements in transport technology such as autonomous vehicles and real-time road user pricing, are expected to increase the capacity of existing roads and improve environmental outcomes. Demand management techniques, such as user pays for water and wastewater services, incentivise the efficient use of infrastructure.

Strategic responses include:

- **Standardising requirements for the provision and design of infrastructure**, by updating policies and technical guidelines such as the Subdivision Code of Practice and the Auckland Design Manual.
- **Using new technology to make better use of existing infrastructure**, such as trialing smart water meters and investigating smarter transport pricing.
- **Improving asset information and analysis**, such as developing the Smart Growth Portal to improve understanding of asset condition and capacity to inform development planning.

Creating resilient infrastructure networks

Auckland's infrastructure needs to be resilient and able to cope with disruptive events (such as natural disasters) and on-going stresses (such as climate change). It needs to be able to respond to the evolving needs of Aucklanders, as well as the possibility of human error.

Understanding the consequences and likelihood of failure, and also the changing demands on our infrastructure systems, allows us to better manage risks to these networks.

Failure of Auckland's critical infrastructure networks poses significant risks. These assets are prioritised in investment programmes and in emergency contingency planning, as they are essential for Auckland to function (see figure 2.3). For example, the planned investment in water infrastructure allows Watercare to continue to manage Auckland's water supply in full compliance with the six fundamental principles of drinking water safety for NZ identified by Havelock North Drinking Water Inquiry.

Auckland's infrastructure systems also need to be resilient to evolving trends. Improving resilience is a driver for investment in infrastructure networks, as well as guiding policies, regulations and specifications.

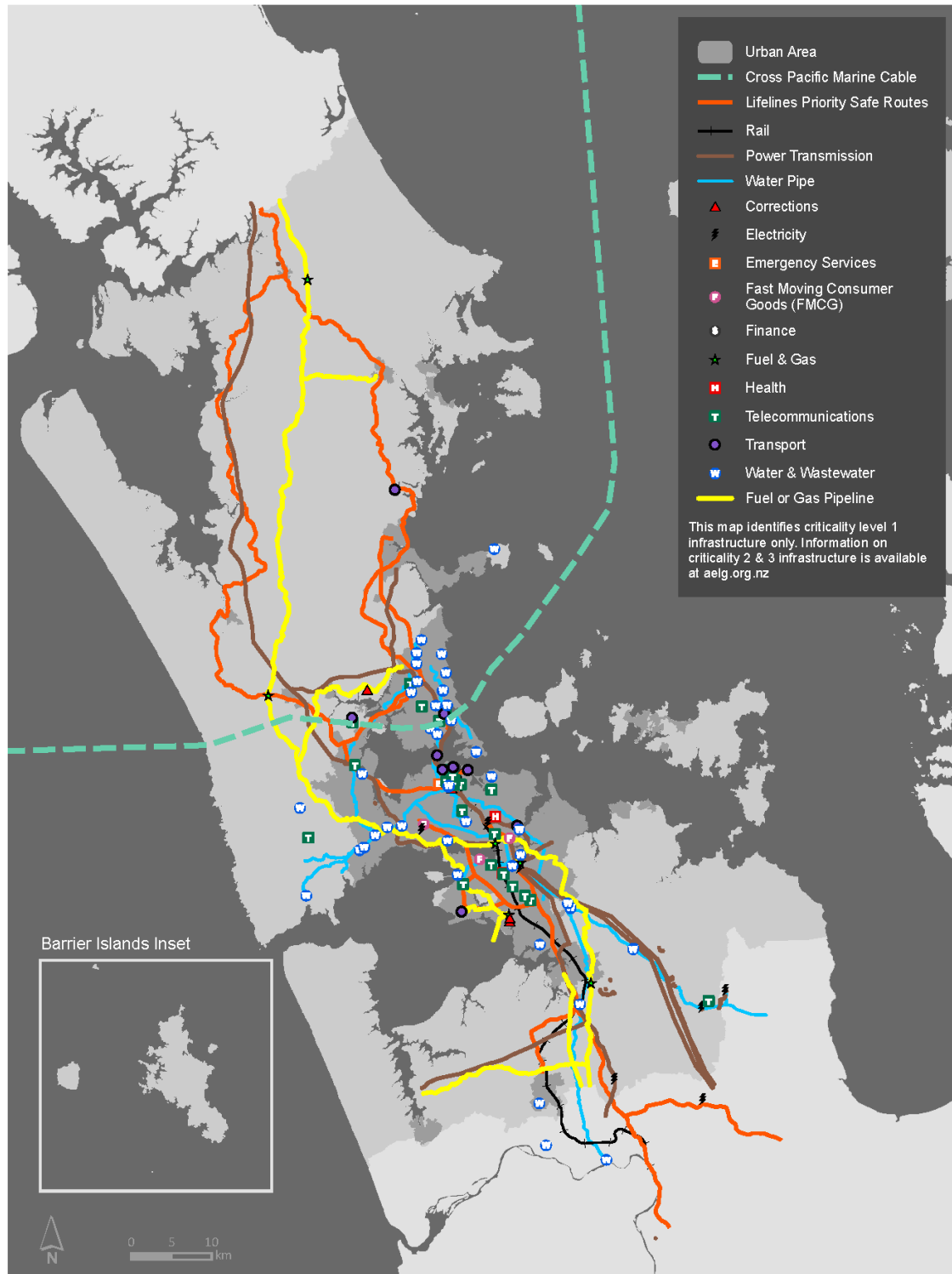
There is inherent uncertainty about the type, timing and impacts of change. It is important to consider how resilient planned investments are to emerging changes, as well as the possible impact on the operation of current networks. Ensuring our investments deliver multiple benefits, such as providing for growth while also enhancing the environment, health and improving resilience is essential. For example, using green infrastructure that achieves water management outcomes, while also enhancing biodiversity, recreation and urban amenity.

Strategic responses include:

- **Increasing knowledge of risks to infrastructure networks**, such as developing a Natural Hazards Risk Management Action Plan and undertaking new research on the impact of climate change on Auckland.
- **Avoiding development in land subject to hazards**, such as flooding, ground instability and coastal inundation, *by updating policies and regulations* such as the Auckland Unitary Plan.
- **Improving understanding of the dependencies, implications and responses to failure of infrastructure networks**, particularly working with other critical infrastructure providers through the Auckland Lifelines Group.
- **Adopting resilient design principles**, such as applying Water Sensitive Design principles to development of the stormwater network, or ensuring new community buildings are multi-functional and can provide for a diverse range of uses.

Figure 2.3: Auckland's critical infrastructure

Note: Not all critical infrastructure identified is owned or managed by Auckland Council



Section three: Key decisions

Addressing Auckland's long-term infrastructure needs

Auckland Council undertakes strategic long-term planning with key stakeholders, including central government and the community to understand the demand for infrastructure over the next 30-years.

Given that significant progress has been made on defining and agreeing the long-term infrastructure demand, the most important decision currently facing Auckland is balancing the timing of when we invest in that infrastructure with the need to keep Auckland an affordable place to live, work and do business.

The projects proposed in Auckland's strategic plans exceed the short – medium term funding available for the first decade (2018-2028) due to:

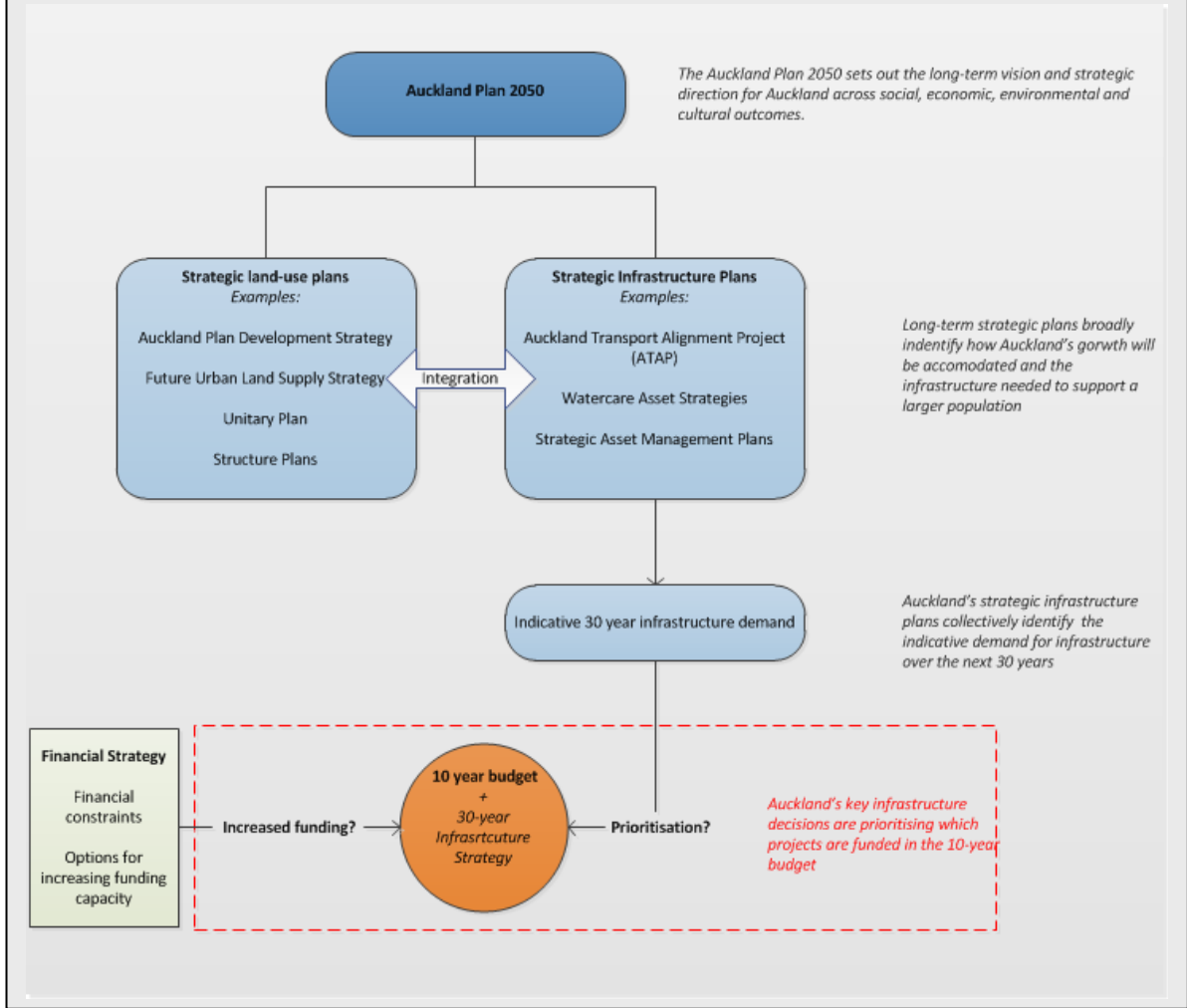
- rapid growth
- increasing expectations and service levels
- addressing deficits and equity issues in current provision
- financial constraints.

Given these conditions are expected to continue for the foreseeable future, there will be an ongoing need to prioritise the infrastructure requirements identified in strategic plans with available funding capacity over the next 30-years. The Financial Strategy sets out the options for funding, prioritisation and the need to balance the investment in infrastructure identified in strategic plans with costs that are acceptable to the community.

This section outlines the key decisions that need to be made to balance infrastructure requirements with affordability.

Figure 3.1 shows how our long-term strategic planning identifies demand for infrastructure over 30 years. The key decision is balancing, through the 10-year budget process, the demand for investment in infrastructure against our current funding capacity.

Figure 3.1: Auckland's key infrastructure decisions:



Project level decision-making

The major individual infrastructure programmes and projects identified by Auckland's long-term infrastructure and land use plans are outlined in section 4 of this strategy along with details of the approximate cost, timing and location of these projects. The timing of the programmes and projects identified reflect a baseline scenario under current financial settings.

Decisions on major infrastructure projects are made at a number of stages, such as when strategic plans, budgets and business cases are adopted, or contracts awarded. The information in section 4 indicates the decade in which infrastructure is expected to be needed, and approximate timeframe for when investment decisions will be confirmed. Strategic infrastructure plans are regularly reviewed in response to changes in the rate and location of growth and other factors.

Due to the strategic outlook of these plans, options for projects in the long-term (years 11-30) are considered at a general level. Projects are subsequently refined, alternatives considered and the need confirmed closer to when demand for the infrastructure is expected to occur. Options expected to be considered include:

- the delivery mechanism
- the staging and timing of implementation
- the technical solution, including:
 - approximate route or location
 - possible construction methodology
 - capacity required.

Many projects in the 10-year budget are already committed, such as the City Rail Link, Central Interceptor and a number of park acquisitions. Additionally, the need to maintain and renew existing assets is generally prioritised before funding new capital projects. This means that without additional funding streams, there is often relatively limited 'discretionary' funding available for new capital investments within each 10-year budget.

Key infrastructure decisions

Taking into account all of the above, seven key infrastructure investment decisions were considered for the 10-year budget 2018-2028. These address the most immediate aspects of the long-term infrastructure challenges and opportunities. The key infrastructure investment decisions were:

Key decision area	Co-ordinating investment and planning to enable growth	Enhancing the performance of Auckland's infrastructure	Creating resilient infrastructure networks
Transport Choices	X	X	X
Water quality improvement programme		X	
Coastal management and response to climate change			X
Renewal of community facilities		X	
Community assets to support growth and development	X		
City Centre investment timing and 2021 events	X		
Progressing urban development	X		

The follow section outlines each key infrastructure decision and the final decision that is included in the 2018 10-year budget and 30-year investment scenario (section 4). As required by legislation the following section also sets out the other principal options that we considered.

As a result of feedback from consultation, and further development of options while finalising the 10-year budget, some options have been refined and vary from those included in the draft Infrastructure Strategy and consultation budget.

Transport Choices

Without an appropriate infrastructure investment response, there will be a significant reduction in transport service levels. For example:

- 25 per cent of Auckland's arterial roading network is now congested in the morning peak compared to 18 per cent three years ago.
- Congestion outside peak times and on weekends is also becoming more frequent with over 10 per cent of the network now experiencing inter-peak congestion.
- Auckland has also seen a near-doubling in road deaths and serious injuries over the past five years.

ATAP set out a \$28 billion investment package (local and central government combined) that seeks to balance transformational change while addressing the critical transport challenges that Auckland currently faces. The key outcomes expected from the ATAP package include:

- Supporting substantial growth in rapid transit corridors, to enhance capacity and the potential for housing growth.
- Initial support to enable greenfield development where around 30 per cent of Auckland's growth is expected to occur.
- Support for an increase in public transport and cycling mode share, with flow on benefits for health, safety, the environment and congestion.
- Improved access as a result of more congestion free alternatives for travel and changes in land use enabled by rapid transit investment.
- A 60 per cent reduction in deaths and serious injuries on Auckland's transport network, from 813 in 2017 to no more than 325 by 2027.
- Improved environmental outcomes through the provision of lower carbon alternatives for travel and by encouraging less single-occupant travel.

As part of the overall ATAP package, the council is planning \$12 billion of capital investment over the next 10 years (representing the combined programmes of Auckland Transport, City Rail Link Limited and Crown Infrastructure Partners). This investment will help progress key ATAP outcomes as follows:

- Increasing total public transport boardings from 88.4 million in 2016/2017 to 149.7 million by 2027/2028
- Improving the productivity of key arterial roads in the morning peak by 14 per cent by 2028, which when combined with increased public transport usage and provision for walking and cycling will support the ATAP outcome of maintaining congestion at 2016 levels
- Reducing deaths and serious injuries on local roads by 60 per cent compared to 690 in the year to December 2017, which when combined with safety improvements for state highways and walking and cycling will support the ATAP objective of reducing deaths and serious injuries on the total Auckland network by 60 per cent

This investment will also ensure that we look after our existing assets and ensure that at least 80 per cent of our urban roads meet maintenance standards in terms of ride quality.

Key decision: The level of investment in transport infrastructure and funding mechanism

Final decision for this 10-year Budget

Option B, \$12 billion of capital investment in transport over 10-years supported by a regional fuel tax

Option A:

Rely on existing funding tools

A \$9 billion capex investment package in transport over 10 years. This level of investment will primarily deliver renewals and committed projects, including:

- committed projects such as City Rail Link and electric trains
- renewals and ongoing operational requirements
- minor safety improvements
- Some high priority projects, e.g. Eastern Busway

Committed projects, such as the City Rail Link and Eastern Busway, will improve access to the City Centre and public transport services from the east. Some support is available to enable new greenfield growth areas in the North and South.

Additional safety projects, new investment in public transport infrastructure, walking and cycling, optimisation and technology, and road capacity are unable to be funded at this level of investment.

The current challenges of escalating congestion, rising deaths and serious injuries on the roading network, negative environmental impacts from transport and supporting housing growth will not be addressed.

Option B:

Implement the ATAP package, enabled by a regional fuel tax

A \$12 billion capex investment package in transport over 10 years enabled by a regional fuel tax of 10 cents per litre plus GST.

This level of investment enables implementation of the April 2018 ATAP package. Projects in the overall programme, partly funded by the regional fuel tax, include:

- Bus priority improvements
- City Centre bus infrastructure
- Improving Airport access
- Eastern Busway (formerly AMETI)
- Park and Rides
- Electric trains and stabling
- Downtown ferry redevelopment
- Road safety
- Active transport
- Penlink
- Mill Road corridor
- Road corridor improvements
- Network capacity and performance improvements
- Growth related transport infrastructure

This option is expected to achieve the key outcomes of the ATAP package, such as supporting growth in transit corridors and greenfield development areas, increasing public transport and cycling mode share, improving access by providing congestion free alternatives for travel, reducing deaths and serious injuries and improving environmental outcomes.

Option C:

Entire Auckland Transport capital programme identified in the Regional Land Transport Plan

If additional funding is available the delivery of lower priority projects could be advanced. Examples of projects currently not funded in the Regional Land Transport Plan include:

- New bus station at Grand Drive (Orewa)
- Level crossing safety improvements and grade separation
- Some ferry terminal upgrades and other ferry improvements
- Enhanced park and ride programme
- Some supporting growth infrastructure in the North, North-west and South

This option would cost substantially more the \$12 billion programme in option B. It would be challenging for council and central government to finance and for the construction sector to deliver within the first decade. Projects would likely be delivered over a longer period.

Water quality improvement programme

Auckland has a significant issue of pollution of its waterways across the region. There are areas of Auckland's beaches, harbours, streams and aquifers that are significantly affected by poor water quality. Many waterways and beaches are unsafe for swimming after storm events, and some beaches are permanently closed to swimming. This is a result of pollution from a number of sources including:

- wastewater overflows from the combined sewer network when stormwater overwhelms the system capacity
- pollution from road run-off
- sedimentation from urban and rural land use
- old or poorly maintained onsite wastewater systems (septic tanks etc.)
- impacts from farming such as livestock in streams and fertiliser runoff.

The Water Quality Improvements Programme of work has been developed to address these issues. The key projects and outcomes are as follows:

- stormwater upgrades and wastewater/stormwater separation in the Western Isthmus
 - reduces overflows into the Waitemata and Manukau harbours
 - beaches from Meola Reef to the Viaduct will be swimmable
 - reduction in intermittent beach closures
 - rehabilitation of Western Isthmus streams
 - reduces demand on the waste water network from stormwater, allowing greater housing intensification in the Western Isthmus catchments.
- infrastructure for stormwater contaminant removal across the region
 - reduction of sediment into the Kaipara Harbour
 - reduction in stormwater contaminants across the region.
- rehabilitation of urban and rural streams
 - improves the ecological health of the streams and reduces flow of contaminants into harbours
 - enables urban development in areas such as Oamaru creek in East Tamaki
 - stabilises areas of high stream erosion, reducing sedimentation in the harbours and protecting property and infrastructure.
- introduction of a proactive regional septic tank monitoring programme
 - develop a regional database of onsite systems, their design parameters and maintenance records
 - first step in identifying the individual properties contributing to the degradation of beaches and waterways, such as at Piha, Bethells Beach, and Little Oneroa on Waiheke
 - develop a warrant of fitness style scheme to ensure the systems perform.

Key decision: Introduction of a targeted rate to accelerate the implementation of the Water Quality Improvement Programme

Final decision for this 10-year Budget Option B, delivery of programme by 2028.

Option A:
Status quo funding
Delivery of Programme by 2048

Costs in line with current budgets and deliverable with current funding sources, continues with existing works included in the Asset Management Plans of Watercare and Healthy Waters.

The benefits of the Water Quality Improvement Programme would be realised over a 30-year timeframe.

Includes Central Interceptor project and some stormwater upgrades. Reduces the number of locations in the Western Isthmus that experience wastewater overflows every time it rains from 43 points to 31 points by 2028.

The number of overflow points in the Western Isthmus that spill more than twice a year reduces from 218 to 214 by 2028.

Option B:
Delivery of programme by 2028

Accelerate the delivery of the Water Quality Improvement Programme, realising the benefits over a 10-year timeframe.

The programme includes:

- leveraging the investment in Central Interceptor by bringing forward investment in the Western Isthmus from outer years of Asset Management Plans to achieve improved water quality outcomes within ten years
- infrastructure for stormwater contaminant removal across the region
- rehabilitation of urban and rural streams
- introduction of regional septic tank monitoring.

By 2028 overflow points on the Western Isthmus is expected to be reduced to 10 locations that are anticipated to overflow 2-6 times per year on average. Reduced faecal contamination of waterways from onsite wastewater systems in high risk areas. Reduced sediment runoff in to the Kaipara Harbour.

Additional funding requirement of \$856 million between 2019 and 2028.

Coastal management and response to climate change

Auckland Council owns and manages approximately \$350 million of coastal protection, access and amenity related assets over Auckland's 3,200km of coastline. These form part of the roading and community asset categories described elsewhere in this strategy depending on the specific function of the each asset. We consider them as a related group here because they face a common issue.

Historic underinvestment in these assets has primarily addressed reactive works only and resulted in an asset base that is in relatively poor condition with insufficient funding available to renew all damaged assets for the next 10-years. The predicted impacts of climate change, coupled with failing assets, has led to community groups requesting improved coastal protection, with calls to better manage our coastal assets.

An Auckland Council Coastal Management Framework was developed to help the council better manage its coastal assets, and to better mitigate the risks associated with coastal erosion and the combined effects of predicted climate change. This framework will enable the council to move from the current default position of reactionary 'like-for-like' renewals to a prioritised work programme that is based on improved asset management planning underpinned by business cases leading to improved asset investment.

Consultation on the proposed budget options for coastal assets led to a wider discussion about funding responses to climate change, which is leading to increasing numbers of extreme weather events, causing storm damage and landslips. There is a need to respond quickly to infrastructure damage that arise from frequent storms, and fund urgent or emergency works. Funding is also needed to proactively address areas at risk of landslips.

Key decision: The level of funding for renewal and management of coastal assets and responding to climate change

Final decision for this 10-year Budget Option B, strategic approach

<u>Option A:</u> Reactive investment when assets fail. (status quo)	Coastal assets are replaced when perceived to be in poor condition, within limited budget.. Maintenance expenditure continues at previous levels. There is no asset management plan driving the forward work programme and implementation is based on local budgets, making large projects difficult to plan and fund. Assets are replaced on or after failure until funding is exhausted, with approximately six per cent of assets renewed in next 10-years. Maintenance budgets will not be sufficient to address or resolve deterioration issues. This option is expected to reduce service levels from coastal protection, access and amenity assets over time due to deterioration and the combined effects of coastal erosion and predicted climate change. Increases the risk of disruption to services.
<u>Option B:</u> Strategic approach.	Introduces a delivery model where asset replacement is based on prioritised need for protection and development of new assets. This requires initial investment to develop coastal compartment management plans that include public engagement, which will then inform a region wide coastal asset management plan (AMP). The operational funding required for the development of compartment management plans and a coastal asset management plan is \$1 million over the first two years of the 10-year budget. Approximately \$200,000 operational budget will be required annually between 2021 and 2028. The AMP will more accurately inform future funding requirements. As an interim measure, the increased capital investment required is estimated to be \$11 million over the first three years of the budget (in addition to the \$19 million of funding in the status quo option), and an additional \$79 million between 2021 and 2028.

Key decision: The level of funding for renewal and management of coastal assets and responding to climate change

In addition to funding for management of coastal assets, the climate change response fund will establish new funding for the management of non-coastal assets, such as land slips on council land. The fund consists of:

- a pro-active capex budget of \$2 million per annum
- a \$20 million reactive fund that will be rolled over annually until the fund is exhausted.

This option provides a higher level of service than option A and mitigates some risks of disruption to services.

Option C:

Replace assets when assessed to be in poor condition, and new works.

Involves replacing assets when they are assessed to be in poor condition, infrequent new works, and construction of the Orewa seawall during the first two years of the 10-year budget.

Current demand for renewals and larger scale interventions is assumed to continue. Without the benefit of a coastal asset management plan, it is accepted that capital expenditure would be more ad-hoc and therefore potentially higher.

Total capex has been estimated at \$150 - \$200 million between 2019 and 2028. The assessment of future demand for capital investment assumes that up to 35-40 per cent of assets could require replacement and additional work in the next 10 years without prioritisation in place.

This option is less likely to deliver long term sustainable solutions than option B.

Renewal of community facilities

Auckland's portfolio of community facilities is aging and faces a range of challenges such as weathertightness, asbestos and seismic strength issues. The financial impacts of asbestos, seismic and weathertightness are still being quantified based on the outcome of the asset condition reviews across the portfolio.

Due to demographic and social changes in the community, many of our facilities are no longer fit for purpose or reflective of community needs. Services and assets need to respond to pervasive technology and changing demand patterns.

Key decision: The level of funding for renewal of community assets (parks, recreation and community facilities)

Final decision for this 10-year Budget

Option A, baseline

Option A:

Funding of \$961 million has been allocated to renewals for 2019-2028.

Baseline

Primarily funds renewal of critical assets, resulting in increasing reactive maintenance and operational costs. Will require renewal expenditure to be carefully prioritised to ensure maximum value for money taking into account asset condition, community needs and asset utilisation.

There is a risk of decreased levels of service over the longer term as assets are only renewed when critical, resulting in deteriorating assets which increases the risk of failure and asset closure.

Mitigation of this risk requires a focus on creating a fit for service portfolio through trade-offs between ageing facilities, disposal of assets and investigation of optimisation opportunities to mitigate impacts on service levels. This may mean some facilities that are not well utilised (or not meeting current community needs) are not replaced, and instead investment is focused on new facilities that are more fit for purpose.

This represents an increase from the 2015-2025 LTP of \$200 million.

Option B:

Significant increase of \$759 million above baseline over 10-years.

Significant increase above baseline

Fully funds the renewal of appropriate assets keeping the portfolio in a good condition but will require more resources to deliver.

Minimal trade-offs with continued optimisation options to ensure assets are fit for purpose.

Funding requirement of \$1.72 billion between 2019 and 2028.

Community assets (parks, recreation and community facilities) to support growth and development

Auckland's forecasted growth is expected to increase demand for community assets (parks, recreation and community facilities) including:

- the provision of parks and recreation networks in future urban areas
- increased use of parks and recreation facilities in the existing urban area due to intensification
- re-development of existing and provision of new multi-purpose facilities to support rapidly growing and diverse communities
- additional provision of land for cemeteries (including development)

Key decision: The level and focus of investment in providing for growth and diversity in community assets (parks, recreation and community facilities)

Final decision for this 10-year Budget

Option B, moderate increase above baseline

Option A:

Baseline

Minimal provision of new community assets (parks, recreation and community facilities) to provide for growth and diversification.

Results in a lower level of provision than identified in the council's adopted policy.

This option includes:

- committed projects
- cemetery land acquisition and development
- park acquisition and associated infrastructure development limited to key priority areas only
- new community facilities in Takanini, Westgate and Flat Bush
- new pool and leisure centre in Flat Bush

Requires optimisation of existing assets and improved service delivery to maintain the existing level of service.

Funding requirement of \$1.5 billion between 2019 and 2028.

Option B:

Moderate increase

Limited provision of new community assets (parks, recreation and community facilities) to provide for growth and diversification.

Results in a lower level of provision than identified in the council's adopted policy.

In addition to Option A this option includes:

- open space acquisition and associated infrastructure development limited to priority greenfield and brownfield areas, including an additional \$200 million above the baseline option
- new community facility in Avondale
- new pool and recreation facility in Avondale/New Lynn by 2028
- investigation and business case for a new pool in the north west, with delivery in the second decade
- establishment of a Sport and Recreation Facilities Investment Fund with additional capital expenditure of \$100 million to create a total fund of \$120 million. The objective of the fund is to allow the council to deliver on the Sports Facilities Investment Policy (under development) and provide value for money by leveraging external investment

Key decision: The level and focus of investment in providing for growth and diversity in community assets (parks, recreation and community facilities)

- additional funding of \$170 million to support delivery of the community related One Local Initiative Programme (excludes sub-regional projects)

Total funding requirement of \$2.1 billion between 2019 and 2028

This option will require optimisation of existing assets and improved service delivery to maintain the existing level of service.

Option C:

Moderate additional provision of community assets (parks, recreation and community facilities) to provide for growth and diversification.

Substantial increase

Achieves a lower level of provision than identified in the council's adopted policy.

In addition to option B this option includes:

- acquisition of new parks and associated infrastructure in line council policy, and limited additional park development
- some further provision of community facilities in key priority areas

Optimisation, improved access and capacity within the network will primarily meet growth requirements and maintain existing service levels.

Total funding requirement of \$2.41 billion between 2019 and 2028.

City centre investment timing and 2021 events

Auckland's city centre is an increasingly important 'economic engine' for both the region and the whole of New Zealand, and has experienced growth significantly above forecasts over the last five years. Auckland is likely to be the host city for two key and high profile events in 2021, namely the America's Cup (AC36) and APEC, which have the potential to provide significant economic and legacy benefits for Auckland and New Zealand.

The City Centre Masterplan (CCMP) presents a 20-year vision that sets the direction for Auckland's city centre as its cultural, civic, retail and economic heart. It presents a vision of a city centre that is more family, pedestrian and environmentally friendly. The City Centre Masterplan identifies numerous projects to implement the vision, requiring investment in stormwater, transport and community services infrastructure.

The city centre investments encompass four integrated programmes of works, including:

- America's Cup 36 Infrastructure – delivers infrastructure for the America's Cup event as well as a legacy for the city centre. The total forecasted cost of this programme is \$123 million, of which \$66 million is funded by central government.
- Downtown – Delivers a connected and accessible waterfront, prepares for growth of cruise and ferry services and supports activation of Queens Wharf. This programme aligns with the America's Cup event in 2021. Total forecasted cost of this programme is \$430 million.
- Midtown and Uptown – delivers improved pedestrian and public spaces around key transport hubs. The programme is aligned with, and leverages off, development opportunities from the City Rail Link, bus infrastructure, and the New Zealand International Conference Centre. Total forecasted cost of this programme is \$430 million (including \$95 million for stage 2 and 3 of the Victoria Linear Park and Wellesley Street streetscape and amenity upgrade)
- Wynyard Quarter and Westhaven – progresses planning and engagement for Wynyard Point, builds on the success of the waterfront's regeneration and continues to deliver an accessible and sustainable waterfront. Total forecasted cost of this programme is \$144 million.

Key decision: The timing of implementation of the City Centre Masterplan	
Final decision for this 10-year Budget	Option B, fund complete downtown programme
<u>Option A:</u> Baseline \$911 million	<p>At the baseline level of funding the downtown programme is unable to be completed in time for the America's Cup and APEC events in 2021. As a result, the full economic and legacy benefits of these events will not be realised, such as making the downtown more family, pedestrian and environmentally friendly. Delivery of the entire downtown programme is at risk due to the interrelationship between projects in this area.</p> <p>Stages 2 and 3 The Victoria Linear Park and Wellesley Street streetscape and amenity upgrade will not be able to be delivered in the midtown programme. The opportunity to leverage benefits from substantial transport investments in the midtown area, such as the City Rail Link and the Wellesley Street Bus Corridor project, will be reduced.</p> <p>The America's Cup 36 Infrastructure programme and the Wynyard Quarter and Westhaven programmes are fully funded.</p>
<u>Option B:</u> Fund complete downtown programme \$966 million	<p>Option B enables the downtown programme to be fully completed in time for the America's Cup and APEC events in 2021.</p> <p>The America's Cup 36 infrastructure programme and the Wynyard Quarter and Westhaven programmes are fully funded.</p>

Key decision: The timing of implementation of the City Centre Masterplan

This is expected to deliver the following benefits:

- Align the city centre's development with the America's Cup 36 and APEC events in 2021.
- Leverage off opportunities from the City Rail Link, bus infrastructure and other transport infrastructure developments, to minimise disruption and maximise efficiency
- Alignment of council family investments, public and private developments to achieve a holistic outcome
- Supporting growth – continue to improve access into the city and create high quality public spaces for people to live, work and play

Stages 2 and 3 of the Victoria Linear Park and Wellesley Street streetscape and amenity upgrade would not be delivered in the midtown programme in the first decade. The opportunity to leverage benefits from substantial transport investments in the midtown area, such as the City Rail Link and the Wellesley Street Bus Corridor project, would be reduced.

Additional funding sources such as further development contributions, targeted rates and private sector investment could be implemented to fully deliver the midtown and uptown programme once the costs and timings of these projects are confirmed.

Option C:

Option C fully funds all programmes, including midtown and uptown.

Fund all programmes

This option provides a greater degree of certainty of funding and delivering the uptown and midtown programme timed with completion of the City Rail Link and Wellesley Street Bus Corridor Project.

\$1,061 million

Progressing urban development

A number of town centres have been identified as priorities for regeneration through Panuku Development Auckland. These town centres are known as Transform, Unlock and Support locations. Urban regeneration of existing town centres across Auckland contributes to the delivery of the Auckland Plan and the following priorities:

- leverages the investment in the transport network (existing and planned), in particular public and active transport
- facilitates housing through intensified development to help ease the shortage of housing and improve affordability
- protects the environment by updating tired centres with more sustainable and resilient development and reduces sprawl onto rural land
- makes Auckland a great place to live, work, play and visit, as an inclusive city which celebrates its unique mana whenua identity and cultural diversity, driven by place making and engagement.

Successful regeneration and development requires investment in amenity and infrastructure upfront to build community support, homeowner demand and private sector interest. All categories of infrastructure covered by this strategy are relevant to success regeneration of these areas. Panuku has a balanced strategy for each location combining commercial development, place making and activation, public realm upgrades and other public good investment. Panuku also works closely with a range of Crown agencies including Housing New Zealand (HNZ) in a number of locations (e.g. Manukau, Avondale, Northcote, Onehunga).

Key decision: The number of Transform and Unlock areas to be progressed within the next 10 years

Final decision for this 10-year Budget

Option B, credible progress

<u>Option A:</u>	Funding requirement of \$344 million over 10-years.
Baseline	<p>Enables completion of legacy projects at Hobsonville, Ormiston, Wynyard Central Stage 1, and slower progress towards implementation in Transform Manukau. Implementation progress will be limited to commercial sales of sites and completion of legacy projects.</p> <p>Strategic and commercial value is not achieved from the sale of council-owned sites and the overall impact of the Panuku programme is small and incremental.</p> <p>Does not optimise opportunities to work with partners including HNZ.</p> <p>In the majority of locations local board and community aspirations will not be met until a much later date.</p>
<u>Option B:</u>	Option B includes additional funding from asset sales of \$406 over 10-years and amendments to repayment periods for the Strategic Development Fund.
Credible progress	<p>Additional funding of \$406 million can be allocated to the Transform and Unlock Programme (excluding the waterfront) from the reinvestment of the proceeds of property sales.</p> <p>Locations that can be funded through the sale and reinvestment of assets have been prioritised. These include the Transform locations at Manukau and Onehunga along with the Unlock locations at Avondale, Henderson, Hobsonville, Northcote, Ormiston, Papatoetoe, Panmure and Takapuna.</p> <p>A longer repayment period has been agreed for the Strategic Development Fund for acquiring properties that facilitate complex, larger developments.</p>

Looking ahead: longer-term decisions

Beyond the seven key infrastructures investment decisions considered for the 10-year budget 2018-2028, decisions will be required in the future about infrastructure investments over the remaining two decades of this strategy.

The major projects and programmes identified in the 30 year investment scenario of this strategy reflect current plans and assumptions. While there is a reasonable degree of certainty about the investment identified in the first decade, projects identified in decades two and three (2028-2048) are more conceptual, and are likely to change in response to future needs.

This section of the strategy identifies some of the key decisions that we expect will be required in the future about our longer-term infrastructure investments and some of the key options and choices we will need to consider. At this stage, the timing of when we will make these decisions is unclear and while some cost estimates are included in the 30 year scenario, further work will be needed to determine the likely scale and extent of each decision.

Water

A range of responses are likely to be required to meet Auckland's long-term drinking water requirements. Beyond the next decade, decisions about investment in water infrastructure may include:

- The future sources of Auckland's drinking water
- The extent to which new technologies might increase water supply
- The extent to which demand management can help to reduce water consumption.

Watercare's water asset strategy, which is reflected in the 30-year investment scenario of this strategy, presents a package of inter-related investments that provide a safe, resilient supply of drinking water that will meet Auckland's forecasted growth. It includes major investments in the Waikato and western treatment plants to service metropolitan Auckland. This is complimented with significant investment in the transmission network and reservoirs, including a second Waikato pipeline by 2048.

New technology, such as water recycling, may provide alternative options for sourcing some of Auckland's future drinking water. Smart water metering, pricing and other demand management initiatives may reduce per-capita consumption, reducing demand for some new investments.

Wastewater

Auckland's population growth and increasing environmental expectations require a substantial investment in wastewater infrastructure. Watercare's wastewater asset strategy, which is reflected in the 30-year investment scenario of this strategy, presents a package of inter-related investments that will meet Auckland's long term wastewater needs. This includes upgrades to the two major wastewater plants at Mangere and Rosedale, construction of the Central and Northern Interceptors and augmentation of the southern interceptor to service the metropolitan area of Auckland. Major upgrades to sub-regional treatment plants at Snells Beach, Army Bay and Waiuku are also planned.

The investments in the first decade of this strategy establish the core network that will meet Auckland's medium to long-term wastewater needs. Major investments in the second and third decades aim to augment the network established in first decade. As such, longer term decisions about wastewater investments are more likely to focus on the quality of treatment that is required.

Stormwater

The Water Sensitive Design approach to stormwater and flooding management adopted by the council means that, beyond the first decade, the majority of stormwater investments are expected to be relatively small projects in response to where and when grow occurs.

The largest investment currently identified in the second and third decades is the southern future urban area programme, which will enable urban development of a number of areas subject to significant flooding constraints including Opaheke, Drury and Takanini. Decisions will be required about the optimal technical solution to address flooding in this area, and given the relatively small area of benefit of this investment, the appropriate funding mechanism for this investment.

Community services

While demand for community services is expected to increase over the next 30-years, there is a high degree of uncertainty about future demand due to:

- the rate and distribution of population growth
- demographic changes, such as increasingly diverse communities
- changes in recreational trends, such as an increase in informal recreation
- a higher proportion of medium and high density housing, which typically have less private open space
- increasing expectation to deliver services to meet demand.

There is also uncertainty about the adequacy of the existing network of community facilities into the future. Auckland's portfolio of community facilities is aging and faces a range of challenges such as weathertightness, asbestos and seismic strength issues. Due to demographic and social changes in the community, many facilities are no longer fit for purpose or reflective of community needs.

Beyond the first decade, these factors will mean there is a continuing need to review the portfolio to ensure the provision of community facilities will meet changing community needs and provide value for money. Long-term decisions about investment in community facilities may include:

- the type of facilities provided by council
- the role of council in delivering community services, such whether as service is best delivered by the council, a community organisation, or in partnership
- the optimal level of provision and network that will meet future community needs
- whether facilities that are not well utilised or meeting community needs are replaced.

Transport

Between 2015 and 2018 Auckland Council worked closely with the government through the Auckland Transport Alignment Project to develop a recommended long-term strategic approach to transport in Auckland. This included an indicative 10-year package of priority investments, which formed the basis of the 10-year budget, and has informed the 30 year investment scenario identified in this strategy.

Looking beyond the next decade, ATAP identifies some key decisions that will need to be made in the future, such as:

- the alignment, mode and timing of further major investments
- the extent to which transport challenges should be addressed through demand management (e.g. road pricing) rather than infrastructure investment
- the extent to which new and developing transport technologies (e.g. ridesharing, connected and autonomous vehicles) can help address our transport challenges.

These are discussed further below:

Future major investments

The 10-year transport programme will complete much of Auckland's rapid transit network and continue the targeted development of the strategic roading network. Further improvements to these networks are identified in ATAP as future priorities, and are shown indicatively in the 30-year investment scenario of this strategy. Key future decisions on these projects may include:

Longer-term transport decisions:	
Future investment	Key decisions
Rail network development	<ul style="list-style-type: none"> • What track upgrades to the rail network are required to reduce passenger and freight conflicts? • What track, station and rolling stock upgrades are required to enable express and inter-city train services?
North Shore rapid transit (City centre to Takapuna and Orewa)	<ul style="list-style-type: none"> • What can extend the life of the current Northern Busway? • Is light-rail the right mode for North Shore rapid transit? • What alignment should North Shore rapid transit follow, especially through future greenfield areas? • How should rapid transit integrate with a potential future road crossing of the Waitemata Harbour?
Upper Harbour rapid transit (Westgate to Albany)	<ul style="list-style-type: none"> • What type of corridor and mode (e.g. shoulder bus lanes, full busway, light rail etc.) is most appropriate for this corridor? • Where should future stations be located and how should they integrate with the rest of the public transport network?
Additional Waitemata Harbour Crossing (road)	<ul style="list-style-type: none"> • What is the optimal timing of the investment? • What is the exact route for the project? • What associated upgrades to the rest of the transport network might be required to maximise the project's benefits? • How does the project integrate with North Shore rapid transit?
Cross isthmus rapid transit (New Lynn to Onehunga)	<ul style="list-style-type: none"> • What route should this corridor follow? • What mode should this corridor be? • Where should the stations be located and how should this corridor integrate with the rest of the public transport network?
Access to Ports of Auckland	<ul style="list-style-type: none"> • What scale of improvement is required? • What upgrades are still necessary if the Port moves from its current location?
Supporting greenfield growth	<ul style="list-style-type: none"> • What is the right alignment and form for projects supporting greenfield growth? • How will major investments support the desired urban form in greenfield growth areas?

The role of demand management (e.g. road pricing)

ATAP highlighted that achieving a step-change improvement in the performance of Auckland's transport network would only be possible through a greater focus on travel demand, particularly through moving to directly incentivising more efficient travel patterns through road pricing. ATAP also highlighted that substantial further work would be necessary before road pricing should be implemented. A joint Council-Government project investigating road pricing is currently underway.

Key future decisions around transport technology may include:

- What are the impacts on travel affordability, and what mitigation might be required, particularly for lower income residents who face long commutes?
- What are the impacts on overall accessibility to jobs, education and services?
- What investments that improve travel choices (e.g. improving public transport and cycling infrastructure) need to be completed before road pricing should be implemented?
- What investments will be more, or less, necessary with road pricing in place?

The role of developing transport technologies

Developing technologies like connected and autonomous vehicles (including public transport), especially when combined with ride-sharing, have the potential to fundamentally reshape the way transport is used and provided, blurring the boundaries between private and public transport. These developments could create several benefits, including increasing the number of vehicles that can travel on a road at the same time and reducing deaths and serious injuries from traffic incidents. There is also a risk that these technology advances could create negative effects, particularly if they lead to large-scale growth in vehicle travel or poorer quality street environments.

While rapid technological progress is anticipated, it's hard to know which developments will be successful or when we will be able to use them. Key future decisions around transport technology may include:

- What regulation is required to maximise benefits and minimise the risks from new technologies?
- What investment in upgrading infrastructure will be necessary to maximise the benefits from new vehicular technology?
- How might the delivery of public transport services evolve over time due to changing technology?
- What investments may no longer be required, or may be required earlier, if the pace of technology developments and uptake is different to what we expect?

Section four: 30-year Investment Scenario

Investment in council infrastructure is constrained by funding availability. This scenario reflects the \$26 billion of funding available in the first decade (2019-2028) for capital expenditure with the funding tools as set out in the Financial Strategy in Part 1.4 of this volume.

This section outlines what we consider to be the most likely scenario for the management of the council's infrastructure assets over the next 30 years. If additional funding becomes available, the council may be able to accelerate investment in improving infrastructure provision across the region.

The scenario consists of three parts:

- total projected expenditure by infrastructure type over the next 30-years
- projected annual capital and operational expenditure for each infrastructure type between 2019-2048
- a summary of major projects and programmes included in the 30-year scenario.

Overview of projected expenditure by infrastructure type:

Infrastructure type	Capital expenditure	Operating expenditure
Roads and footpaths	\$25.0 billion	\$27.1 billion
Public transport	\$19.7billion	\$44.6 billion
Total Transport	\$44.7billion	\$71.7 billion
Water supply	\$7.7 billion	\$10.7 billion
Wastewater	\$11.6 billion	\$18.0 billion
Stormwater	\$6.1 billion	\$7.0 billion
Total Water	\$25.4 billion	\$35.7 billion
Community Services	\$18.5 billion	\$27.8 billion
Total infrastructure investment	\$88.6 billion	\$135.2 billion

Note: The financial projections for transport infrastructure are for Auckland Transport expenditure only. Some major NZTA and KiwiRail investments are identified in the summary of major transport programmes and projects to provide context for the council investment in transport infrastructure.

Chart 4.1: Projected capital expenditure by infrastructure type

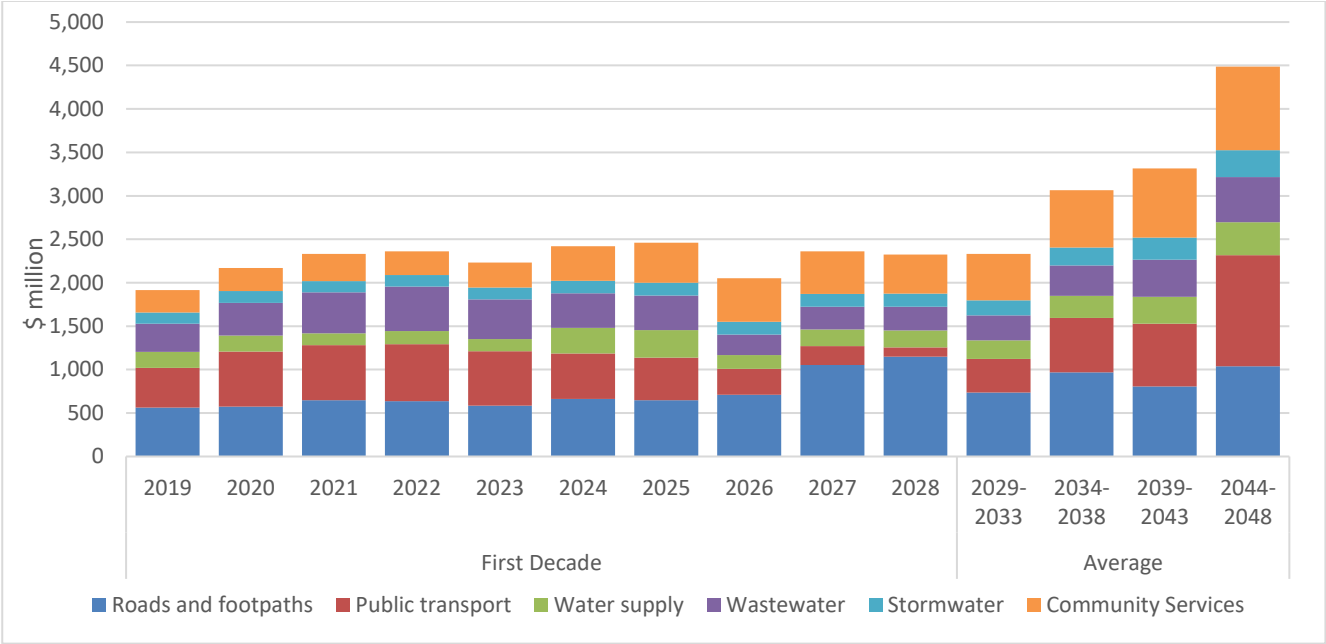
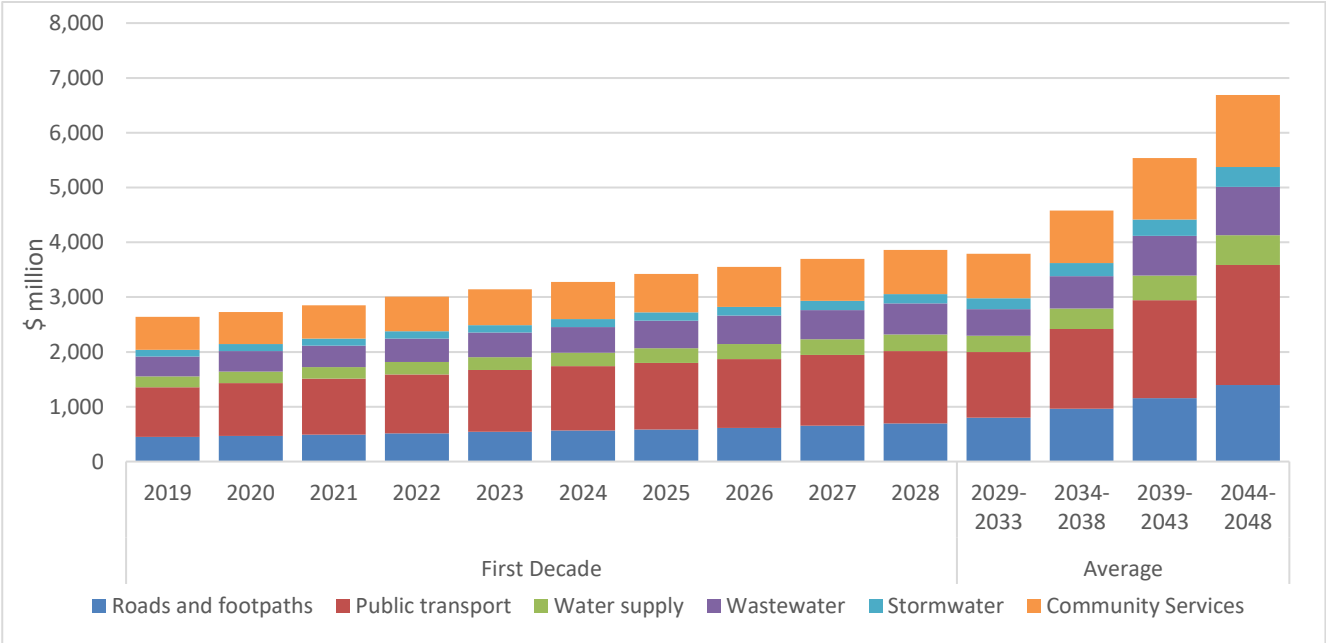


Chart 4.2: Projected operational expenditure by infrastructure type



Roads and footpaths

Chart 4.3: Projected capital expenditure

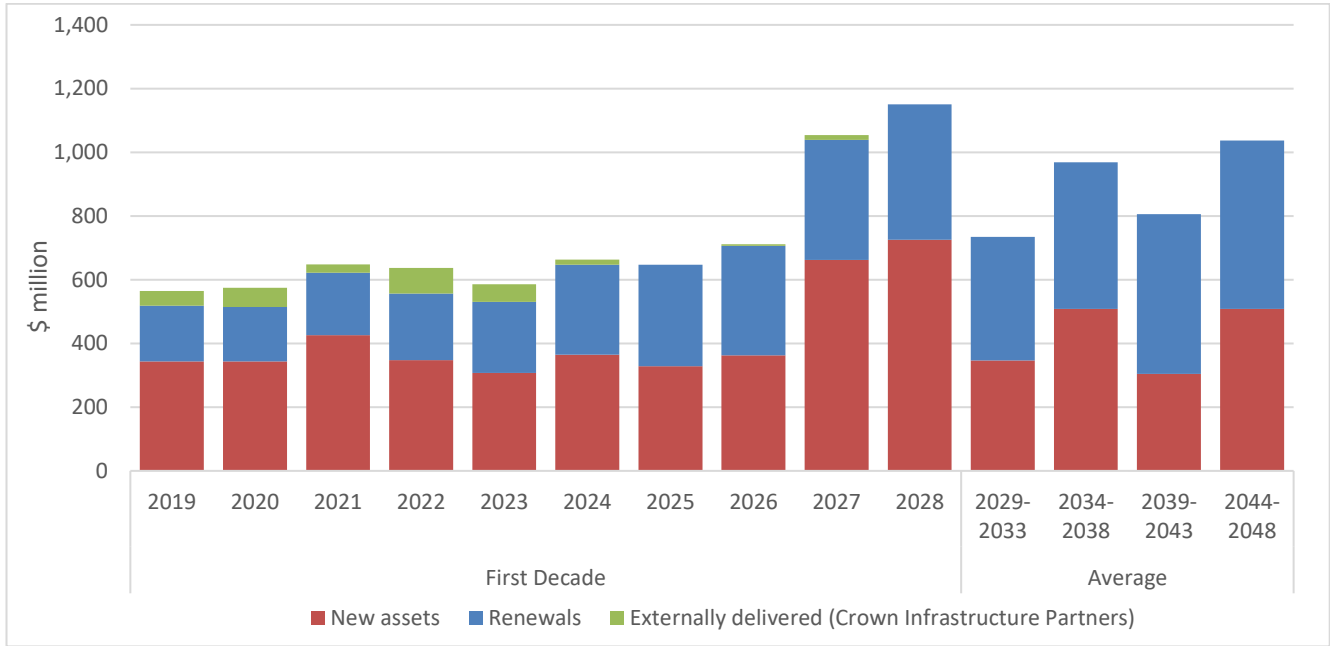


Chart 4.4: Projected operating expenditure

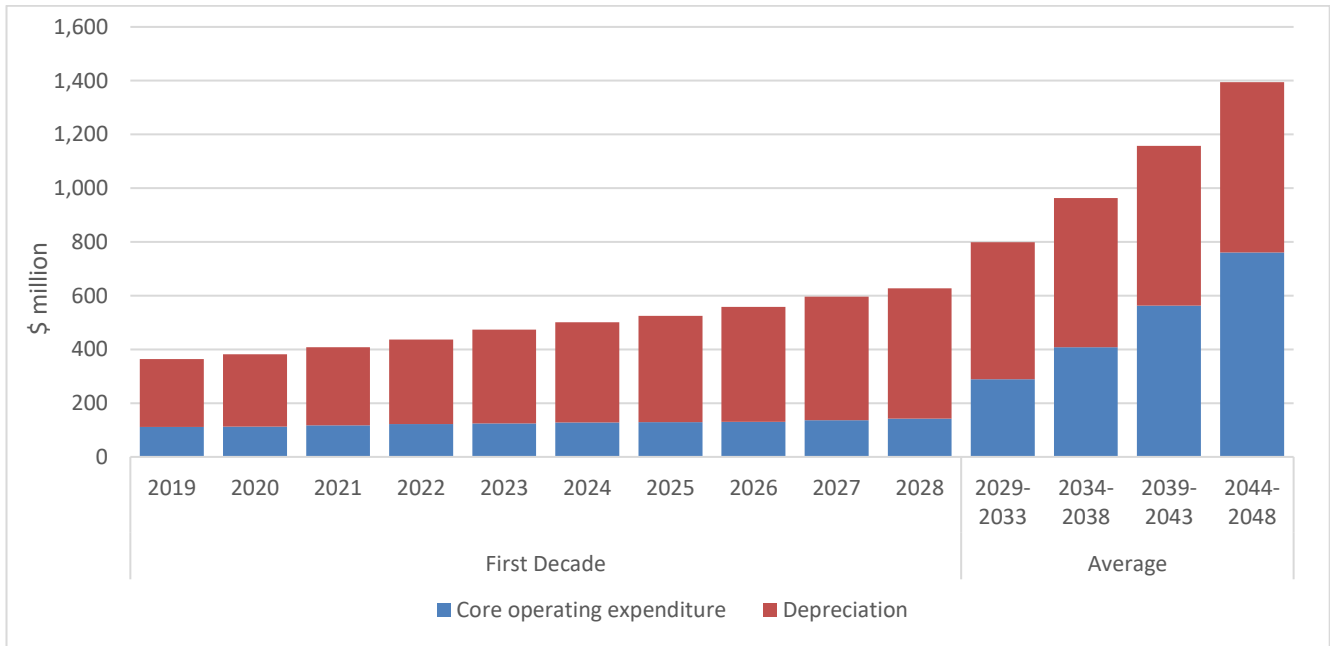


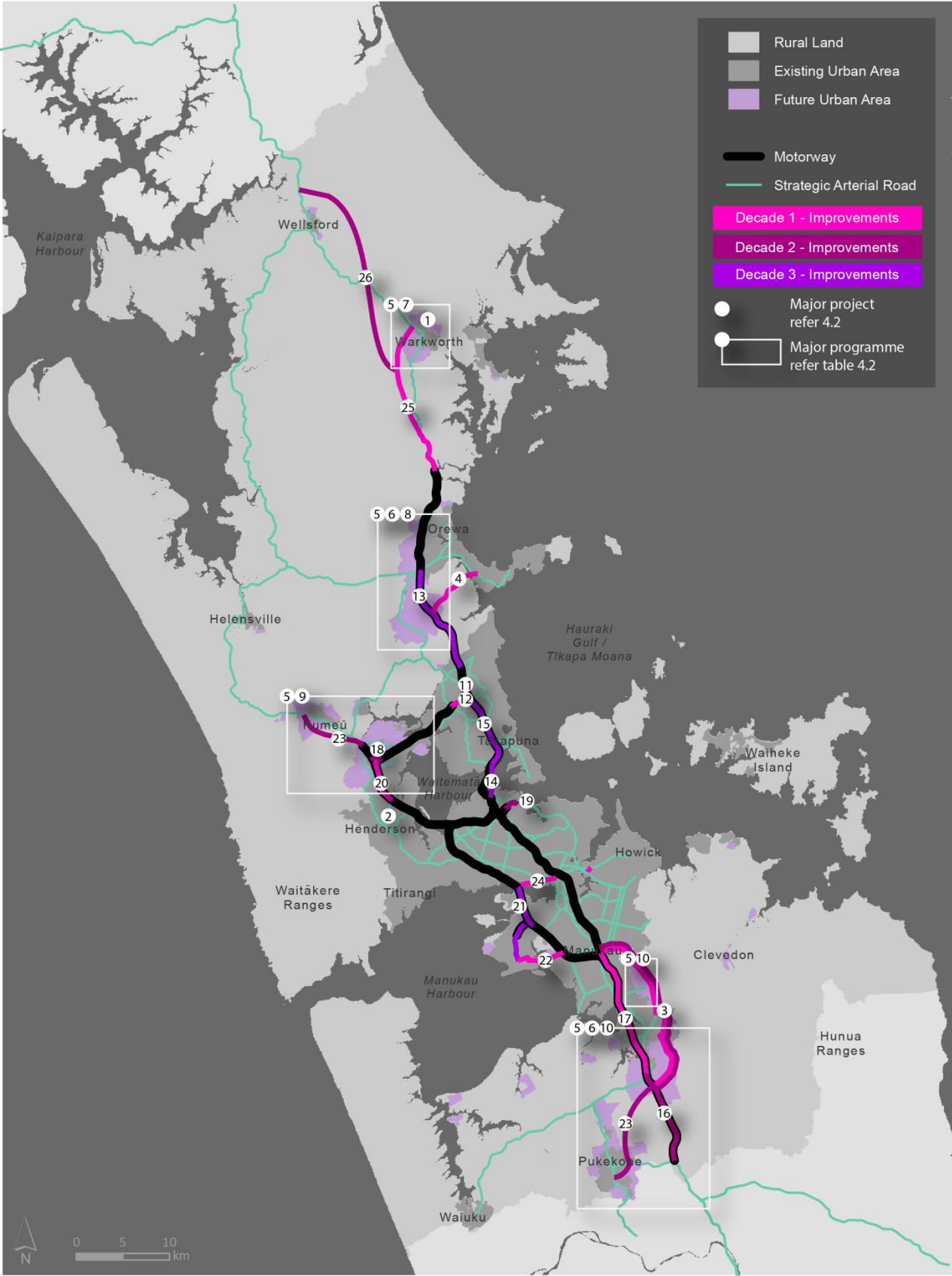
Table 4.2: Roads - major programmes and projects

Project	Description	Map reference	Nominal \$ (millions)		
			Decade 1 2019-2028	Decade 2 2029-2038	Decade 3 2039-2048
Auckland Transport initiatives					
Matakana Link Road	A connection between State Highway 1 and Matakana Road.	1	89		
Lincoln Road Corridor Improvements	Improvements to Lincoln Road between Henderson and SH16, including bus priority measures	2	85		
Mill Road	A new arterial road between Manukau and Drury (delivered in two stages)	3	507	875	
Penlink	A new connection between the Northern Motorway and the Whangaparāoa Peninsula	4	200		
Network Capacity and Performance Improvements	Interventions to optimise specific routes through initiatives such as synchronisation of traffic signals, best-use of road layout, and addressing traffic restrictions		290	Continuing programmes	Continuing programmes
Walking and Cycling Programme	Walking and cycling programmes, including completion of Urban Cycleways Programme, improving city centre access, access to RTN stations, walking and cycling in metropolitan areas, and providing new footpaths		536	Continuing programmes	Continuing programmes
Safety Programme	A programme of investment to address safety and operational deficiencies across AT's road, motorcycle, pedestrian and cycle networks, including safety improvements in high risk urban and rural roads and intersections		703	Continuing programmes	Continuing programmes
Growth-related initiatives delivered by Auckland Transport and Crown infrastructure Partners					
Local Residential Growth Fund	A fund to provide transport infrastructure to support local residential housing growth		391	350	350
Greenfields Transport Infrastructure (Auckland Transport)	Infrastructure programme to support high priority greenfield areas. Projects include upgrading Trig Road and new Redhills and Wainui connections	5	300		
Crown Infrastructure Partners	Delivery of growth related projects in the North and South	6	360		
The following roading, public transport and active transport investment has been identified to enable development of future urban areas. Some projects will be funded and delivered by Auckland Transport in decade 1 using the greenfields transport infrastructure fund or by Crown Infrastructure Partners.					
	Warkworth	7		221	
	Wainui, Silverdale and Dairy Flat	8		769	1,342
	Whenuapai, Redhills, Kumeu, Huapai and Riverhead	9		1224	53

Table 4.2: Roads - major programmes and projects

Project	Description	Map reference	Nominal \$ (millions)		
			Decade 1 2019-2028	Decade 2 2029-2038	Decade 3 2039-2048
	Pukekohe, Paerata, Drury West, Drury-Opaheke and Takanini (excluding Mill Road)	10		925	161
NZTA initiatives					
Northern Motorway (SH1) Improvements	Safety and capacity upgrade of SH1 between Greville Road and Upper Harbour Drive	11	576		
	A new SH1 / SH18 motorway-to-motorway connection	12			
	SH1 improvements north of Albany, including bus shoulder lanes from Albany to Silverdale	13	332		
	Additional crossing of the Waitematā Harbour	14			TBC
	SH1 widening Constellation to Onewa Road and provision of south-facing ramps at SH1 / SH18 interchange	15			TBC
Southern Motorway (SH1) Improvements	Capacity and safety improvements from SH1 / SH20 interchange at Manukau to Bombay	16	480		
	Improvements at various points along SH1 to improve access / egress, improve throughput and reduce travel times			TBC	
	SH1 widening Hill Road to Papakura	17			TBC
Northwestern Motorway (SH16) Improvements	Completion of SH16 / SH18 motorway-to-motorway connection	18		TBC	
	Improvements / extension of SH16 to provide improved access to Grafton Gully and the Port	19		TBC	
	SH16 widening Te Atatu to Westgate	20		TBC	TBC
South West Motorway (SH20 and SH20A) improvements and improved northern airport access	SH20 and SH20A widening Mangere Bridge to Mangere Town Centre to Airport	21			TBC
State Highway 20B Improvements	Capacity improvements along SH20/SH20B	22	459		
New strategic roads to Kumeu and Pukekohe	New road connections to the Kumeu and Pukekohe growth areas	23		TBC	
East West Link (revised)	Improved access to key freight destinations	24	800		
Connecting Northland (SH1 improvements)	Puhoi to Warkworth	25	778		
	Warkworth to Wellsford	26		TBC	

Figure 4.1: Roads - major programmes and projects



Public transport

Chart 4.5 - Projected capital expenditure

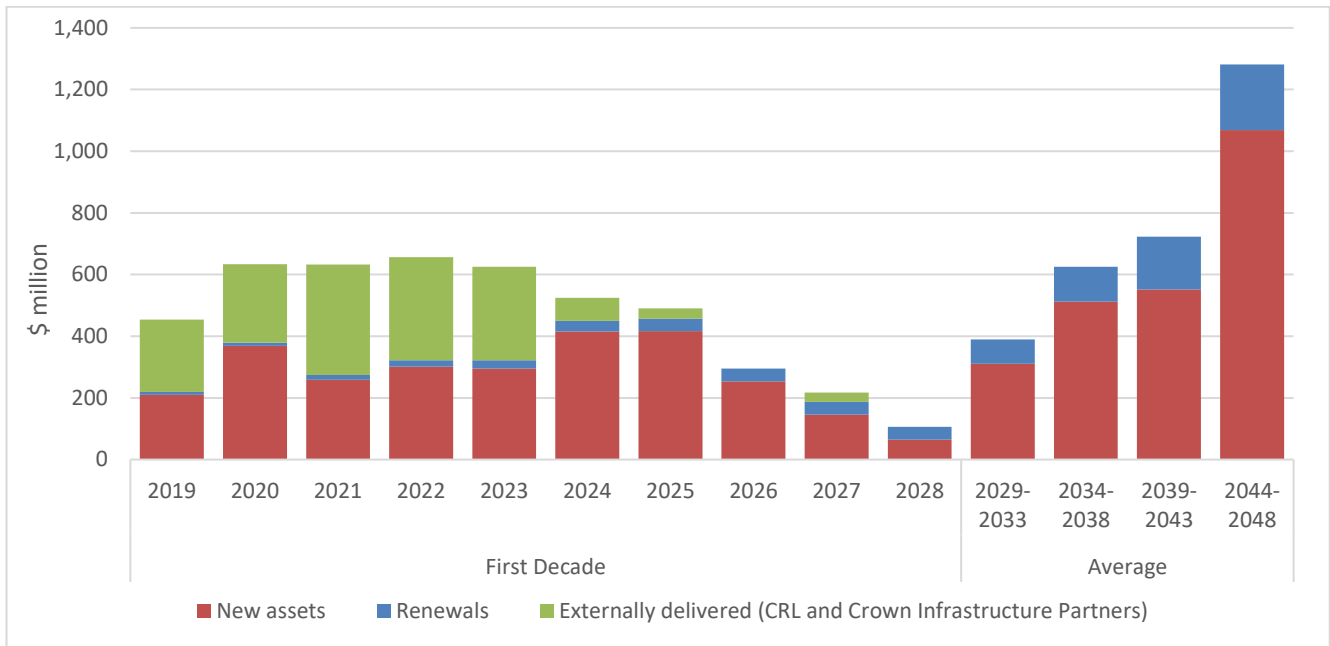


Chart 4.6 - Projected operating expenditure

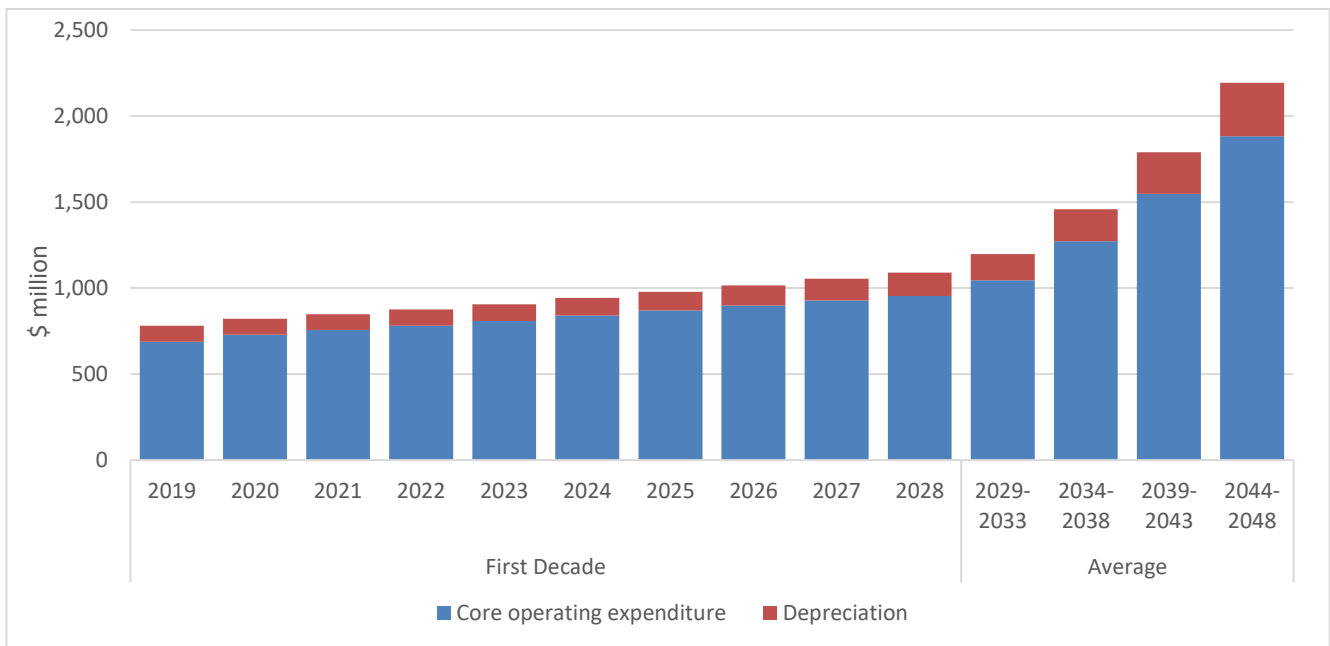
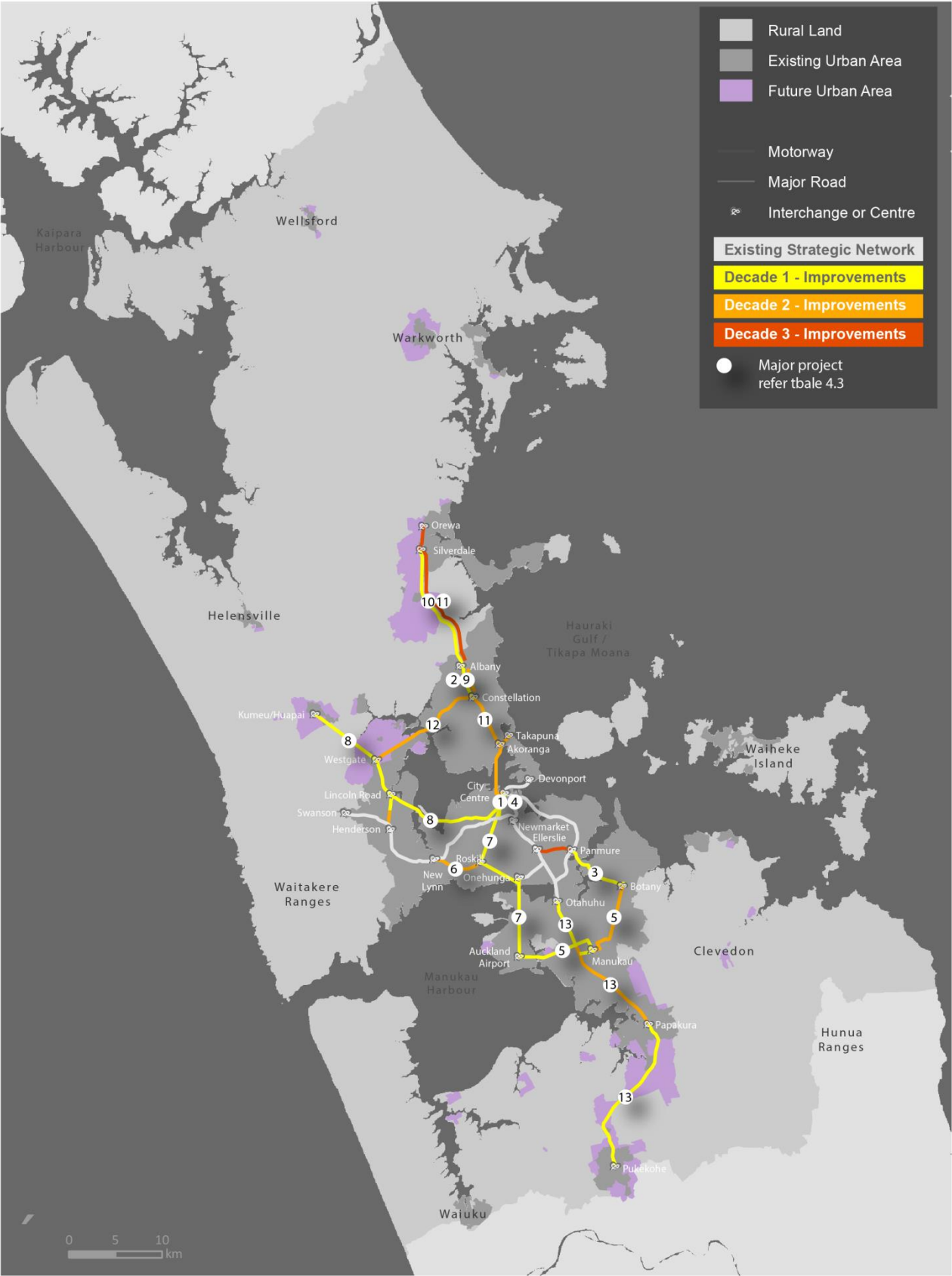


Table 4.3: Public transport – major programmes and projects

Project / Programme	Description	Map Reference	Nominal \$ (millions)		
			Decade 1 2019-2028	Decade 2 2029-2038	Decade 3 2039 - 2048
City Rail Link					
City Rail Link	An underground rail line linking Britomart and the city centre with the existing western rail line near Mt Eden	1	2,852 (net of asset sales and including government contribution)		
Auckland Transport Initiatives					
Northern Busway Stations	A new station at Rosedale and improvements to Constellation Station associated with the extension of the Northern Busway to Albany	2	117		
Eastern Busway	Projects in south east Auckland to improve transport choices and connections in the area, including a busway between Panmure, Pakuranga and Botany, the Reeves Road Flyover and Morrin to Merton Connection	3	923	271	
Park and Ride Programme	Delivery of new and extended park'n'ride facilities to enhance access and increase patronage on the rapid and frequent public transport networks		81		
Electric train fleet expansion	Acquisition of additional electric trains and stabling to provide increased train frequencies and provide additional capacity to respond to patronage growth		509	410	768
CBD Bus Infrastructure Improvements	Delivery of bus infrastructure in the CBD, including bus priority along Wellesley Street; a new Learning Quarter bus interchange; and a new Downtown bus interchange.	4	161		
Airport to Botany RTN via Manukau and Airport Access Improvements	Programme to improve airport access, including Puhinui bus-rail interchange upgrade and a range of other measures including localised bus priority and walking/cycling improvements	5	79	317	
New Lynn to Onehunga rapid transit		6			123
NZTA initiatives					
Light Rail	A light rail connection between the City Centre and Auckland Airport.	7	1,815		

	A light rail connection from the City Centre to Westgate-Kumeu (possibly staged with buses in the interim)	8			
Northern Busway	Northward extension of the Northern Busway between Constellation and Albany Station	9	309		
	Improvements to SH1 between Albany and Orewa to improve the travel time reliability, including provision of bus shoulder lanes between Albany and Silverdale	10	332		
Rapid Transit – City Centre to Takapuna and Orewa	A rapid transit connection from the City Centre to Takapuna and Orewa	11		TBC	TBC
Upper Harbour Rapid Transit	A rapid transit connection between Westgate and Constellation Drive	12		TBC	TBC
Below Track Rail					
Auckland Rail Development	Additional rail infrastructure to support strong growth in PT passenger trips and freight carried by rail. Includes electrification to Pukekohe, third / fourth mains along the Southern Line, and an Auckland Train Control Centre	13	751	Below-track rail	Below-track rail
Level crossing improvements	Safety improvements at level crossings across the Auckland region, including level crossing closures, pedestrian level crossing improvements and level crossing grade separations		239	Below-track rail	

Figure 4.2: Public Transport – major programmes and projects



Water supply

Chart 4.7: Projected capital expenditure



Chart 4.8: Projected operating expenditure

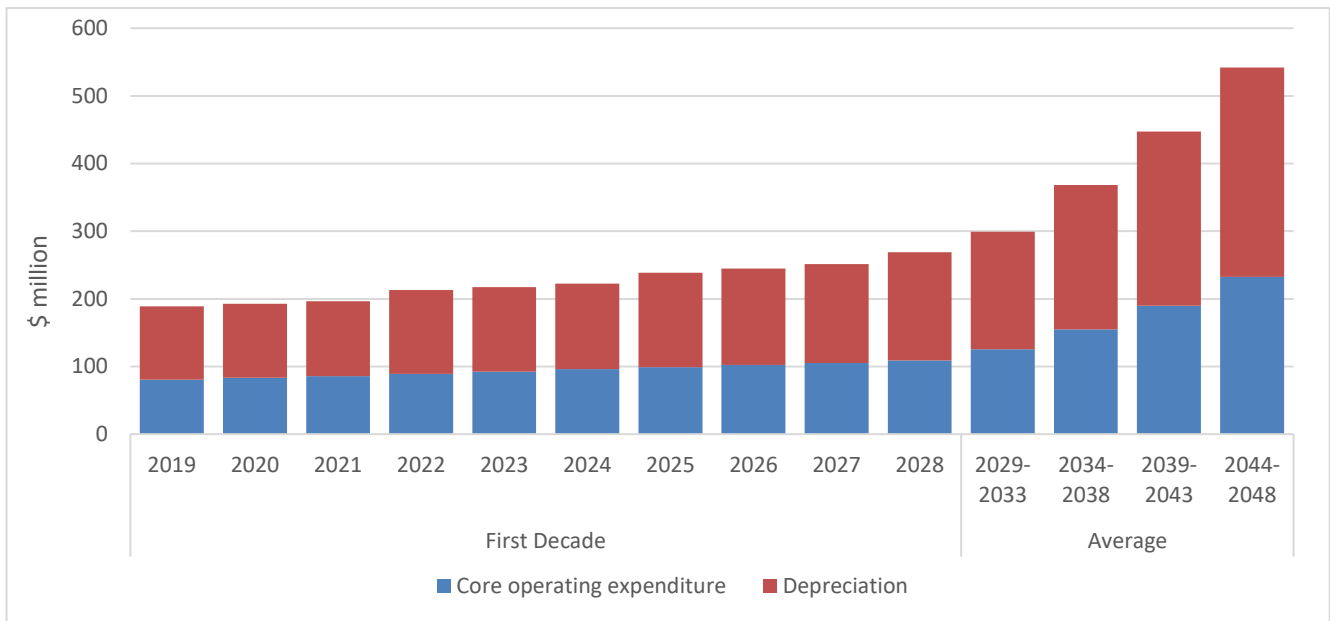
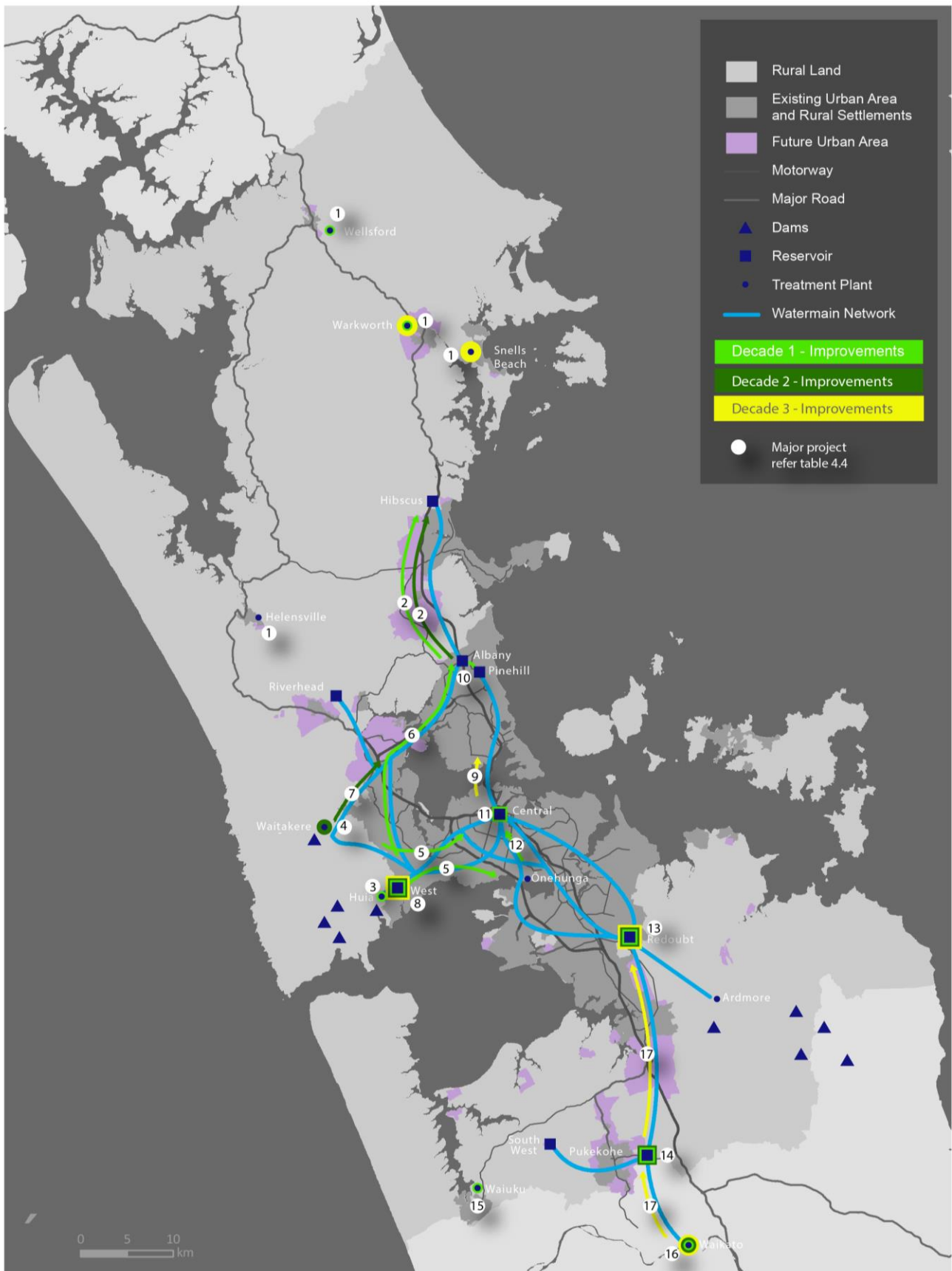


Table 4.4: Water supply – major programmes and projects

Programme / project	Description	Map reference	Nominal \$ (millions)		
			Decade 1 2019-2028	Decade 2 2029-2038	Decade 3 2039 -2048
North of Albany water supply programme	Upgrade of Wellsford , Helensville, Warkworth and Snells Beach water supply systems	1			
	Orewa No.1 watermain replacement, Hibiscus Coast boost pumping and an additional watermain from Albany to Orewa.	2	\$61	\$170	\$105
North West water supply programme	Replacement of the Huia Treatment Plant	3			
	Replacement of Waitakere Treatment Plant	4			
	Replacement of Huia 1 and Nihotupu 1 watermains	5			
	Construction of the North Harbour 2 watermain between Huia and Albany.	6	\$731	\$201	\$221
	Construction of Waitakere 2 watermain	7			
	Increase in capacity of western reservoirs	8			
North Shore water supply programme	New watermain connection across the Waitemata Harbour to the North Shore	9			
	New transmission pipeline between Albany and Pinehill reservoirs	10	\$11	\$77	\$270
Central water supply programme	Increase in capacity of central reservoirs	11			
	Completion of the Hunua 4 watermain	12	\$103	\$68	\$83
South water supply programme	Increasing capacity of Redoubt reservoirs	13			
	Increasing capacity of Pukekohe reservoirs	14			
	Upgrade of Waiuku water supply systems	15	\$136	\$358	\$1185
	Increasing capacity of the Waikato Treatment Plant	16			
	Second water pipeline from Waikato Treatment Plant to Redoubt Reservoirs	17			

Figure 4.3: Water supply – major programmes and projects



Wastewater

Chart 4.9: Projected capital expenditure

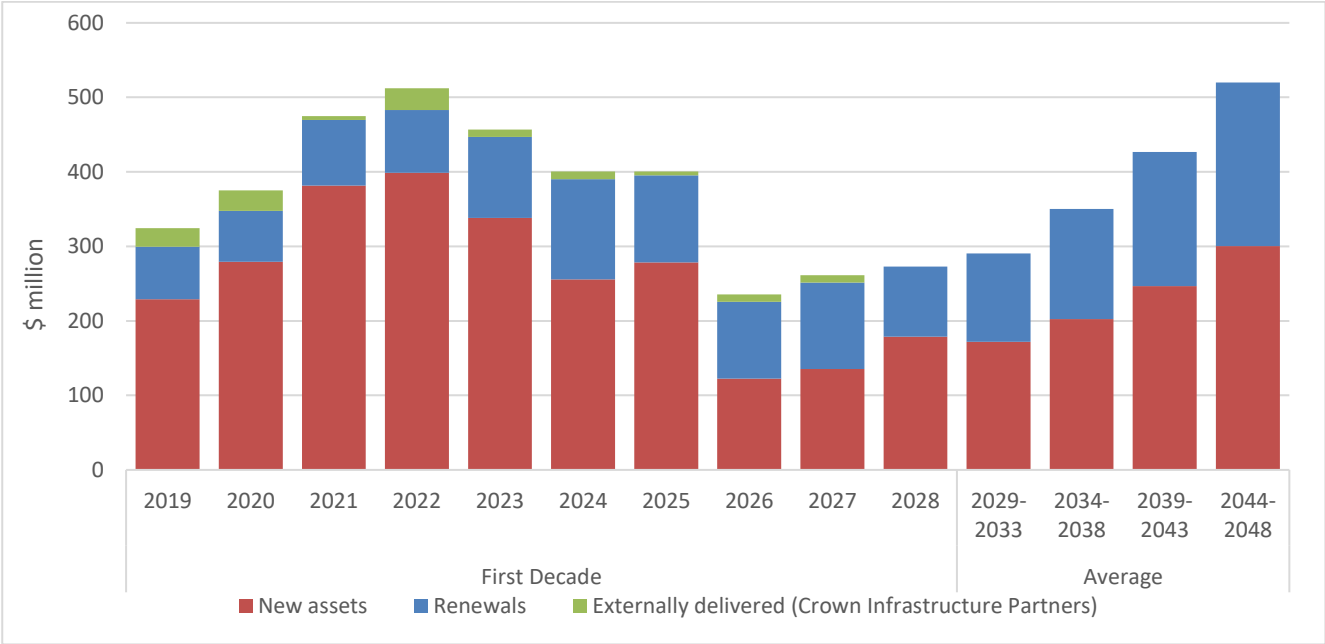
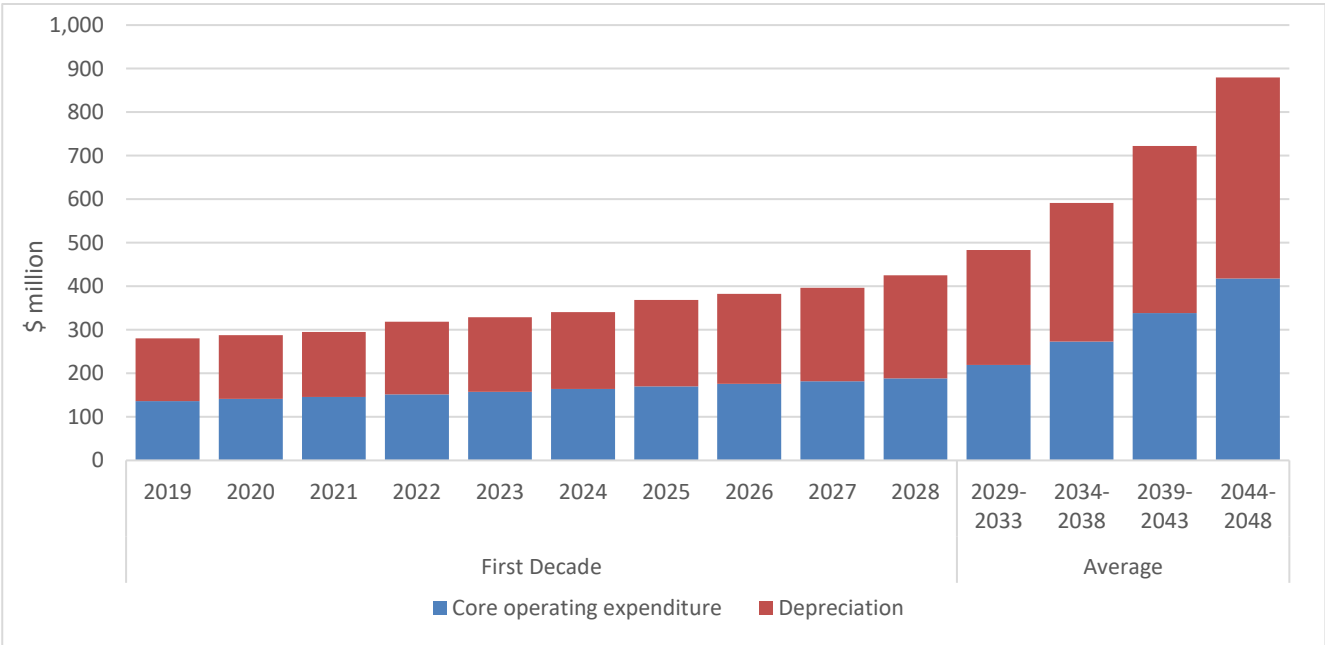
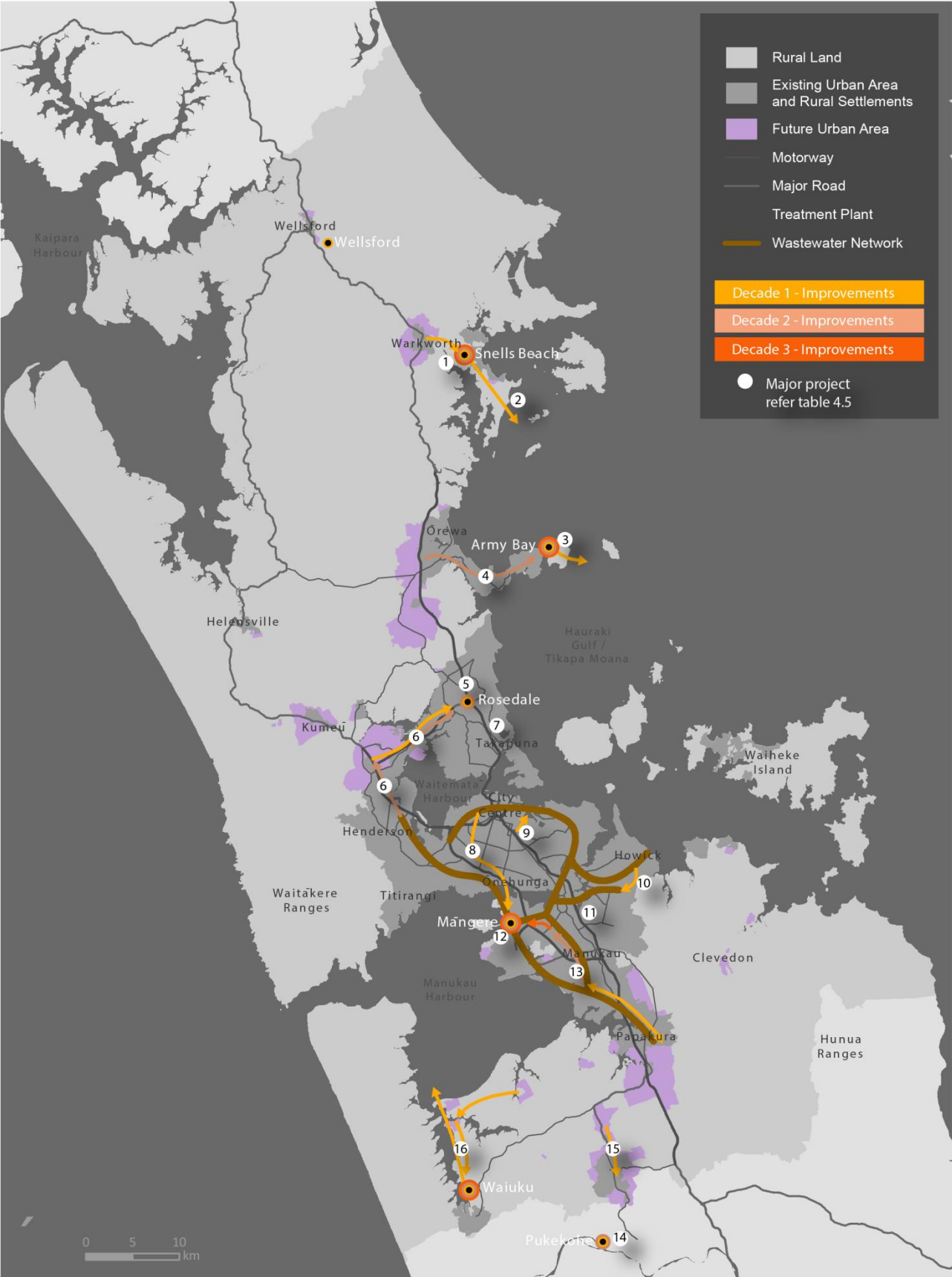


Chart 4.10: Projected operating expenditure



Programme / Project	Description	Map Reference	Nominal \$ (millions)		
			Decade 1 2019-2028	Decade 2 2029-2038	Decade 3 2039 - 2048
North East sub-regional wastewater treatment plant catchment	A new sub-regional treatment plant at Snells Beach and staged increases in capacity	1			
	Upgrade to outfall and construction of a new transmission pipeline from Warkworth	2	\$199	\$113	\$46
Army Bay wastewater treatment plant catchment	Upgrade of treatment plant and outfall	3			
	Improvements to transmission network to provide for growth in Wainui, Silverdale and Dairy Flat future urban areas	4	\$82	\$168	\$506
Rosedale wastewater treatment plant catchment	Increasing the capacity of Rosedale Treatment Plant	5			
	Construction of the Northern Interceptor to divert flows from West and NW Auckland to Rosedale Treatment Plant	6	\$400	\$518	\$85
	Upgrades to North Shore trunk sewer and pump stations to reduce overflows	7			
Mangere wastewater treatment plant catchment	Construction of the Central Interceptor	8			
	Newmarket Upgrades	9			
	Improvements to Howick Diversion	10			
	Otara Catchment	11	\$2125	\$327	\$637
	Increasing the capacity of Mangere Treatment Plant	12			
	Puketutu Island Project				
Pukekohe wastewater treatment plant catchment	Augmentation of the Southern Interceptor	13			
	Increasing the capacity of the Pukekohe Treatment Plant	14	\$126	\$19	\$436
	Conveyance improvements from Pukekohe to the treatment plant	15			
South West sub-regional wastewater treatment plant catchment	Construction of a new sub-regional treatment plant and transmission network between Waiuku, Clarks Beach and Glenbrook	16	\$134	\$26	\$46

Figure 4.4: Wastewater - major programmes and projects



Stormwater

Chart 4.11: Projected capital expenditure

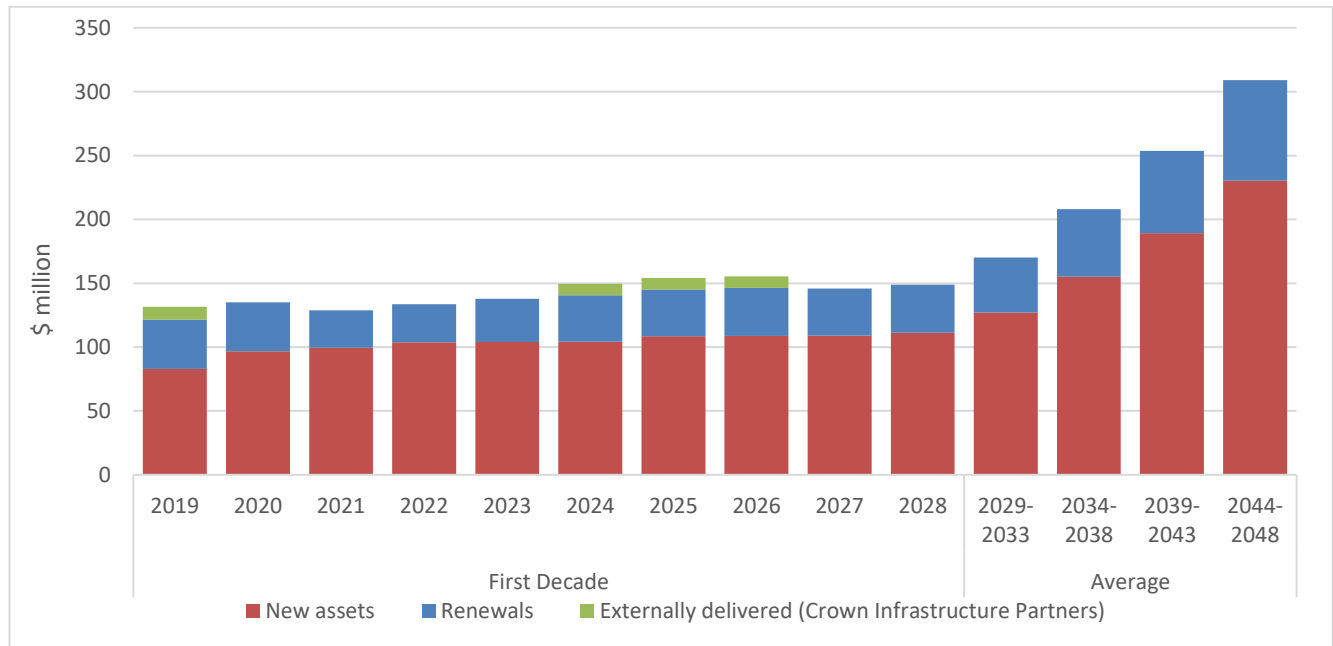


Chart 4.12: Projected operating expenditure

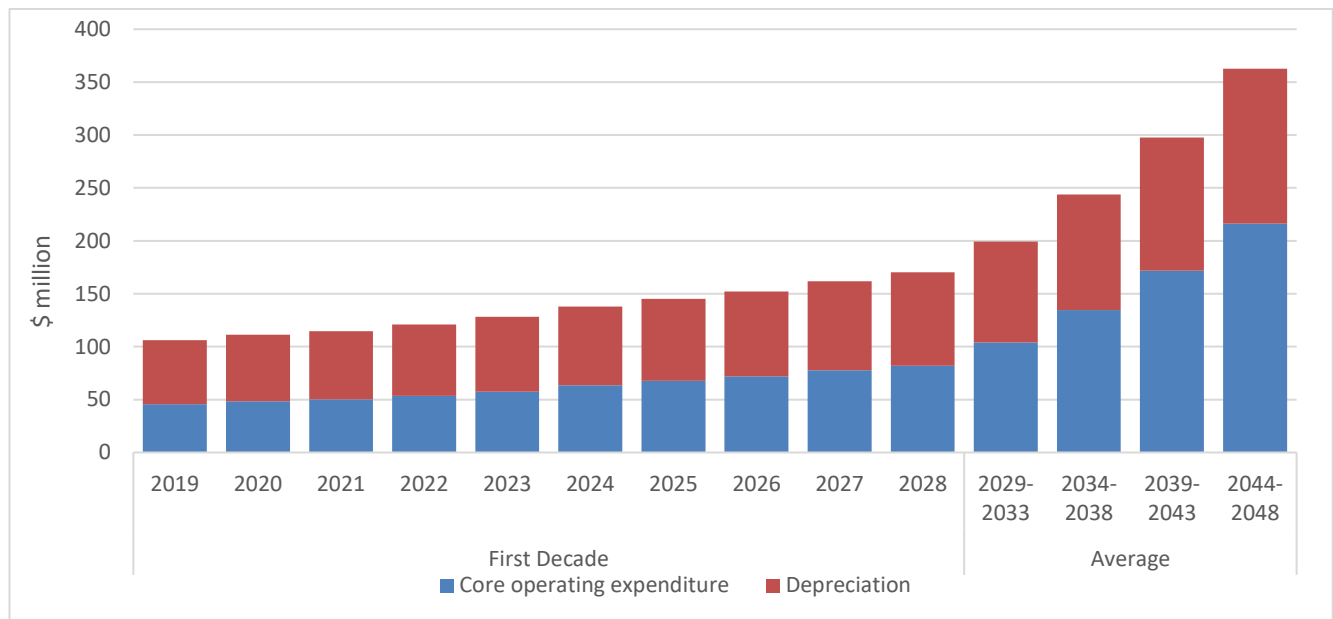


Table 4.6: Stormwater - major programmes and projects

Project / Programme	Description	Map reference	Nominal \$ (millions)		
			Decade 1 2019-2028	Decade 2 2029-2038	Decade 3 2039 - 2048
North future urban area programme	Provision of stormwater infrastructure to enable development of Warkworth, Wainui, Silverdale and Dairy Flat future urban areas	1	\$35	\$99	\$49
Existing urban area growth programme	Provision of stormwater infrastructure to enable growth in the existing urban area	2	\$209	\$461	\$329
North west future urban area programme	Provision of stormwater infrastructure to enable development of Whenuapai, Kumeu, Huapai, Riverhead and Red Hills future urban areas	3	\$45	\$85	\$49
Western Isthmus Water Quality Improvement programme	A programme of wastewater and stormwater improvements to improve water quality and provide for growth. Includes current projects: <ul style="list-style-type: none"> • Picton Street Separation • St Marys Bay / Masefield Beach Upgrade 	4	\$395	TBC	TBC
Ports of Auckland Outfall Upgrade project	Installation of new stormwater pipe from Quay Street across Ports of Auckland to the Waitematā Harbour.	5	\$39	\$0	\$0
Oakley Walmsley & Underwood Park stream upgrade project	Upgrading culverts and widening of Oakley Creek through Walmsley Park to convey flood flows to enable intensification and redevelopment in the upper catchment. Total project cost is \$21m, remaining expenditure is \$6m	6	\$6	\$0	\$0
Takanini Cascades and Grove Rd McLennan Culvert project	A new open channel and culvert to service the Takanini 2a and 2b Growth Areas. Includes land purchase Total project cost is \$82m, remaining expenditure is \$17m	7	\$17	\$0	\$0
Artillery Drive Tunnel to inlet project	A tunnel from McLennan Park to Pahurehure Inlet to service the Takanini Growth Areas. Total project cost is \$25m, remaining expenditure is \$1m	8	\$1	\$0	\$0
Takanini School Rd Area 6A_6B and Popes Rd project	A pipeline along Takanini School Road and a stormwater pond Total project cost is \$22m, remaining expenditure is \$6m	9	\$6	\$0	\$0
South future urban area programme	Provision of stormwater infrastructure to enable development of Pukekohoe, Paerata, Drury West, Drury/ Opaheke and Takanini future urban areas	10	\$69	\$117	\$980

Figure 4.5: Stormwater - major programmes and projects



Community services

Chart 4.13 - Projected capital expenditure

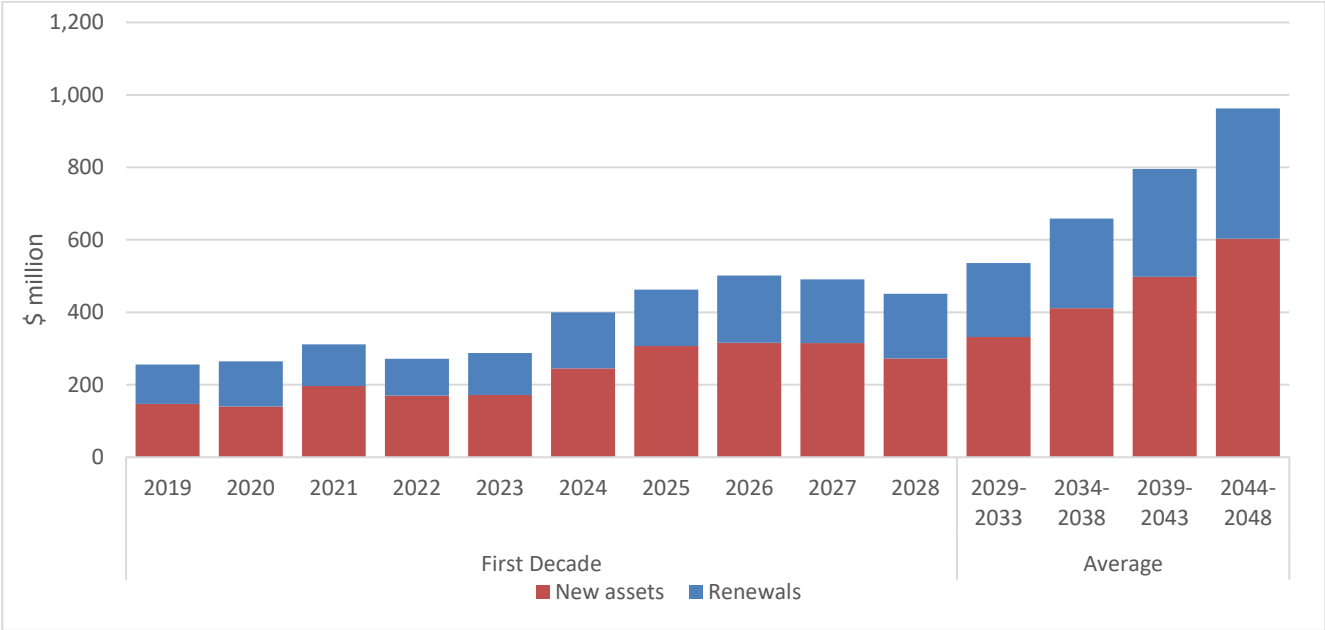


Chart 4.14 - Projected operating expenditure

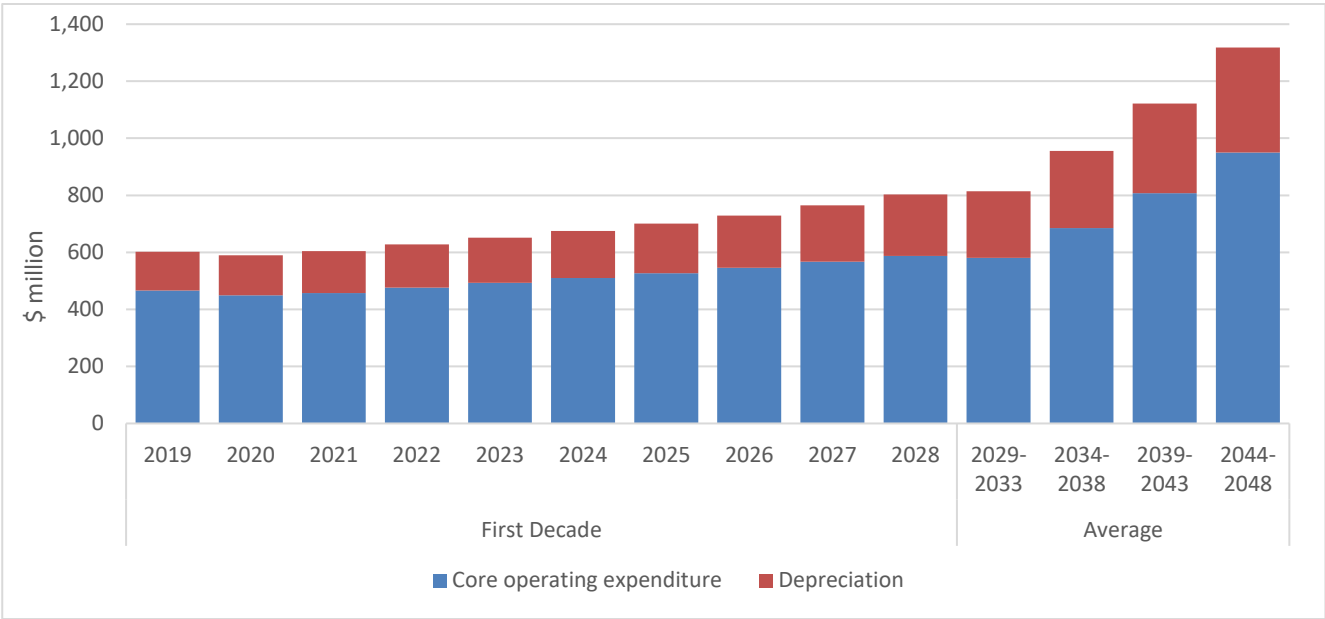
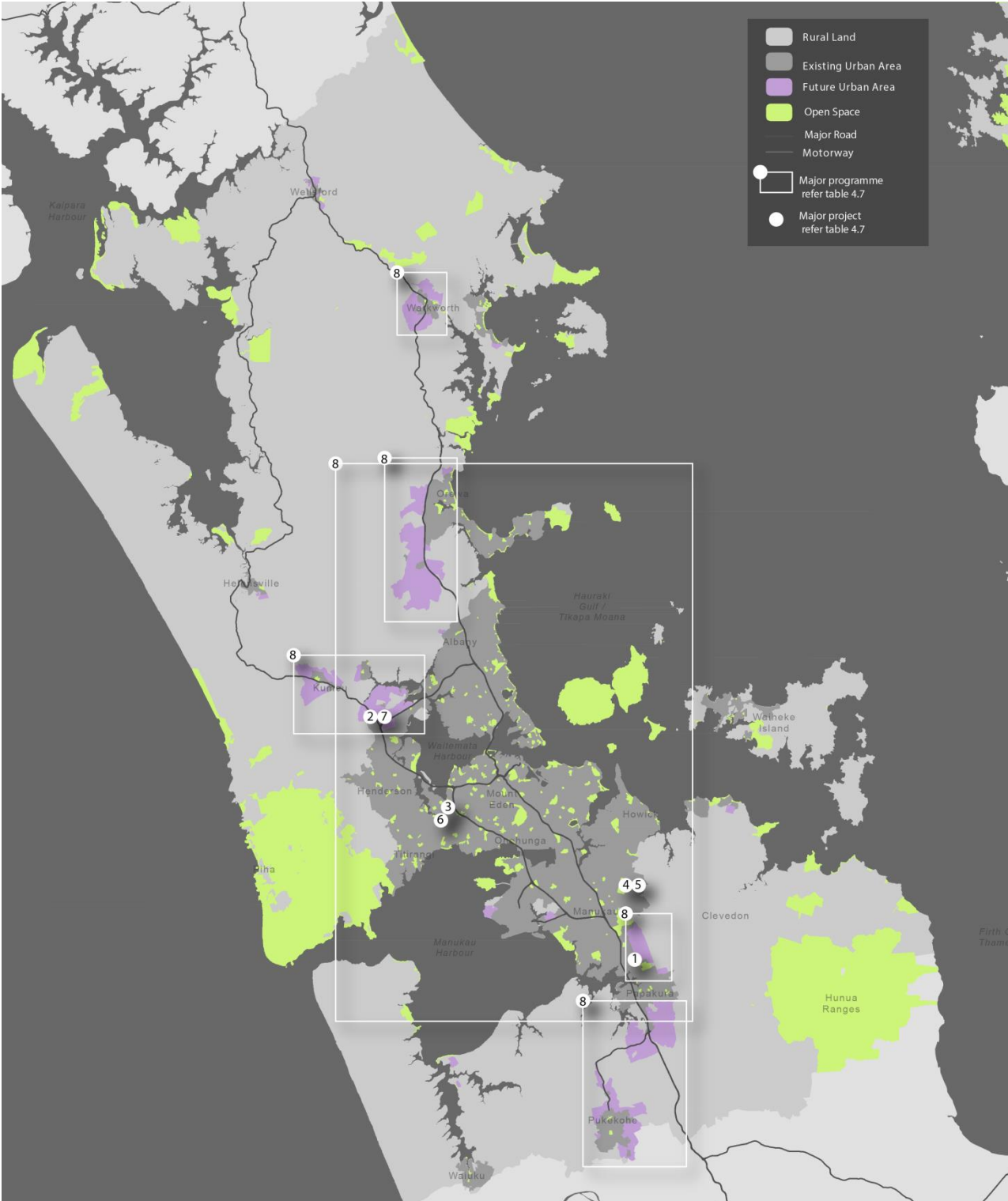


Table 4.7: Community services – major programmes and projects					
Project / Programme	Description	Map Reference	Nominal \$ (millions)		
			Decade 1 2019-2028	Decade 2 2029-2038	Decade 3 2039-2048
Community assets growth programme	Provision of new libraries and community centres.				
	Investment in decade one includes:				
	• Takanini multi-purpose facility	1			
	• Westgate multi-purpose facility	2			
	• Avondale library & community centre	3	\$75	Continuing programme	Continuing programme
	• Flat Bush library & community centre	4			
	Investment in decades two and three includes, but is not limited to Wainui, North West, Paerata, Glen Innes, Mangere, St Heliers and Drury.				
Provision of new pools, leisure and recreation centres, including:					
• Flat Bush pool and leisure centre	5				
• Avondale/New Lynn pool and recreation centre	6	\$152	\$120	Continuing programme	
• North-west pool	7				
Acquisition and development of open space in brownfield and greenfield growth areas	Acquisition including, but not limited to, additional open space in Whenuapai, Wainui/Silverdale, Paerata and Opaheke/Drury	8	\$696	\$859	\$381
	Local Park development		\$484	Continuing programme	Continuing programme
Sport and Recreation Facilities Investment Fund	Establishment of a Sport and Recreation Facilities Investment Fund to deliver on the Sports facilities Investment policy (under development) and provide value for money by leveraging external investment.		\$120	Continuing programme	Continuing programme

Figure 4.6: Community services – major programmes and projects



Section five: Supporting assumptions

Asset life cycles

Asset life-cycle assumptions inform forecasts of future maintenance and renewal requirements. Renewals and maintenance are interrelated. Maintenance levels can hasten or delay the need for renewals, and if renewals are deferred, this can increase maintenance costs to ensure assets continue to deliver agreed levels of service.

Although there are specific asset renewal and maintenance strategies for different asset classes, a similar performance risk approach is used across the council and CCOs. This focuses planned renewal programmes on critical assets and places less priority on non-critical assets, which may be renewed or replaced once they fail.

There is a degree of uncertainty with asset data across the council group due to issues such as the quality of historical records, the costs and practicality of inspecting underground assets, unknown effective lifespans (the length of time the asset functions adequately) for some types of assets. The reliability of asset data for transport and water assets is generally good, with less certainty for some community assets. This may result in less certainty in forecasts of future operational and renewal costs for community assets.

The wide range of asset lives in the tables below reflects the variety of assets within each asset group.

Transport

The future life cycle costs of transport are dominated by the road network which represents 88 per cent of Auckland Transport's depreciable assets as at June 2017.

Within the road network the main assets are the road carriageway, which has a life of 50 years for arterials and 100 years for local roads, and the associated pavement surface which has a life of between 10 and 15 years. Footpaths have a life of between 25 and 50 years and bridges 99 years.

Auckland Transport uses a condition-based forecasting model to optimise long-term renewals investment across its asset portfolio. Renewal work is focused on critical or highly utilised asset groups, particularly structures including bridges, retaining walls, ferry facilities, bus shelters and rail assets. Non-critical assets are assessed less frequently, which may result in earlier asset failure than forecast.

Table 5.1: Transport asset values and useful lives			
Asset group	Number / length	Current value (\$m)	Asset life (years)
Roads and footpaths			
Roads	7452 km	6135	10-120
Bridges, major culverts, underpasses	1258	836	25-110
Footpaths	Footpaths – 7137 km Cycleways 326 km	806	15-43
Traffic systems	Signs – 111,293	81	15-30
Street lighting	Traffic systems – 45,201	124	15-30
Parking	Buildings -10 Open carparks – 415	169	7 -100
Public transport			
Train stations	41	580	5-99
Rolling Stock (trains)	57 electric trains 10 diesel trains	435	2-35
Bus Stations	15 bus stations 1520 bus shelters	80	10-99
Wharves	21 ferry wharves	67	50-100

Water

Pipe assets account for a high proportion of the total value of Auckland's water assets, being approximately 70 per cent for stormwater and 64 per cent for water and wastewater. Considerable emphasis is placed on understanding the condition of pipe networks to address the uncertainty surrounding buried assets. Stormwater assets owned by Auckland Transport are also identified in table 5.2.

Table 5.2: Water asset values and useful lives			
Asset group	Number / length	Current value (\$m)	Asset life (years)
Water supply			
Water supply dams	11	285	200
Raw water aqueducts and tunnels	36	100	80 to 150
Water mains	9,096	2,374	36 to 100
Water reservoirs	89	191	80 to 100
Valves	82,600	113	30 to 100
Hydrants	41,404	51	30 to 100
Wastewater			
Wastewater Pipes	7,999km	2,726	50 to 167+
Manholes	165,610	740	90
Stormwater			(see note)
Pipes and culverts (minor)	AT = 244km AC = 6200 km	AT = 167 AC =2,766	128
Channels (including kerbs)	AT =4,097 km, (Surface water channel), 8,566 km (kerb and channel) AC =377km	AT = 691 AC =77	148
Manholes	AT = 6,233 AC =145,238	AT =25 AC =608	128
Catchpits	AT =59,715 AC =6,673	AT =146 AC =10	104
Pump Stations	AC = 3	AC = 1	90
Inlets and outlets	AC = 25,019	AC = 120	114
Soakholes	AT =2,467 AC = 361	AT =34 AC =5	80
Ponds	AC = 492	AC = 238	100
Water quality devices	AC = 436	AC = 17	55
Service connections	AC = 127,235	AC = 128	128

Note: asset life information for stormwater assets is the averaged effective asset life.

Community services

Table 5.3: Community Services asset values and useful lives

	Number / length	Current value (\$m)	Asset life (years)
Open Spaces			
Regional Parks	13,328 assets, 40,988 ha	8,600	10-50
Cemeteries	7,040 assets, 290 ha		10-50
Coastal assets	2186 assets, 21.9 ha		10-50
Utilities	110 assets		60-100
Sports and local parks	43,073 assets, 5,141 ha		3-40
Community Infrastructure			
Buildings	2,009 assets, 209 ha		30-80

Demand for services

A common driver for Auckland's demand for infrastructure services is the significant population, household and employment growth forecast to occur between 2018- 2048. Additionally, the expansion of the urban area by approximately 15,000 hectares during this period will necessitate investment in infrastructure networks to service future urban areas.

A consistent growth model has been used across the council group for the 10-year budget that distributes future population, household and employment growth into approximately 557 sub-areas across the region.¹ The model version used for forecasts in this strategy and 10-year budget 2018-2028 is ART i11v3. There is some uncertainty with long-term growth projections, including where growth is expected to occur within the region. The council monitors growth and updates its long-term infrastructure plans to address variations in the rate or location of growth.

Table 5.4: Demand for transport services

	2018	2048
Road network		
Daily AM Vehicle trips	484,000	740,000
Total vehicle kilometres travelled	28,900,000	44,200,000
Public transport network		
Daily AM public transport trips	61,000	169,000
Modelled AM bus service Km	24,000	61,000
Modelled AM rail service Km	1,780	7,700
Modelled AM ferry service Km	1,100	1,500
Active transport network		
Daily active (cycling and walking) trips	500,000	940,000

¹ Includes two sub-areas that are now located in the Waikato following the Auckland local government reforms in 2010.

Table 5.5: Demand for water services		
	2018	2048
Water supply		
Population Served	1,500,000	2,150,000
Annual Average Demand (Metropolitan Source Abstraction)	413 MLD	545 MLD
Wastewater		
Population Served	1,550,000	2,230,000
Annual Demand	451 MLD	610 MLD
Stormwater		
Impervious coverage in Auckland region	6% ²	20%
Impervious coverage in urban area	31%	64%
Environmental changes	<ul style="list-style-type: none"> • average annual rainfall patterns decreasing by 1-3% by 2040 and 3-5% by 2090 • more frequent heavy rainfall events and westerly winds • a rise in sea-level of between 0.28 and 0.98 between 1990 and 2100 	

Table 5.6: Demand for community services		
	2018	2048
Weekly visits to leisure centres	175,000	See notes below:
Weekly participants in active sports	89,732	
Weekly visits to community centres, halls and facilities	92,000	
Annual visits to regional parks	6,450,000	
Annual visits to libraries	118,000,000	
Annual visits to arts and cultural centres	272,000	

Future demand for services provided by parks and community assets are not currently quantified. While demand is expected to increase over the period of this strategy, there is a high degree of uncertainty of future demand for community services due to:

- the rate and distribution of population growth
- demographic changes, such as increasingly diverse communities
- changes in recreational trends
- a higher proportion of medium and high density housing, which typically have less private open space
- increasing expectation to deliver services to meet demand.

The impact of this uncertainty will be to change the quantum, type and location of investment in community infrastructure to meet demand. We will continue to monitor and assess this over time so that we can respond appropriately.

² Based on most recent data using 2008 aerial photography

Levels of service

There is a range of factors, in addition to growth and renewal, which necessitates the need to upgrade or replace assets or to provide new ones. These factors are categorised as level of service improvements and include regulatory compliance and risk mitigation provisions.

The council's levels of service statements and performance measures illustrate the expected performance of Auckland's infrastructure under the 30-year investment scenario. Future levels of service for transport and community services are less confident due to uncertainty about future funding levels in these areas. Additional information on levels of service is available in asset management plans.

Table 5.7: Transport levels of service

		2018 - 2028	2028 - 2038	2038 - 2048
We specify, contract for and promote public transport services and provide safe, high quality public transport infrastructure	Total public transport boardings (millions)	Increasing to 150	Increasing to 225	
	The percentage of public transport trips that are punctual	95%	90 - 95%	90 – 95%
	The percentage of passengers satisfied with public transport services	85%	80-85%	80%
We provide safe, high quality and efficient local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers	Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads:			
	Rural	90%	90%	90%
	Urban	80%	80%	80%
	Average AM peak period lane productivity across 30 monitored arterial routes	Increasing to 24,000	Increasing to 26,500	Increasing to 28,500
	Proportion of freight network operating at Level of Service C or better during the inter-peak	85%	85%	85%
	The change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number	Reduce by average of 50 per annum by 2028	Decreasing to less than 277 DSI per annum consistent with Vision Zero approach.	

Table 5.8: Water levels of service

		2018 - 2028	2028 - 2038	2038 - 2048
Water supply				
We provide Aucklanders with a reliable supply of safe water	The extent to which Watercare's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	100%
	The extent to which Watercare's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%

Table 5.8: Water levels of service

		2018 - 2028	2028 - 2038	2038 - 2048
	The total annual number of complaints received by Watercare about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) Watercare's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	≤10	≤10	≤10
	The percentage of real water loss from Watercare's networked reticulation system	≤13%	≤13%	≤13%
	The average consumption of drinking water per day per resident	Decreasing from 266 to 253	253	253
Wastewater				
We collect and treat Auckland's waste water in a safe and sustainable way	The annual number of dry weather overflows from Watercare's sewerage system, expressed per 1000 sewerage connections to that sewerage system	≤10	≤10	≤10
	Compliance with the Watercare's resource consents for discharge from its sewerage system measured by the annual number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by Watercare in relation to those resource consents	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0
Stormwater				
We 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 Councils stormwater network	< 1 per 1000	< 1 per 1000	< 1 per 1000
	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 hours	< 2 hours	< 2 hours
	The number of complaints (reported blockage in stormwater network) received about the performance of the stormwater system per 1000 properties connected to Auckland Councils stormwater system	< 3 per 1000 per annum	< 3 per 1000 per annum	< 3 per 1000 per annum
	The percentage of response time during storms to close stormwater manholes within three hours	90%	90%	90%

Table 5.8: Water levels of service

		2018 - 2028	2028 - 2038	2038 - 2048
We manage our harbours and waterways through sustainable management of the stormwater network	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	None	None	None

Table 5.9: Community services levels of service

		2018 - 2028	2028 - 2038	2038 - 2048
We provide and maintain cemeteries, memorial areas and facilities for families, friends and visitors	Percentage of visitors satisfied with the presentation of cemeteries	81%	81%	81%
We provide safe and accessible parks, reserves and beaches	The percentage of residents who visited a local park in the last 12 months	83%	83%	83%
	The percentage of the public who have used a regional park in the last 12 months	76%	76%	76%
	The percentage of park visitors satisfied with the overall quality of their visit	96%	96%	96%
	The percentage of users who are satisfied with the overall quality of local parks	73%	73%	73%
We provide library services and programmes that support Aucklanders with reading and literacy, and opportunities to participate in community and civic life	The percentage of customers satisfied with the quality of library service delivery	85%	85%	85%
We provide art facilities, community centres and hire venues that enable Aucklanders to run locally responsive activities, promoting participation, inclusion and connection	The number of participants in activities at art facilities, community centres and hire venues (million, per annum)	6.1	6.8	7.4

1.4 Financial Strategy

Introduction

This strategy sets out the approach for achieving the balance between investing in the assets and services for Auckland's progress and ensuring that the costs of supporting those investments are acceptable to the community.

Section one provides context around Auckland's growth and infrastructure. Infrastructure investment is the most significant driver of all council group costs currently and will continue to be so for the foreseeable future. This strategy should be read in conjunction with the infrastructure strategy which sets out the drivers of infrastructure investment and the choices the council has made in prioritising that investment.

Section two looks at the key financial challenges the council faces and how we plan to respond. These challenges are around balancing the investment needs against the acceptability of costs to the community and the sustainability of our borrowing. This includes our key strategic settings around limits on rates increases and debt levels.

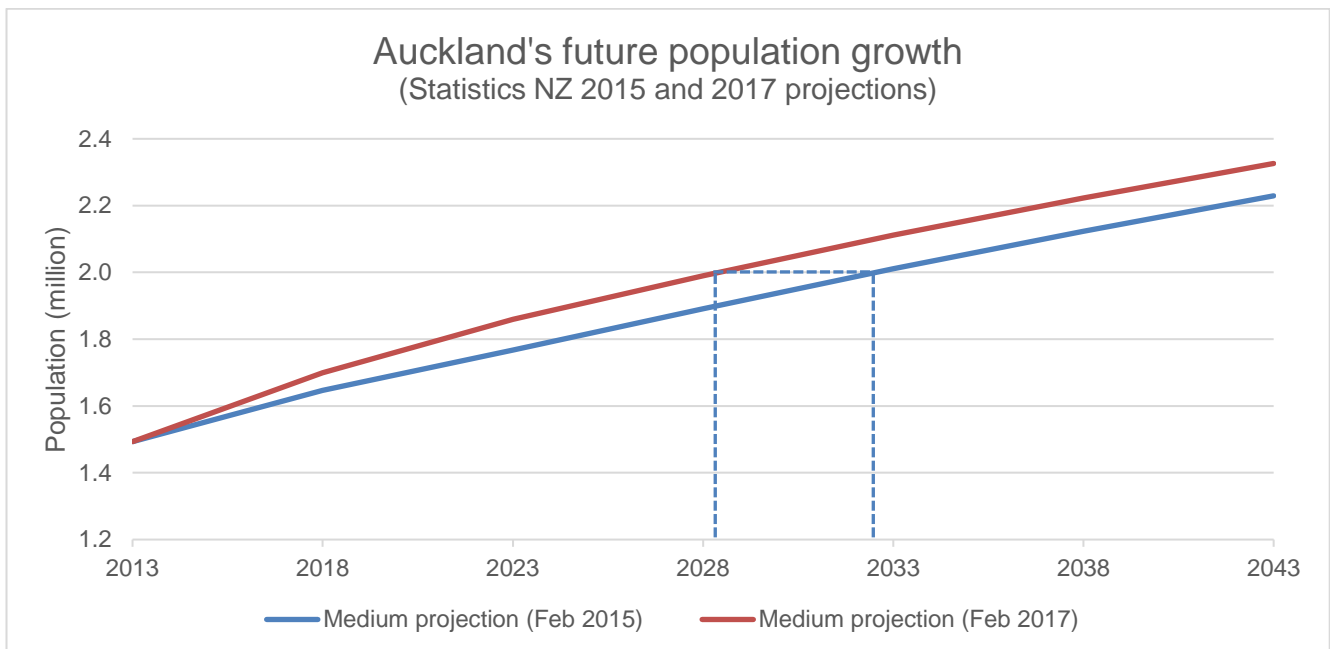
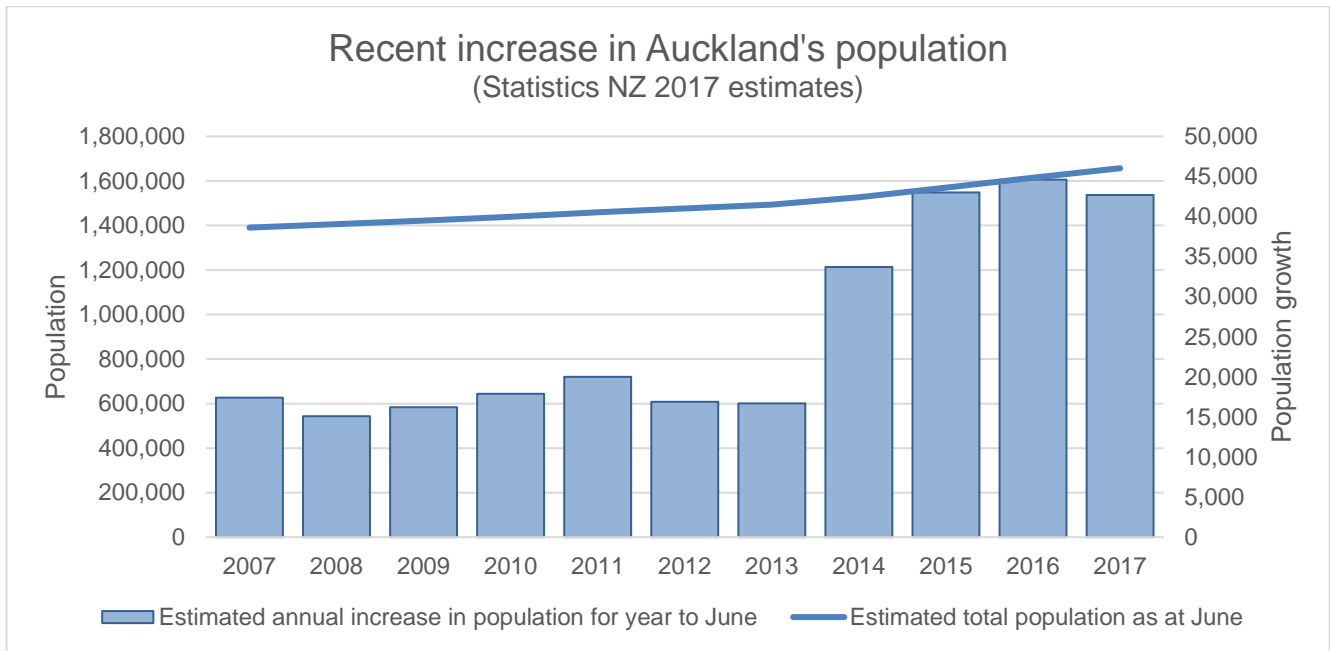
Section three looks in more detail at the key funding decisions made for this 10-year Budget and how they have enabled our response to our growth and environmental challenges.

Section four shows how decisions around our response to financial challenges reflect into the capital investment programme, our balance sheet position and the makeup of our operating expenditure and funding sources. This section also identifies the key assumptions behind these projections.

Section one: Growth and infrastructure context

Auckland is experiencing significant population growth and this is expected to continue. Over the next 30 years our population is projected to grow by over 720,000 people, with 293,000 of these people arriving in the next 10 years. We anticipate that to accommodate this growth, 120,000 new dwellings and 5.1 million square meters of business space will need to be built over the next 10 years.

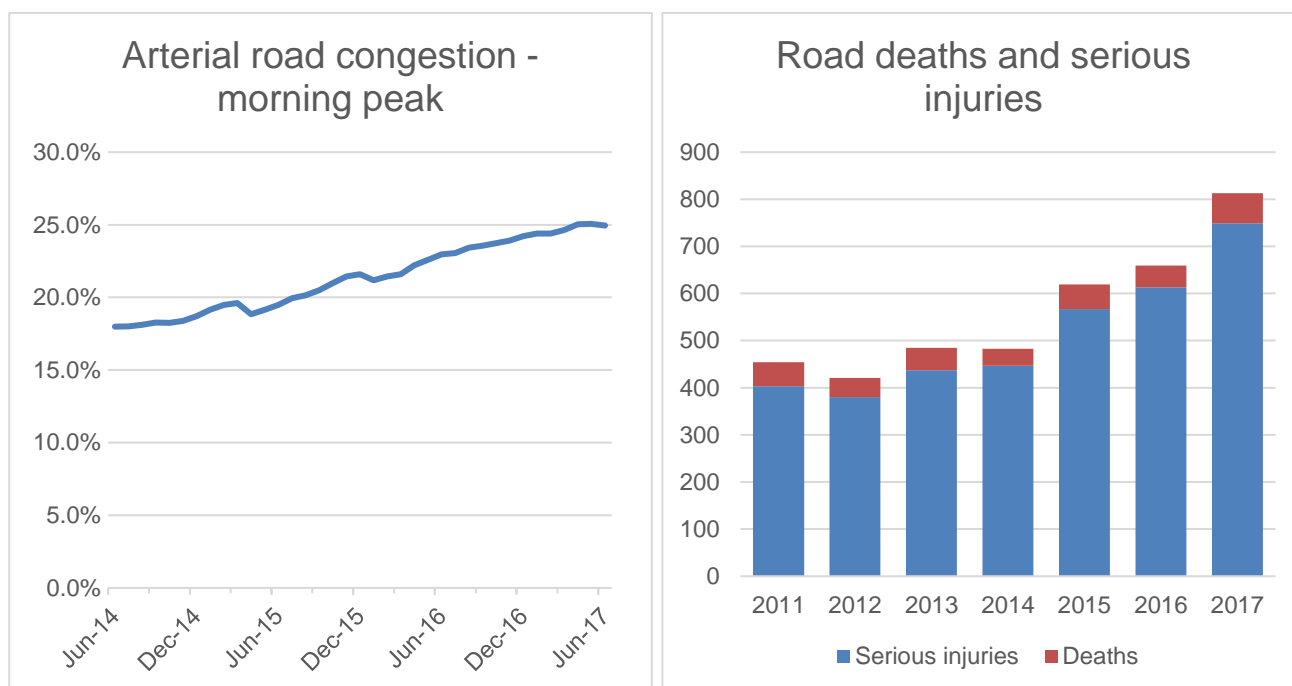
While Auckland’s growth is not a new phenomenon, the pace of this growth has increased dramatically with growth of around 130,000 people over the last three years. Auckland’s population is now anticipated to reach 2 million people four years earlier than previously forecast.



In 2016 Auckland Council adopted the first Unitary Plan for Auckland. The Unitary Plan enables the forecast population growth to be housed and employed through major land use change. Intensification of existing urban areas and development of new urban areas are envisaged through the plan and will place significant demand on the council for new and upgraded infrastructure.

Our 30-year infrastructure strategy describes how we intend to manage this growth driven demand, as well as addressing existing issues such as congestion and environmental degradation. Without an appropriate infrastructure investment response, there will be a significant reduction in council service levels in key areas such as transport, water quality and access to community amenities.

In transport, almost 25 per cent of Auckland’s arterial roading network is now congested¹ in the morning peak compared to 18 per cent less than four years ago. Congestion outside peak times and on weekends is also becoming more frequent with over 10 per cent of the network now experiencing inter-peak congestion. Auckland has also seen a near-doubling in road deaths and serious injuries over the past five years



Pollution from an overwhelmed combined sewer network is resulting in overflows of wastewater into the Waitemata in 218 places more than twice a year, and in 43 places every time it rains.

Our community infrastructure is also under pressure from growth and changes to the way in which facilities are used and the places in which they are needed.

These projected changes in population and land use are therefore the primary drivers of the \$26 billion capital investment outlined in this strategy, and as a consequence, the primary drivers of our 10-year operating expenditure budgets growing from \$4 billion in 2018/2019 to \$5.6 billion in 2027/2028.

¹ Congestion is defined as average travel speeds of less than 50 per cent of the posted speed limit

Section two: Financial Challenges and Responses

The rapid growth of Auckland and its resulting demand for new and enhanced infrastructure, the historic underinvestment in assets and high level of expectation from the community for improved service levels have created two significant financial challenges. These involve balancing the need for investment with:

- acceptable costs to the community, and
- prudent management of debt and sustainable financial management.

This section of the strategy sets out the responses to these two issues

Cost acceptability

Previous feedback has told us that Aucklanders clearly support making progress, particularly with fixing Auckland’s transport problems and improving the quality of Auckland’s urban and natural environment. However we are also conscious of the community’s ability to pay for the significant investments that need to be made. A key challenge is how to enable faster progress without unacceptably high general rates increases.

Our response to balancing the demand for investment with acceptable cost increases can be summarised as follows:

- setting revenue parameters that reflect acceptable levels of increases
- maximising the value of the revenue received
- managing our investments to optimise returns.

Revenue parameters

The following parameters represent our approach to the balance between progress and acceptability to the community:

- average general rates increases of 2.5 per cent for the next two years and 3.5 per cent thereafter
- water charges that are currently projected to increase at an average of 2.5 per cent per annum
- wastewater charges projected to increase by 3.3 per cent per annum
- targeted rates to deliver accelerated investment in water quality improvement and the natural environment
- development contribution charges set to recover the costs of growth
- user charges that are standardised across the region, adjusted to represent appropriate levels of cost recovery and then increased with inflation each year
- A regional fuel tax of 10 cents a litre (plus GST).

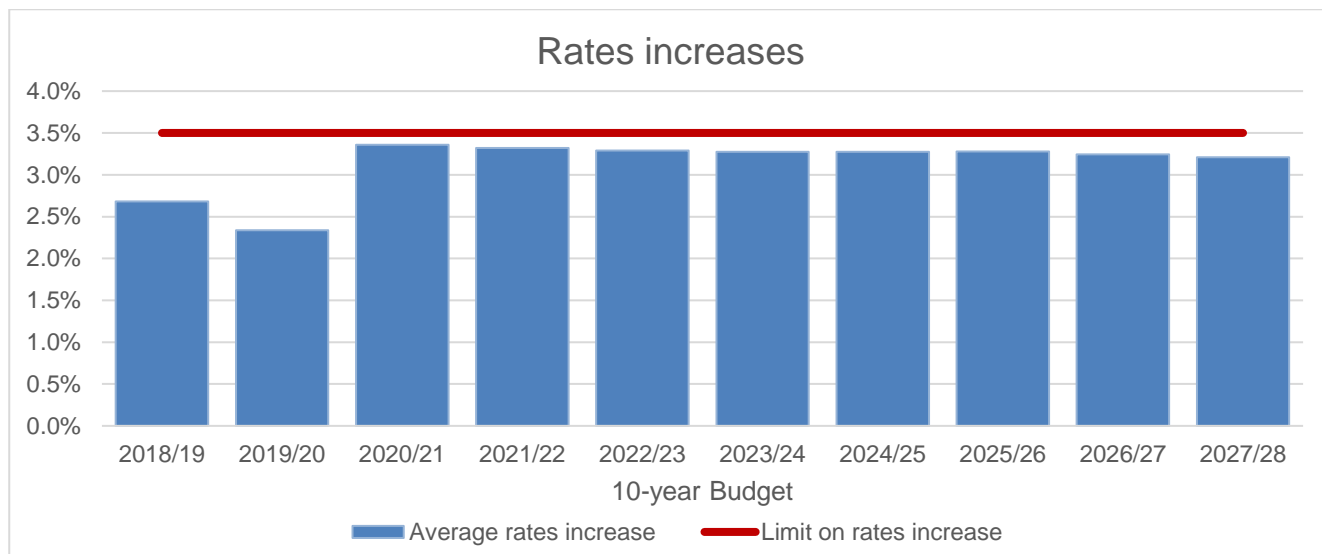
To provide certainty and predictability to ratepayers around general council expenditure, Auckland Council is proposing to continue to limit average rates increases for existing ratepayers to 3.5 per cent per annum. This limit includes targeted rates that apply generally across Auckland and refers to the overall average increase across all ratepayers (including different ratepayer groups such as business, farm and lifestyle ratepayers). Targeted rates that apply to specific groups of ratepayers are excluded.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Annual rates increase limit	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Growth in rating base	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Total annual increase	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Rates limit (\$billion)	1.69	1.79	1.88	1.99	2.10	2.21	2.33	2.46	2.60	2.74

For 2018/2019 and 2019/2020, the average rates increase will be well below the 3.5 per cent limit because of the decision to increase average general rates by 2.5 per cent in those years.

For residential ratepayers the average overall rates increase (including general rates and targeted rates applied generally across Auckland) will also be 2.5 per cent for 2018/2019. This is because the impact of the introduction of the water quality and natural environment targeted rates is offset by the impact of the Interim Transport Levy finishing. The overall average rates increase across all ratepayer groups is slightly higher at 2.7 per cent, because those new targeted rates and the Interim Transport Levy have different impacts on business and farm/lifestyle ratepayers.

The average overall rates increase for years two and beyond are slightly below the 2.5 per cent and 3.5 per cent average general rates increases. This is because the new targeted rates do not increase each year.



Rates for individual properties are not restricted by the 3.5 per cent average rates increase limit and will vary depending on a range of factors including property revaluations and whether the property is used for business, residential or farming purposes².

Targeted rates are considered separately where the charges relate to a specific group of ratepayers who benefit from the associated expenditure, for example targeted rates for refuse collections that are charged to the houses that receive the service or Business Improvement District targeted rates that fund the activities that benefit a local business association.

We do not have a quantified limit on these targeted rates because the acceptability of their cost is viewed differently by the community. They are specifically consulted on, along with the associated investment that they enable, and as a result provide greater transparency.

In addition, limiting these kinds of targeted rates would restrict the ability of specific groups of ratepayers (such as local communities or specific business sectors) to invest in increased service levels that they aspire to and are willing to contribute towards.

Another key issue for this 10-year budget is the regional fuel tax. This is not included in our rates increase limit as it is not a rate. In addition, the cost impact of this tax is highly variable between businesses and residents and based on their fuel consumption rather than property value.

Development contributions are another important revenue source for council. We will be consulting on changes to our development contribution policy separately from the 10-year Budget.

² For further information on Auckland Council's rating policy, please refer to section 9

Maximising the value from every dollar collected

Given these revenue parameters, we have sought to ensure that we get the most value out of every dollar we collect to help us address Auckland’s investment needs. The primary ways we have done this are:

- maximising efficiency savings
- maximising the disposal of non-strategic surplus assets
- partnering with others and investigating alternative funding mechanisms.

1. Efficiency savings

In an environment where we cannot afford to do everything today it is essential that we make sure that every dollar we do spend provides value for money. In recent years we have been successful in finding sufficient additional efficiency savings to allow us to reduce average annual rates rises below our 3.5 per cent cap.

Some of the ways we do this include improving business processes, using better procurement and tendering processes, better utilising technology and bringing work in-house where it is more cost-effective to do so.

Because interest and depreciation costs are determined by our investment in assets and not able to be directly controlled through operating activities, our efficiency programmes focus on core operating expenditure (total group operating expenditure less interest and depreciation expense).

Core operating expenditure might normally be expected to rise annually by a combination of inflation (price movement) and population growth (as a measure of demand). Our target is to deliver savings that keep this growth below 3.5 per cent per annum (after allowing for increased spend funded from targeted rates or driven by increased public transport patronage).

2. Disposal of non-strategic surplus assets

Auckland Council has a very large holding of land and buildings, some of which are not needed for providing council services, are not providing a market rental income, are poorly utilised or simply located in the wrong place. Because we will not have sufficient funding to provide all the new infrastructure we would like over the next 10 years, disposing of surplus assets will help maximise what we can provide. The following table shows the amount of disposals we are targeting for the next 10 years. These disposals are additional to projected assets sales associated with specific urban development programmes.

Disposal of non-strategic surplus assets

Financial year ending 30 June (\$ million)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Net proceeds from disposal	24	24	24	20	20	20	20	20	20	20

3. Partnering and new funding mechanisms

Auckland Council recognises that we can achieve greater progress by partnering with other organisations including the private sector, central government, charitable organisations and community groups. Examples of this include recent collaboration with central government in the establishment of City Rail Link Limited, Housing Infrastructure Fund, Crown Infrastructure Partners, and on transport programme alignment through the Auckland Transport Alignment Project (ATAP). Looking forward the government has indicated a willingness to expand the use of Crown Infrastructure Partners and identified a number of work programmes from ATAP.

The council is continuing to explore new ways of funding infrastructure. In 2017 our Revenue and Financing Policy was changed to enable the use of growth infrastructure targeted rates and we are ready to make use of these where appropriate. We also continue to work with government and Crown Infrastructure Partners to support the implementation of contractual funding tools and new legislative instruments arising from the Urban Growth Strategy.

Investment management

The council is expecting \$1.2 billion in revenue from financial investments over the next 10 years. The three key types of investments, the council's objectives for holding them and target returns, where appropriate, are discussed below. More information on how council manages its investment is contained in our Treasury Management Policy which can be found on the [Auckland Council website > Plans, policies, bylaws, reports and projects > Our policies > Treasury Management Policy](#).

1. Equity investments in commercial activities

The council has significant shareholdings in Ports of Auckland Limited and Auckland International Airport Limited. The council manages these investments³ to maximise financial returns while supporting the realisation of the council's broader strategic objectives. The council has set a return on investment target for these major investments of dividend growth at a rate equivalent to the increase in the Consumer Price Index (CPI) plus 1.5 per cent.

2. Trusts and reserves

The council has a number of trusts and reserves to fund specific activities. The trusts are mainly endowments from private individuals and organisations to help fund specified activities. The council manages these and uses the returns to fund the relevant activities. For the purposes of this 10-year Budget, revenue from trusts and reserves is assumed to be utilised for specified activities in the year it is received. Accordingly, no movement in trusts and reserves balances is forecast.

The council has set a return on investment target for the Trust and Reserves portfolio to exceed the Official Cash Rate (OCR).

3. Shareholding in the New Zealand Local Government Funding Agency (NZLGFA)

The council is a shareholder in the New Zealand Local Government Funding Agency (NZLGFA) and expects to fund some of its borrowings from NZLGFA.

The NZLGFA's Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to NZLGFA's cost of funds plus 2 per cent over the medium term.

³ At the date of adoption of the 10-year Budget, council's shares in POAL and AIAL were held by council-controlled organisation Auckland Council Investments Limited (ACIL). The Governing Body resolved on 31 May 2018 to disestablish ACIL and transfer all of its assets, liabilities and obligations to Auckland Council on 1 July 2018.

Prudent financial management

Our Revenue and Financing policy identifies that a major funding stream for investment in infrastructure is borrowings. The Revenue and Financing Policy can be found in Section 3.1 of this volume. Our tools for ensuring prudent financial management are debt management and funding depreciation.

Debt management

The use of debt allows the costs of infrastructure to be spread over the life of the asset and paid for by all users of the asset across generations. The management of debt to ensure sustainable financial management presents a major challenge. Council's approach to manage this challenge is to maintain an AA credit rating from Standard and Poor's (or similar rating from an independent rating agency).

Our projected debt of \$13.1 billion by June 2028 will remain at a prudent level relative to our assets and income. This is reflected in council's very high credit rating (an independent evaluation of our ability to repay debt and the likelihood of defaulting on our obligations).

Entity	S&P credit rating
New Zealand Government	AA+
New Zealand Local Government Funding Agency	AA+
Auckland Council	AA
Bank of New Zealand (BNZ)	AA-
Fonterra	A-
Spark	A-

To ensure that debt levels continue to remain prudent and sustainable, the council has set a prudential limit of group debt being less than 270 per cent of group revenue. When assessing our debt to revenue ratio against this limit, a number of adjustments are made which are consistent with Standard and Poor's approach when they undertake their credit rating assessment⁴.

This limit is an indicator of the ability of council to cover its borrowing costs from its different revenue sources. We will ensure that debt levels remain within this limit over the 10-year horizon. To avoid normal variability in our key forecasting assumptions triggering a breach of this limit, we will apply a 5 per cent "safety margin" and ensure that our budget decisions do not result in us projecting a debt to revenue ratio in excess of 265 per cent in any future year.

Higher debt levels increase the council's interest costs. The council uses a combination of operating income sources to pay for interest including rates, fees and charges such as water and wastewater tariffs, and investment income such as commercial rental revenue and ports revenue.

The council faces a number of key risks in relation to its borrowings. Our Treasury Management Policy details how we manage those risks. For further information this policy can be found on the [Auckland Council website > Plans, policies, bylaws, reports and projects > Our policies > Treasury Management Policy](#). Two of the most significant risks are the risk of rising interest rates and risk that we are unable to borrow funds when needed.

In a similar way to how you might fix your mortgage, we protect the council from rises in interest rates through the use of fixed interest rates. To a large extent, this locks in council's future borrowing cost for a certain period of time to protect us from rising interest rates.

⁴ The main adjustments are the exclusion of revenue related to capital expenditure, development contributions, vested assets and the sale of assets to total revenue and inclusion of the present value of lease commitments to debt.

To ensure that we are not too dependent on the state of global financial markets, we ensure that we always have sufficient cash, liquid investments and committed lines of credit available to allow us to pay our bills for at least the next six months. We also source borrowings from a range of domestic and international lenders so that a problem with any one provider of borrowings does not have too large an impact.

In general, the council provides rates revenue as security for its borrowings including its borrowings through the New Zealand Local Government Funding Agency (NZLGFA), domestic and offshore borrowing programmes. However, in specific cases, the council may consider whether alternative security is appropriate, for example security over property that is specifically connected with the borrowing.

Funding depreciation

To ensure that debt remains at prudent levels, we will fully fund depreciation by 2025. Depreciation is a non-cash charge that reflects the reduction in the usability of our assets over time. Because this is a non-cash expense, any revenue raised to cover depreciation generates a cash surplus which is used to fund capital expenditure.

Fully funding depreciation from rates and current revenue would mean that on average, over the long run, we are not relying on borrowing to fund asset replacement expenditure. This represents a sustainable approach. The legacy councils only funded 63 per cent of depreciation so we propose to progressively move to 100 per cent by 2025.

The council currently projects to balance its budget in every year of this plan. However, because depreciation is included in our budget as an expense item (even though it is a non-cash expense), our policy of moving towards fully funding depreciation by 2025 means that our budget may not completely balance in each of the years from 2018 to 2024. Nevertheless, we consider that situation is prudent and sustainable as long as we continue moving towards that fully-balanced end point of the policy.

Section three: Funding decisions

Four key decisions made in the development of this plan have enabled a significant increase in the level of capital investment from \$18.7 billion in our last 10-year Budget to over \$26 billion this year. These include:

- the introduction of a regional fuel tax to support the funding of our contribution to the ATAP transport programme
- a targeted rate to fund the acceleration of water quality improvement investment
- increased spending on environmental initiatives funded through a specific targeted rate
- a reinvestment approach to funding centre development.

Transport investment and the Regional Fuel Tax

As highlighted earlier, the combination of existing issues such as congestion and the added pressures from growth are driving a significant transport infrastructure response to avoid significant reductions in service levels.

Earlier this year the council and the government jointly released the revised Auckland Transport Alignment Project (ATAP) which sets out key outcomes, focus areas and a package of projects and programmes to achieve those outcomes. This means that both the government's transport investment and the council's are aligned to achieve the best outcomes for Auckland.

In order to fund our additional contribution, we have decided to use a Regional Fuel Tax of 10 cents per litre (plus GST). The government has passed legislation enabling councils to do this. The Regional Fuel Tax will come into effect from 1 July 2018. It will raise revenue of \$1.5 billion over 10 years. This will enable us to deliver a programme of \$12 billion over the 10 years which will include \$4.3 billion of transport projects supported by the Regional Fuel Tax (\$1.5 billion plus subsidies from the New Zealand Transport Agency and developer contributions). When added to the rest of government funded projects in ATAP Auckland will have \$28 billion of investment in transport over the next 10 years

The investment in transport is projected to:

- Increase total public transport boardings from 88.4 million in 2016/2017 to 149.7 million by 2027/2028,
- Improve the productivity of key arterial roads in the morning peak by 14 per cent by 2028, which when combined with increased public transport usage and provision for walking and cycling will support the ATAP outcome of maintaining congestion at 2016 levels.
- Reduce deaths and serious injuries (DSI) on local roads by 60 per cent compared to 690 in the year to December 2017, which when combined with safety improvements for state highways and walking and cycling will support the ATAP objective of reducing DSI on the total Auckland network by 60 per cent.
- Ensure that we look after our existing assets and that at least 80 per cent of our urban roads meet maintenance standards in terms of ride quality.

Water quality improvement programme and targeted rate

Another area of challenge identified in our infrastructure strategy is pressure on our environment from our aging networks and the added pressures from growth.

Auckland has a significant issue of pollution of its waterways across the region. There are areas of Auckland's beaches, harbours, streams and aquifers that are significantly affected by poor water quality. Many waterways and beaches are unsafe for swimming after storm events, and some beaches are permanently closed to swimming. This is a result of pollution from a number of sources including:

- wastewater overflows from the combined sewer network when stormwater overwhelms the system capacity
- pollution from road run-off
- sedimentation from urban and rural land use
- old or poorly maintained onsite wastewater systems (septic tanks etc.)
- impacts from farming such as livestock in streams and fertiliser runoff.

The Water Quality Improvements Programme of work has been developed to address these issues. We did have a programme to fix these issues over the next 30 years but this will now be accelerated and addressed over the next 10 years. This programme will deliver:

Project	Outcomes
Stormwater upgrades and wastewater / stormwater separation in the Western Isthmus	<ul style="list-style-type: none"> • reduces overflows into the Waitematā and Manukau harbours • beaches from Meola Reef to the Viaduct will be swimmable • reduction in intermittent beach closures • rehabilitation of Western Isthmus streams • reduces demand on the wastewater network from stormwater, allowing greater housing intensification in the Western Isthmus catchments
Infrastructure for stormwater contaminant removal across the region	<ul style="list-style-type: none"> • reduction of sediment into the Kaipara Harbour • reduction in stormwater contaminants across the region
Rehabilitation of urban and rural streams	<ul style="list-style-type: none"> • improves the ecological health of the streams and reduces flow of contaminants into harbours • enables urban development in areas such as Oamaru creek in East Tamaki • stabilises areas of high stream erosion, reducing sedimentation in the harbours and protecting property and infrastructure
Introduction of a proactive regional septic tank monitoring programme	<ul style="list-style-type: none"> • develop a regional database of onsite systems, their design parameters and maintenance records • first step in identifying the individual properties contributing to the degradation of beaches and waterways, such as at Piha, Bethells Beach, and Little Oneroa on Waiheke

Some of this work will be funded from Watercare's water and wastewater charges. These were already projected to increase by 2.5 per cent per year for water supply and 3.3 per cent per year for wastewater. This increase will be sufficient to cover Watercare's contribution to the programme.

To pay for the balance (\$452 million) we have decided to implement a targeted rate, based on property value. This will cost the average residential ratepayer \$66 per year, and the average business ratepayer \$308 per year.

Natural environment targeted rate

The latest State of the Environment (2015) report shows that while Auckland's air quality has improved significantly, marine and freshwater sites have been polluted by sediments and contaminants arising from development, building and industrial activities.

In addition, approximately two-thirds of Auckland's local native species are under threat of extinction. Without substantial increases in investment in this area we estimate:

- the risk of Kauri dieback spreading is over 80 per cent
- only 30 per cent of significant ecological sites in council parks will have adequate pest control
- only 20 per cent of rural Auckland will have adequate possum control
- there is a high risk of marine pests establishing with risks to ecosystems and costs to aquatic industries.

In response to this we are implementing a much increased programme of environmental initiatives to address the spread of pests, weeds and diseases that are threatening many of our native species.

Activity	Programmes	Split of additional funding [Ⓞ]
Pest control	<ul style="list-style-type: none"> • Management of pest plants and animals, including on parks, regional programmes, spread to islands, freshwater 	40% (\$124.4m)
Islands (Kawau, Waiheke, Aotea)	<ul style="list-style-type: none"> • Pest eradication - Waiheke and Kawau multi-species 	6% (\$18.7m)
Kauri	<ul style="list-style-type: none"> • Research, community engagement, hygiene stations 	22% (\$68.4m)
Kauri	<ul style="list-style-type: none"> • Capex track upgrades, installation of vehicle wash downs 	14% (\$43.5m)
Marine biosecurity	<ul style="list-style-type: none"> • Marine Biosecurity pathway management and response 	1% (\$3.1m)
Grant funding	<ul style="list-style-type: none"> • Regional Ecological and Natural Heritage fund to support community action 	4% (\$12.4m)
Pest Free Auckland	<ul style="list-style-type: none"> • Community engagement programme to support trapping, data management, grants, monitoring and reporting 	9% (\$28m)
Pest Free Auckland	<ul style="list-style-type: none"> • CAPEX - Traps, data systems, telemetry 	1% (\$3.1m)
Marine ecology	<ul style="list-style-type: none"> • Habitats - survey and evaluation 	1% (\$3.1m)
Marine ecology	<ul style="list-style-type: none"> • Seabirds - implement monitoring and restoration 	1% (\$3.1m)

These projects will make a significant difference in a number of key areas. We expect to be able to reduce the risk of Kauri dieback disease spreading from 80 per cent to 15-25 per cent. The number of significant ecological sites within council parks that have adequate control of pests and weeds will more than double, rural possum control will also be significantly increased.

To pay for this programme we are introducing a targeted rate which will enable \$311 million of investment over the 10 years. This rate will be set based on property value but for the average residential ratepayer will cost \$47 per year and for the average business ratepayer \$219 per year.

Centre development

A number of town centres have been identified as priorities for regeneration through Panuku Development Auckland. These town centres are known as Transform, Unlock and Support locations.

This programme and budget alignment will deliver amenity, activation and infrastructure as well as acquire strategic sites, consistent with Auckland Council approved plans.

New housing and private investment will be supported by the upgraded facilities, improved amenity, increase in vibrancy and safety of centres.

The investment in urban development was increased by \$406 million.

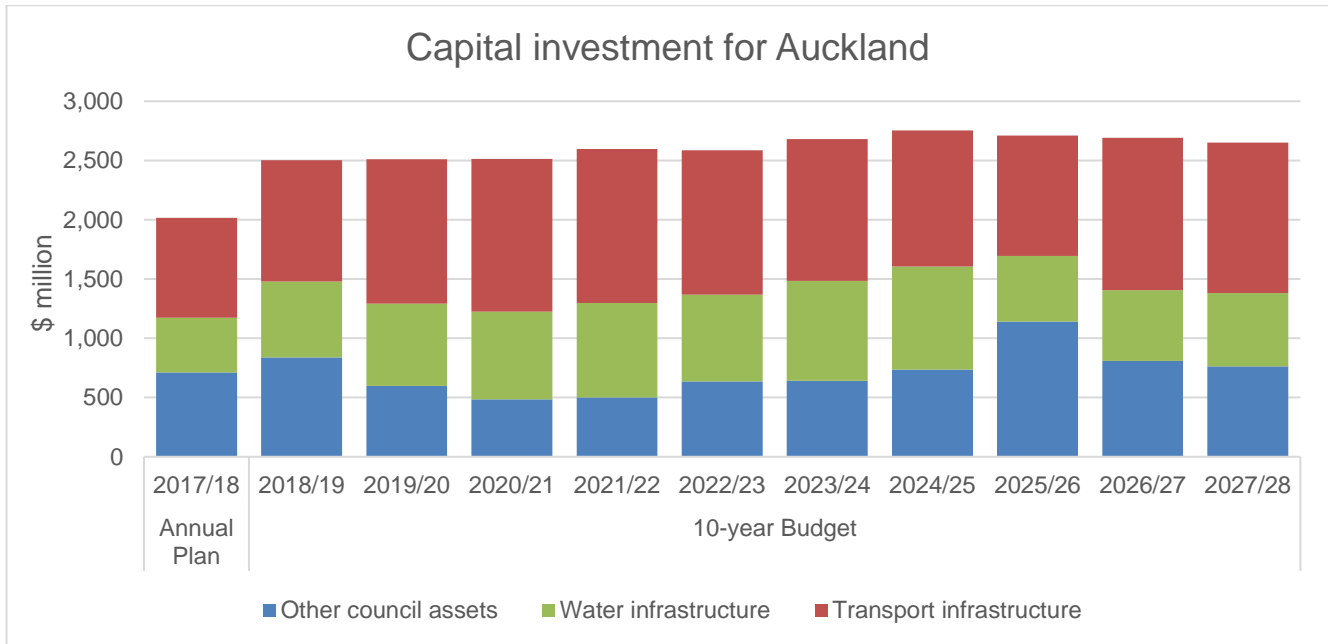
The council has decided to fund this investment from the proceeds of property sales from the respective urban development areas, noting that sale proceeds will be ring-fenced for the programme as a whole rather than for individual locations. The Strategic Development Fund was also adjusted to allow Panuku more flexibility in maximising the redevelopment value of the fund.

Section four: Budget

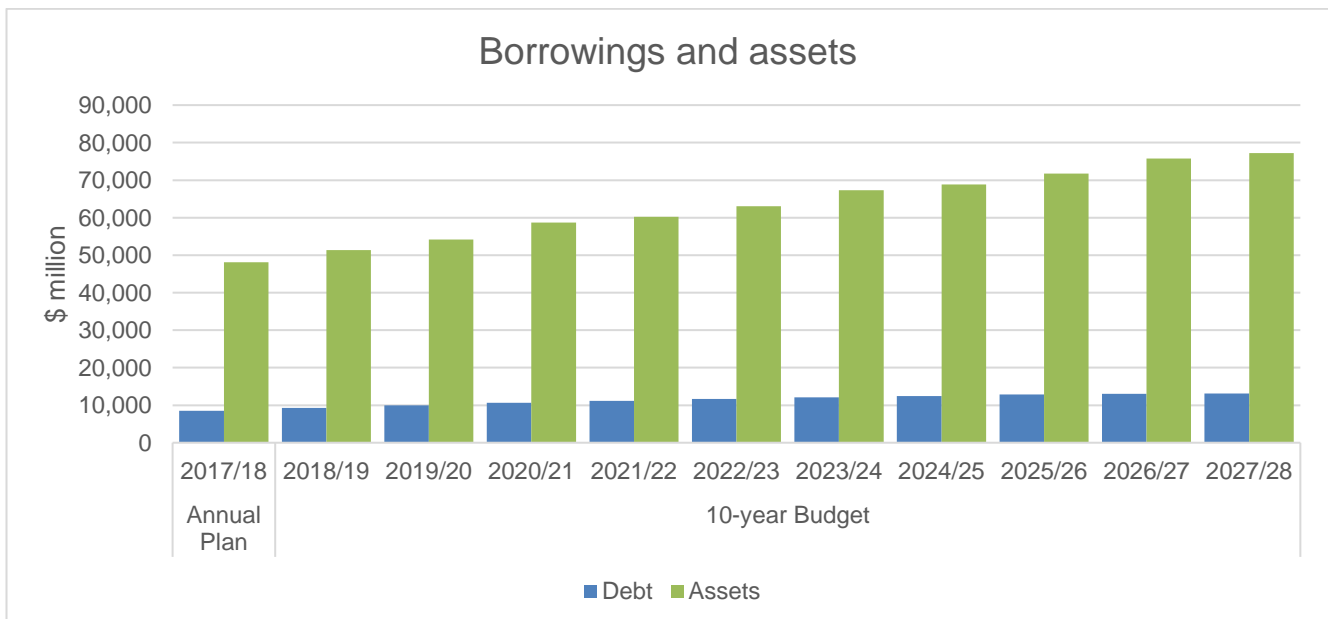
Auckland Council’s responses to the issues of cost acceptability and prudent management of debt enable a programme of over \$26 billion of capital investment for Auckland.

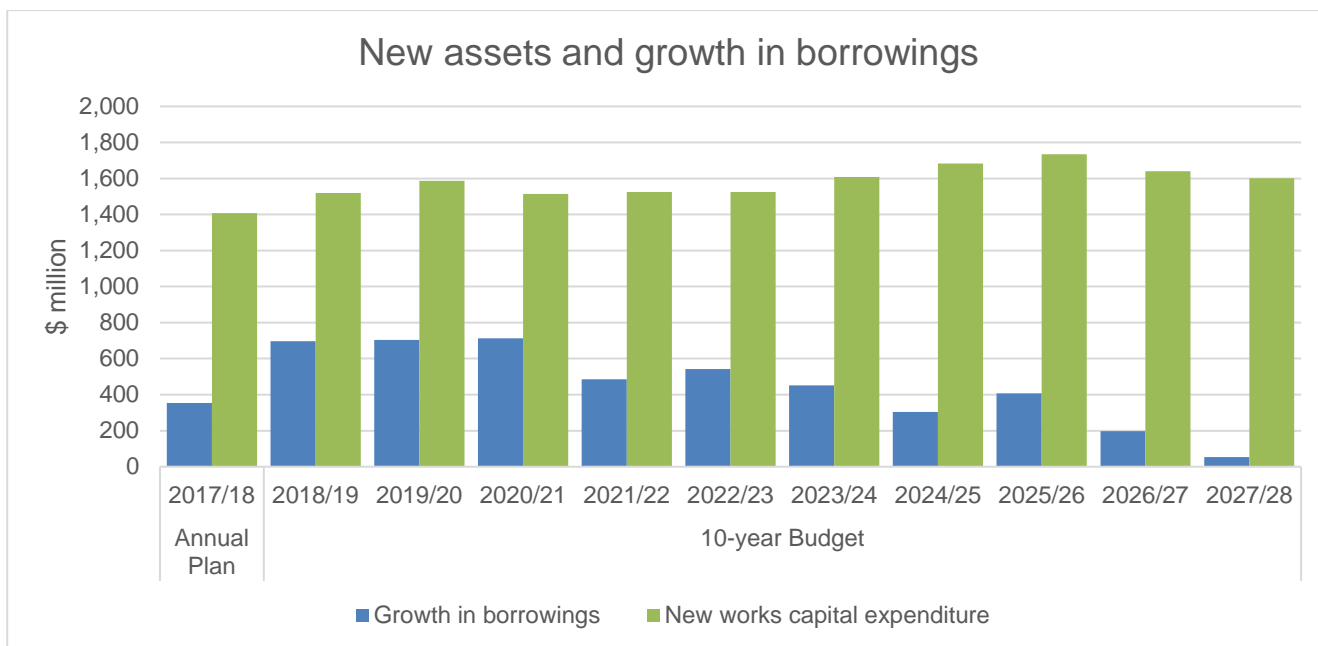
At the core of this budget is the investment in network infrastructure outlined in our Infrastructure Strategy that responds to growth as well as addressing existing issues such as congestion and environmental degradation.

The following chart shows the split of the capital programme between the two key types of network infrastructure and other areas of investment. This is the level of capital expenditure that is required to maintain existing levels of service currently provided, to increase these service levels where identified in our infrastructure strategy and to provide infrastructure to support the development to accommodate a growing city.

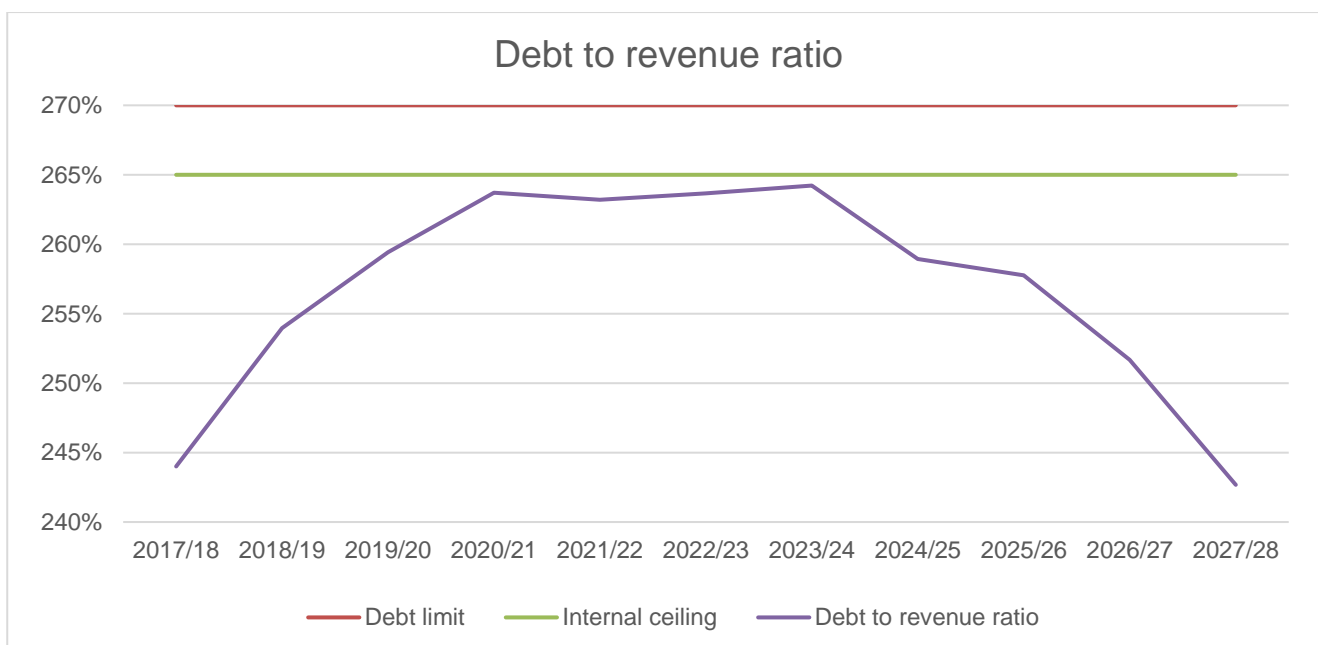


This level of spend will result in council debt growing by \$4.8 billion over the next 10 years, from \$8.3 billion in June 2018 to \$13.1 billion by June 2028. The following charts show how this projected debt level compares with our asset projections and how the growth in debt compares with our investment in new assets (non-renewals capital expenditure).



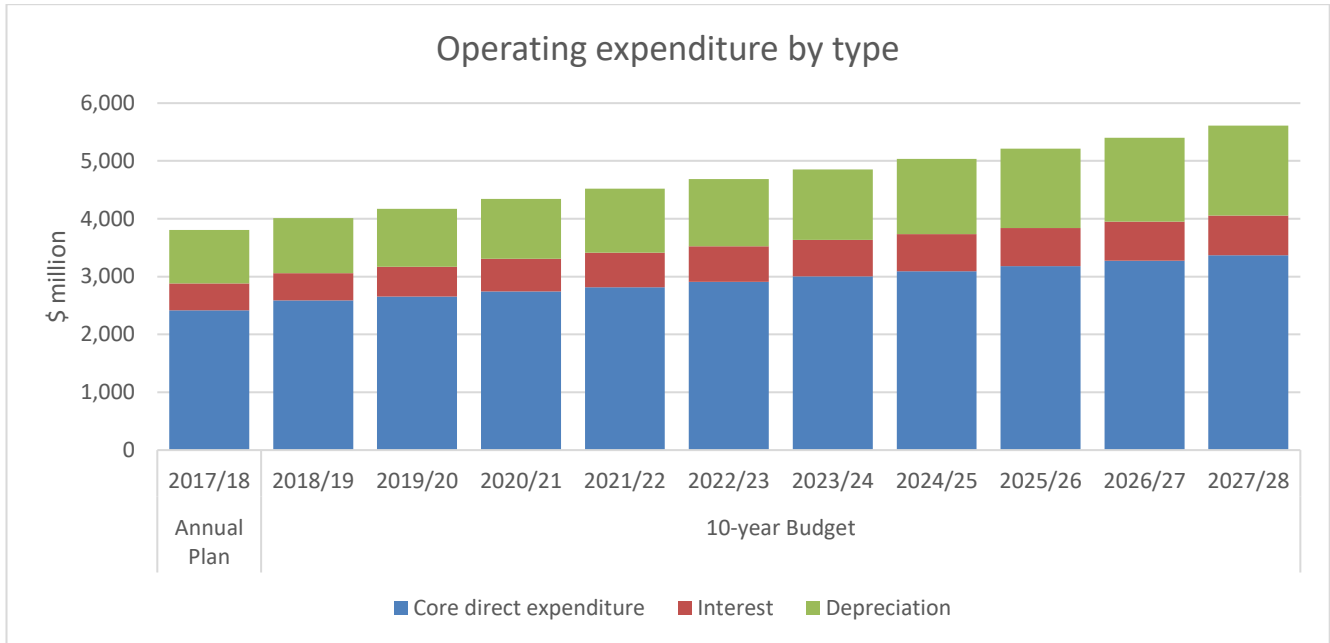


The following chart shows how the capital investment for Auckland of \$26 billion will result in projected debt to revenue ratio within the limits stated in this strategy.

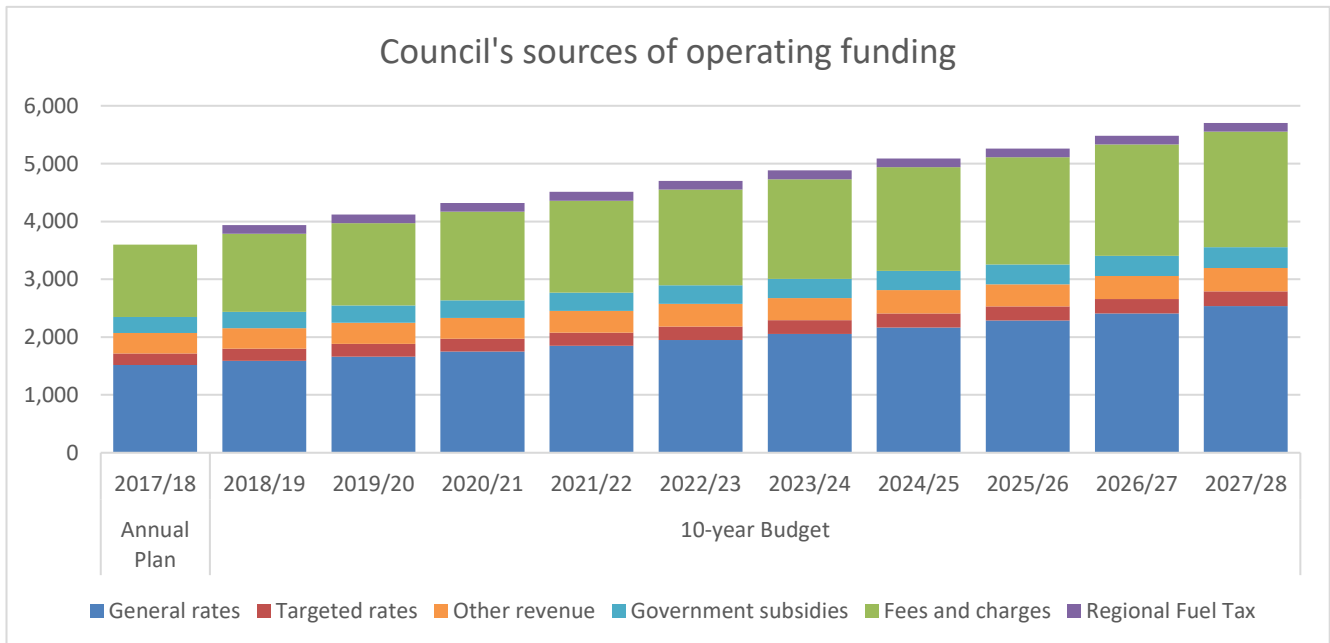


The investment will drive continued growth in our operating expenditure from \$4 billion in 2018/2019 to \$5.6 billion in 2027/2028.

The parameters and targets outlined in this strategy will also enable us to spend \$48 billion over 10 years on the operational cost of delivering council services and initiatives. This includes the interest and ownership cost of new assets. The following chart shows the make-up of this spend over the next 10 years.



The following chart shows the projected path of the council's different operating revenue sources including general and targeted rates, user charges, government subsidies and the regional fuel tax.



As set out in our infrastructure strategy, these levels of spending will be sufficient to maintain the condition of our major types of assets over the medium to long term with the exception of community facility assets (libraries, swimming pools, playgrounds etc). We can't fully meet the costs of renewing these assets to the standards we would like and will need to choose what are the most important things to do.

These levels of capital and operating expenditure will also be sufficient to maintain existing service levels in many areas and provide some response to growth pressures. However, the pressure of Auckland's rapid growth is such that a \$26 billion 10-year capital investment programme will not be sufficient to fully meet community expectations of service levels in all areas. The Infrastructure Strategy sets out a summary of the major projects included in that programme.

Key Assumptions

The levels of capital and operating expenditure outlined in the previous section are highly dependent on some key assumptions which are subject to differing degrees of uncertainty. These critical assumptions are:

- The assumed central government contribution towards transport capital and operating expenditure, as indicated in ATAP, will be enabled through continued work with central government agencies.
- Projected growth and development will occur, and consequently revenue forecasts for rates, consenting revenue, development contribution and growth-related user charges (e.g water charges) will eventuate.
- That a new development contributions policy is adopted that reflects the Revenue and Financing Policy position that growth-related public infrastructure is funded by development contributions.
- Inflation and interest rates will turn out as projected.

The full set of our significant financial assumptions are available in Part two of Volume One of this document, along with an assessment of the level and impact of uncertainty on each assumption.

Part 2: Our Activities

Overview

The following sections describe each of the groups of activities that comprise the council's service delivery. This includes the contributions to Auckland Plan outcomes, the statements of service provision, and financial information presented by activity in table format and by group of activity in funding impact statement format.

Summary of revenue and expenditure by group of activity

\$000		10-year Budget total		
Group of activity	Activity	Non-rates revenue	Direct operating expenditure	Capital expenditure
Roads and Footpaths	Roads and Footpaths	1,564,724	1,735,444	6,933,099
Public Transport and travel demand management	Parking and enforcement	972,751	273,268	94,096
	Public transport and travel demand management	5,867,065	7,733,708	3,012,288
Water supply	Water supply	2,582,417	942,980	1,893,647
Wastewater	Wastewater	4,973,372	1,612,038	3,582,675
Stormwater	Stormwater	23,726	617,961	1,383,667
Local Council Services	Local planning and development	0	4,560	43,770
	Local environmental management	0	17,386	0
	Local governance	0	236,550	0
	Local community services	442,626	2,955,820	2,141,569
Regionally delivered council services	Regional planning	73,500	844,056	695,053
	Regulatory services	2,086,154	2,305,782	2,382
	Waste services	520,667	1,510,748	80,041
	Environmental services	8,407	484,614	63,492
	Auckland emergency management	0	62,350	5,186
	Investment	3,532,688	1,802,078	735,975
	Organisational support	112,171	86,309	657,475
	Regional governance	32,088	665,959	2,600
	3rd party amenity and grant	0	795,440	0
	Regional community services	356,213	2,595,719	1,556,610
Council controlled services	Development Auckland	620,176	575,728	762,064
	Economic growth and visitor economy	204,198	727,211	5,442
	Regional facilities	698,507	1,057,887	397,151
Total		24,671,450	29,643,596	24,048,282

Levels of service, performance measures and targets are also set out for each group of activity. Note that some of the descriptions of our levels of service, performance measures and targets have changed from how they have previously been described. This is to better explain our activities and to align the descriptions to those used in other strategic plans. This change in our measurement approach does not necessarily mean that our actual levels of service delivered have changed.

Further information about how these activities contribute to the council's strategic outcomes is set out in sections 1.1. (The Auckland Plan 2050 – Tamaki Makaurau in the Future) and 1.3 (Auckland's 30-year Infrastructure Strategy). As described in these sections through this 10-year Budget we have improved services levels in some key areas.

The performance information set out in the following section forms part of a broader performance management framework. This framework will include outcome measures for Auckland that Auckland Council contributes towards, but is not wholly responsible for. Key examples include measures relating to housing delivery, employment and greenhouse gas emissions. This framework will also include more detailed management and CCO accountability measures to monitor performance within the council group.

2.1 Roads and footpaths






Auckland Transport is responsible for managing Auckland’s roads and footpaths in a way that is consistent with the strategic direction set by the council.

Key activities

- Managing and maintaining every aspect of the road network from the infrastructure that supports the road itself, the road structure and surface, lighting and road marking through to operational management of traffic signals, incident response and safety; and
- Maintaining and improving footpaths and streetscapes so more people will naturally walk for short trips.

Auckland Transport’s approach to managing roads and footpaths emphasises that roads have many users – car and truck drivers, bus passengers, pedestrians and cyclists. Currently many people have no choice but to travel by car, yet congestion at peak times on some routes makes travelling by car inefficient. However, in parts of Auckland where people have a range of attractive choices to get to where they are going, increasing numbers of people are choosing to travel in ways that not only work for them personally, but also contribute to a more efficient transport network overall.

How these activities drive Auckland Plan outcomes

 <p>Belonging & participation</p>	<p>All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential.</p>	<ul style="list-style-type: none"> • Providing opportunities for physical activity
 <p>Homes & places</p>	<p>Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.</p>	<ul style="list-style-type: none"> • delivering projects and initiatives that unlock development opportunities • contributing funding that supports the provision of bulk infrastructure within Auckland, unlocking potential development
 <p>Transport & access</p>	<p>Aucklanders will be able to get where they want to go more easily, safely and sustainably.</p>	<ul style="list-style-type: none"> • providing the services and infrastructure to make walking and cycling preferred choices for many more Aucklanders
 <p>Environment & cultural heritage</p>	<p>Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage, for its intrinsic value, and for the benefit of present and future generations.</p>	<ul style="list-style-type: none"> • managing the impact of runoff to the receiving environments
 <p>Opportunity & prosperity</p>	<p>Auckland is prosperous with many opportunities and delivers a better standard of living for everyone.</p>	<ul style="list-style-type: none"> • delivering a well-functioning roading network that minimises barriers for productivity growth

Key projects

- Safety improvement projects including:
 - Urban Regional Safety Programme
 - Safety Speed Management
 - Rural Regional Safety Programme.
- Network Optimisation Programme including optimising traffic signal operations, making best use of the existing infrastructure; and identification and implementation of small to medium scale infrastructure improvements to address localised infrastructure-related deficiencies and maximise best use of the immediate and wider network
- Walking and cycling programme
- Mill Road
- Matakana Link Road
- Lincoln Road
- Lake Road
- Infrastructure to support growth
- Road maintenance and renewals programme
- Seal extensions for unsealed roads
- Local Board transport capital fund.

Performance information

Overall, we will measure our performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We provide safe, high quality and efficient local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers	The change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number ⁽¹⁾	546	Reduce by at least 9	Reduce by at least 9	Reduce by at least 18	Reduce by at least 36	Reduce by average of 50 per annum
	Average AM peak period lane productivity across 30 monitored arterial routes ⁽²⁾	N/A	New measure	21,000	22,000	23,000	Increasing to 24,000
	Proportion of the freight network operating at Level of Service C or better during the inter-peak ⁽³⁾	N/A	New measure	85%	85%	85%	85%
	Number of cycle movements past selected count sites ⁽⁴⁾	3.502m	3.663m	3.644m	3.826m	4.018m	Increasing to 5.653m
	Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads ⁽⁵⁾	Rural 94% Urban 87%	Rural 91% Urban 81%	Rural 92% Urban 81%	Rural 92% Urban 81%	Rural 92% Urban 81%	Decreasing to Rural 90% Urban 80%
	Percentage of the sealed local road network that is resurfaced	8.1%	7.5%	6.0%	5.8%	6.5%	Increasing to 7%
	Percentage of footpaths in acceptable condition ⁽⁶⁾	99.5%	99%	95%	95%	95%	95%

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
	Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames ⁽⁷⁾	87%	85%	85%	85%	85%	85%
	Proportion of road assets in acceptable condition ⁽⁸⁾	N/A	New measure	95%	95%	95%	95%

Notes to previous table:

- The actual number of deaths and serious injuries on the local road network for the year to December 2017 was 690. The targets from 2018/2019 represent reductions from this 690 number.
- The monitored arterial routes are defined in the Auckland Transport Statement of Intent. Productivity is measured as the average speed multiplied by number of people per lane in one hour.
- The monitored freight network is defined in the Auckland Transport Statement of Intent.
- Targets for 2018/19 onwards reduced from previous years due to a reduction in the number of count sites monitored. Count sites for 2018/19 onwards are:
 - City Centre: Curran Street, Te Wero Bridge, Quay Street, Beach Road, Grafton Gully, Grafton Road, Grafton Bridge, Symonds Street, Upper Queen Street, Light Path, Karangahape Road, Hopetoun Street and Victoria Street West
 - Regional: Upper Harbour Drive, Great South Road, Highbrook, Lake Road, North-Western cycleway Kingsland and Te Atatu, Orewa Cycleway, Tamaki Drive (E/bound), Tamaki Drive (west side of the road), Twin Streams path, Mangere Bridge, SH20 Dominion Road, East Coast Road and Lagoon Drive
- Smooth travel exposure measures the proportion of vehicles kilometres travelled in a year (VKT) that occurs on 'smooth' sealed roads and indicates the ride quality experienced by motorists.
- As defined in Auckland Transport's Asset Management Plans.
Targets for 2018/19 onwards reduced from previous years due to a change in performance measure methodology:
 - Improved information from a detailed network-wide survey of footpath condition
 - A reassessment of the Asset Management Plan definition of acceptable condition.
- Response times are within:
 - 1 hour for emergencies,
 - 2 days for incident investigation as a high priority, or
 - 3 days for an incident investigation as a normal priority.
- As defined in Auckland Transport's Asset Management Plans.

As discussed in the Financial Strategy found as 1.4, Volume 2 the introduction of the Regional Fuel Tax will allow us to significantly increase the service levels for this group of activities.

Significant negative effects

There are no significant negative effects associated with these activities, but there are some negative effects arising from these activities.

Negative effect	Our response
The road network upgrades contribute to a large number of negative environmental effects including water, air pollution and increased noise levels, and there are safety impacts.	Future planning of the transport network aims to reduce or mitigate the adverse environmental effects of further development. A connected roading and footpath network will reduce negative environmental impacts by reducing travel distances and times. Heavy metals and other contaminants will be controlled and/or treated before entering waterways.

Financial information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4-10 2021/22-2027/28	Total
Roads and Footpaths	Non-rates revenue	60,927	149,541	151,417	152,739	1,111,027	1,564,724
	Direct operating expenditure*	132,811	162,548	165,716	167,409	1,239,771	1,735,444
	Capital expenditure	599,493	518,617	514,857	621,772	5,277,853	6,933,099

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of operating funding:											
General rates, UAGCs, rates penalties	285,818	255,949	243,991	250,722	255,127	264,767	270,932	278,118	284,372	295,559	310,680
Targeted rates	44,032	1,551	1,602	1,656	1,712	1,768	1,826	1,887	1,949	2,012	2,077
Subsidies and grants for operating purposes	45,389	50,452	52,384	53,762	55,543	56,890	58,398	59,921	61,215	63,056	64,102
Fees and charges	4,537	4,502	4,499	4,497	4,495	4,494	4,492	4,490	4,489	4,487	4,486
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	11,001	94,587	94,534	94,480	94,448	94,416	94,379	94,347	94,322	94,291	94,266
Total operating funding	390,777	407,041	397,010	405,117	411,325	422,335	430,027	438,763	446,347	459,405	475,611
Applications of operating funding:											
Payment to staff and suppliers	132,811	162,548	165,716	167,409	169,912	172,373	174,899	177,035	179,372	181,829	184,354
Finance costs	81,051	86,012	84,821	82,280	78,251	70,717	63,736	57,105	52,643	56,027	66,613
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	213,862	248,560	250,537	249,689	248,163	243,090	238,635	234,140	232,015	237,856	250,967
Surplus (deficit) of operating funding	176,915	158,481	146,473	155,428	163,162	179,245	191,392	204,623	214,332	221,549	224,644
Sources of capital funding:											
Subsidies and grants for capital expenditure	139,021	302,642	350,632	385,079	383,906	339,289	422,646	423,407	375,275	454,831	578,757
Development and financial contributions	63,188	47,855	67,551	71,773	71,405	73,495	73,495	73,495	73,495	71,634	70,795
Increase (decrease) in debt	220,369	9,639	(49,799)	9,492	(61,663)	(61,962)	(40,191)	(54,141)	43,491	290,987	276,457
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0

Part 2: Our Activities
2.1 Roads and footpaths

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	422,578	360,136	368,384	466,344	393,648	350,822	455,950	442,761	492,261	817,452	926,009
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	164,693	82,063	82,449	84,758	68,911	47,205	61,955	64,182	74,491	156,551	179,271
- to improve the level of service	204,534	261,838	260,712	340,946	278,691	260,302	302,997	264,663	288,598	505,966	546,289
- to replace existing assets	230,266	174,716	171,696	196,068	209,208	222,560	282,390	318,539	343,504	376,484	425,093
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	599,493	518,617	514,857	621,772	556,810	530,067	647,342	647,384	706,593	1,039,001	1,150,653
Surplus (deficit) of capital funding	(176,915)	(158,481)	(146,473)	(155,428)	(163,162)	(179,245)	(191,392)	(204,623)	(214,332)	(221,549)	(224,644)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.2 Public transport and travel demand management

This activity covers travel demand management through efficient public transport network and parking management.

Key Activities

Public transport

Over the next few years, Auckland Transport is moving to a simpler and more integrated public transport network for Auckland. This will deliver a new network of buses and trains that will change the way people travel. The new network is a region-wide public transport network that will include frequent, connector, local and peak services.

Auckland will soon be enjoying more frequent, more connected travel where you just turn up and go at a bus stop, train station or ferry terminal. Offering flexible travel options over large parts of the city, the new network will make public transport more useful for a range of travel purposes.




The heart of the public transport new network will be the City Rail Link, a 3.5 km rail tunnel which punches through the dead end at Britomart and loops up Albert Street, with stations at Aotea Square and Karangahape Rd, before passing under the motorways to link with the Western rail line at Mt Eden. By providing easy, congestion-free access to the CBD, the City Rail Link will unlock the potential of Auckland's public transport network, with flow-on benefits across the whole of Auckland.




Parking and enforcement

Auckland Transport also manages on-street and off-street parking, including parking buildings and off-street car park sites, and enforces parking, traffic and special vehicle lane restrictions.

Auckland Transport's parking services are geared to balance demand for parking spaces with the needs of road users, residents and businesses. This is achieved through paid parking in off-street parking buildings, and through balancing supply and demand for on-street parking spaces using pay-and-display parking options, parking time restrictions, and unrestricted on-street parking.

How these activities drive Auckland Plan outcomes

 <p>Belonging & participation</p>	<p>All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential.</p>	<ul style="list-style-type: none"> • providing reliable, safe and affordable travel choices for Aucklanders to get around.
 <p>Māori identity & wellbeing</p>	<p>A thriving Māori identity is Auckland's point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders.</p>	<ul style="list-style-type: none"> • Auckland's unique Māori identity being reflected in transport infrastructure design.
 <p>Homes & places</p>	<p>Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.</p>	<ul style="list-style-type: none"> • integrating travel choices for where people live, work and play.

 <p>Environment & cultural heritage</p>	<p>Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage, for its intrinsic value, and for the benefit of present and future generations.</p>	<ul style="list-style-type: none"> • providing viable alternative to private vehicle.
 <p>Transport & access</p>	<p>Aucklanders will be able to get where they want to go more easily, safely and sustainably.</p>	<ul style="list-style-type: none"> • influencing travel demand • maximising benefits from transport technology.
 <p>Opportunity & prosperity</p>	<p>Auckland is prosperous with many opportunities and delivers a better standard of living for everyone.</p>	<ul style="list-style-type: none"> • delivering public transport services and projects that minimise barriers for productivity growth.

Key projects

- City Rail Link
- Additional electric trains (EMUs)
- Eastern Busway (formerly known as AMETI)
- Puhinui Interchange (Bus-Rail)
- Business Technology – AT HOP/Metro
- Rosedale Busway Station
- Bus Priority – Whole of Route Strategic Programme
- City Centre bus improvements
- Park and rides
- Downtown ferry redevelopment

Performance information

Overall, we will measure our performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We specify, contract for and promote public transport services and provide safe, high quality public transport infrastructure	Total public transport boardings (millions)	88.4	93.0	96.3	100.6	104.8	Increasing to 149.7
	The percentage of public transport trips that are punctual	95.2%	94.0%	94.5%	95.0%	95.5%	95.5%
	The percentage of passengers satisfied with public transport services	90%	85%	85%	85%	85%	85%
	The percentage of the total public transport cost recovered through fares ⁽¹⁾	47.1%	47-50%	46-50%	46-50%	47-50%	47-50%

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We specify, contract for and promote public transport services and provide safe, high quality public transport infrastructure	Active and sustainable mode share ⁽²⁾ at schools where Travelwise programme is implemented	49%	40%	40%	40%	40%	Increasing to 45%
	Active and sustainable mode share ⁽²⁾ for morning peak commuters where a Travelwise Choices programme is implemented	48%	40%	40%	40%	40%	Increasing to 45%

Notes to table:

1. A farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with NZ Transport Agency guidelines.
2. Active and sustainable mode share refers to the proportion of the population that use walking, cycling or public transport.

As discussed in the Financial Strategy found as 1.4, Volume 2 the introduction of the Regional Fuel Tax will allow us to significantly increase the service levels for this group of activities.

Significant negative effects

There may be significant negative effects arising from these activities.

Significant negative effect	Our response
Travel disruption and congestion due to CRL construction and maintenance of public transport infrastructure, may have a significant impact on people and the environment, including air and water pollution.	Public signage and information will be provided and alternative transport options will be encouraged. Construction will be coordinated to minimise disruption and by communicating effectively with travellers and communities likely to be affected.
Negative effect	Our response
Heavy metals and other contaminants will be controlled and/or treated before entering the water.	Air pollution will be mitigated by specifying standards relating to the emissions of heavy/construction vehicles provided by commercial and contracted operators.

Financial information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4-10 2021/22- 2027/28	Total
Public transport and travel demand management	Non-rates revenue	399,329	492,865	516,181	537,934	4,320,085	5,867,065
	Direct operating expenditure*	612,657	633,672	670,545	702,523	5,726,968	7,733,708
	Capital expenditure	237,123	219,066	379,120	273,856	2,140,246	3,012,288
Parking and enforcement	Non-rates revenue	82,347	85,876	89,041	92,190	705,644	972,751
	Direct operating expenditure*	30,743	29,347	29,053	28,904	185,964	273,268
	Capital expenditure	7,560	6,660	9,251	9,601	68,584	94,096

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of operating funding:											
General rates, UAGCs, rates penalties	286,388	310,428	350,689	355,485	391,968	505,212	531,659	543,639	563,811	595,606	604,142
Targeted rates	18,840	2,453	2,538	2,628	2,720	2,813	2,910	3,010	3,113	3,218	3,326
Subsidies and grants for operating purposes	204,241	216,672	227,140	233,862	239,781	245,835	252,125	257,204	262,009	266,267	272,222
Fees and charges	243,433	260,686	275,656	293,246	307,568	321,603	339,474	355,419	371,197	391,579	408,538
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	34,002	101,383	102,426	103,016	103,093	103,715	104,492	105,050	105,608	106,183	106,765
Total operating funding	786,904	891,622	958,449	988,237	1,045,130	1,179,178	1,230,660	1,264,322	1,305,738	1,362,853	1,394,993
Applications of operating funding:											
Payment to staff and suppliers	643,400	663,019	699,598	731,427	758,509	785,778	817,060	845,212	871,655	902,815	931,896
Finance costs	103,914	124,057	145,197	172,567	199,511	221,777	237,035	243,164	244,760	242,332	237,117
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	747,314	787,076	844,795	903,994	958,020	1,007,555	1,054,095	1,088,376	1,116,415	1,145,147	1,169,013
Surplus (deficit) of operating funding	39,590	104,546	113,654	84,243	87,110	171,623	176,565	175,946	189,323	217,706	225,980
Sources of capital funding:											

Part 2: Our Activities

2.2 Public transport and travel demand management

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Subsidies and grants for capital expenditure	263,987	56,626	122,875	90,241	87,261	91,552	129,461	137,613	136,380	125,954	52,628
Development and financial contributions	12,064	21,911	30,929	32,862	32,011	32,016	32,016	32,016	32,016	31,847	31,743
Increase (decrease) in debt	(70,958)	277,343	375,013	435,211	457,086	337,455	195,297	(10,658)	(52,467)	(175,260)	(191,088)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	205,093	355,880	528,817	558,314	576,358	461,023	356,774	158,971	115,929	(17,459)	(106,717)
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	56,211	32,096	50,697	36,546	50,606	52,674	68,671	60,361	25,684	14,882	7,064
- to improve the level of service	165,931	180,856	323,807	227,747	253,777	246,057	350,680	360,463	231,280	136,951	62,623
- to replace existing assets	22,541	12,774	13,867	19,164	25,185	30,415	39,688	45,493	48,288	48,414	49,576
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	234,700	254,100	359,100	333,900	303,500	74,300	(131,400)	0	0	0
Total applications of capital funding	244,683	460,426	642,471	642,557	663,468	632,646	533,339	334,917	305,252	200,247	119,263
Surplus (deficit) of capital funding	(39,590)	(104,546)	(113,654)	(84,243)	(87,110)	(171,623)	(176,565)	(175,946)	(189,323)	(217,706)	(225,980)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.3 Water supply

Watercare Services Limited provides essential services to Auckland. Our water and wastewater services are critical to the economic, social and environmental health and well-being of our communities.




Watercare provides 1.5 million Aucklanders with 'Aa'-grade safe and reliable drinking water. The company collects, treats and distributes drinking water from 27 water sources including rivers and underground aquifers. Around 360 million litres of water per day was supplied in 2016/2017.

Key activities

The key activities are managing and maintaining:

- 27 sources of water including 12 dams
- 15 water treatment plants
- 91 water reservoirs
- 9,096 km of water pipes.

How these activities drive Auckland Plan outcomes

 <p>Māori identity & wellbeing</p>	<p>A thriving Māori identity is Auckland's point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders.</p>	<ul style="list-style-type: none"> • support to co-governance and co-management arrangements through the provision of services and advice on water supply
 <p>Homes & places</p>	<p>Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.</p>	<ul style="list-style-type: none"> • identifying initiatives that deliver development opportunities • contributing funding that supports the provision of bulk infrastructure within Auckland, unlocking potential development
 <p>Environment & cultural heritage</p>	<p>Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage, for its intrinsic value, and for the benefit of present and future generations.</p>	<ul style="list-style-type: none"> • providing resilient infrastructure that is adaptive to future changes • managing the impact of water consumption to the environment

Key projects

Hunua 4 Watermain is a 31-kilometre water pipe that will ultimately connect the reservoirs in Redoubt Rd, Manukau, to those in Khyber Pass, Grafton. It provides security of water supply and allows for population growth in Auckland. Construction began in 2012 and is expected to be completed in 2020.

North Harbour No. 2 Watermain will service growth areas in Auckland's north by increasing the conveyance of treated water from the west to the Albany Reservoirs. It provides an additional route for conveying water from the west to the north to provide security of water supply. Currently, one pipe (North Harbour No.1) carries water from Titirangi to supply people living in the North Shore, Whangaparaoa and Orewa. This pipe was built between 1975 and 1985 and Watercare is unable to carry out maintenance on it without disrupting the local water supply. Construction will begin in 2018.

Huia Water Treatment Plant upgrade The Huia Water Treatment Plant, Auckland's third largest, is nearing the end of its operational life and needs to be replaced in order to continue supplying a growing Auckland with high quality water from the western water supply dams. Watercare is currently assessing the preferred site (Manuka Road, Waima) and undertaking further technical, ecological and geotechnical analysis with a view to lodge consent applications for the site in mid-2018.

Nihotupu No. 1 and Huia No. 1 Watermains replacement involves two critical watermains which are nearing the end of their design lives and need to be replaced. Construction is expected to be complete in 2022.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We provide Aucklanders with a reliable supply of safe water	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards ⁽¹⁾ (bacteria compliance criteria)	100%	100%	100%	100%	100%	100%
	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%	100%	100%	100%
	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	41 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins
	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	3 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours
	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 day	≤3 days	≤5 days	≤5 days	≤5 days	≤5 days
	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	2 days	≤6 days	≤6 days	≤6 days	≤6 days	≤6 days

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
	The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	6	≤10	≤10	≤10	≤10	≤10
	The percentage of real water loss from the local authority's networked reticulation system ⁽²⁾	11.9%	≤13%	≤13%	≤13%	≤13%	≤13%
	The average consumption of drinking water per day per resident within the territorial authority district	273 litres	268 litres +/- 2.5%	266 litres +/- 2.5%	264 litres +/- 2.5%	262 litres +/- 2.5%	Decreasing to 253.3 litres +/- 2.5%

Notes to table:

- Further details can be found at www.health.govt.nz/publication/drinking-water-standards-new-zealand-2005-revised-2008.
- This measure tracks unexplained water losses as a percentage of total water produced. Real Losses are defined as total water produced less water sales and accounted-for water losses.

Significant negative effects

There are no significant negative effects associated with these activities, but there are some negative effects arising from these activities.

Negative effect	Our response
Service disruption during network upgrades and new construction can have economic, social and/or environmental effects.	We are committed to minimising any detrimental effects of water supply activity where possible and encouraging water conservation. Initiatives are in place to encourage our customers and stakeholders to be efficient with their water use to reduce pressure on Auckland's water supply. In rural areas water resources are managed through resource consent processes to ensure over-allocation of aquifers and streams does not occur. Disruption from water main construction works will be mitigated by working collaboratively with service providers and informing the public of disruptions prior to work commencing and ensuring that all areas will be reinstated to original condition.
Significant catchment areas are required to collect water into reservoirs. The construction of large infrastructure projects will have effects on the environment. Dams and associated water discharges can have downstream impacts on flora and fauna ecosystems.	
Capturing finite freshwater resources in rural areas may over the long-term limit other uses, for example horticultural/agricultural activities.	Watercare carefully manages the discharges from its dams to ensure the downstream ecosystems have sufficient water flow. Compensation and free-discharge valves have been installed on all the dams which allow the release of a continuous flow of water downstream and to simulate floods and reduce algae build-up in the streams. Watercare operates a trap and haul programme for both fish and eels to ensure that migration paths of native fish species are not interrupted by the dams. Whitebait (juvenile galaxiid species) and elvers (juvenile eels) are trapped in downstream river systems and transferred to upstream of the dam. Adult migrating eels, generally between 15 and 40 years old, are caught from within the dams and transferred to suitable locations downstream to complete their breeding cycle in the sea.

Financial information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4-10 2021/22-2027/28	Total
Water supply	Non-rates revenue	203,667	218,994	228,819	236,496	1,898,109	2,582,418
	Direct operating expenditure*	78,959	80,451	83,326	85,942	693,261	942,980
	Capital expenditure	135,400	174,457	184,915	125,490	1,408,785	1,893,647

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of operating funding:											
General rates, UAGCs, rates penalties ¹	(688)	(713)	(741)	(779)	(818)	(860)	(904)	(949)	(995)	(1,043)	(1,094)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	150,117	159,593	166,301	172,587	179,538	186,873	194,991	202,220	210,019	218,047	227,108
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement ² fees and other receipts	53,550	59,401	62,518	63,909	66,401	64,975	65,732	65,572	70,872	70,365	75,398
Total operating funding	202,979	218,281	228,078	235,717	245,121	250,988	259,819	266,843	279,896	287,369	301,412
Applications of operating funding:											
Payment to staff and suppliers	78,959	80,451	83,326	85,942	89,231	92,303	96,105	99,043	102,181	105,383	109,016
Finance costs	14,644	14,038	16,841	18,443	18,134	17,604	20,272	27,310	31,826	33,097	34,555
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	93,603	94,489	100,167	104,385	107,365	109,907	116,377	126,353	134,007	138,480	143,571
Surplus (deficit) of operating funding	109,376	123,792	127,911	131,332	137,756	141,081	143,442	140,490	145,889	148,889	157,841
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0

¹ The negative general rates revenue is due to the elimination of inter-entity rates expenses.

² Infrastructure growth charges are included in this line.

Part 2: Our Activities

2.3 Water supply

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Increase (decrease) in debt	26,024	50,666	57,004	(5,842)	6,927	(6,566)	148,935	165,026	5,338	36,994	36,746
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	26,024	50,666	57,004	(5,842)	6,927	(6,566)	148,935	165,026	5,338	36,994	36,746
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	61,993	95,043	100,513	57,998	57,979	39,942	65,589	80,456	56,943	62,007	76,392
- to improve the level of service	21,731	27,031	16,068	2,293	3,064	7,212	26,267	27,628	2,719	2,986	2,573
- to replace existing assets	51,676	52,384	68,334	65,199	83,640	87,361	200,521	197,432	91,565	120,890	115,622
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	135,400	174,458	184,915	125,490	144,683	134,515	292,377	305,516	151,227	185,883	194,587
Surplus (deficit) of capital funding	(109,376)	(123,792)	(127,911)	(131,332)	(137,756)	(141,081)	(143,442)	(140,490)	(145,889)	(148,889)	(157,841)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.4 Wastewater treatment and disposal

Watercare Services Limited provides essential services to Auckland. Our water and wastewater services are critical to the economic, social and environmental health and well-being of our communities.




Watercare provides safe and reliable wastewater services to 1.5 million Aucklanders. In 2016/2017, Watercare’s wastewater network collected and treated around 458 million litres of wastewater to a high standard, every day. The two main wastewater plants servicing the majority of the region are located at Māngere on the Manukau Harbour and Rosedale on the North Shore.

Key Activities

The key activities are managing and maintaining:

- 7999 km of wastewater pipes
- 515 wastewater pump stations
- 18 wastewater treatment plants.

How these activities drive Auckland Plan outcomes

 <p>Māori identity & wellbeing</p>	<p>A thriving Māori identity is Auckland’s point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders.</p>	<ul style="list-style-type: none"> • support to co-governance and co-management arrangements through the provision of services and advice on wastewater treatment and disposal
 <p>Homes & places</p>	<p>Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.</p>	<ul style="list-style-type: none"> • identifying initiatives that deliver development opportunities • contributing funding that supports the provision of bulk infrastructure within Auckland, unlocking potential development
 <p>Environment & cultural heritage</p>	<p>Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage, for its intrinsic value, and for the benefit of present and future generations.</p>	<ul style="list-style-type: none"> • providing resilient infrastructure that is adaptive to future changes • managing the impact of wastewater discharges to the receiving environments

Key projects

Central Interceptor is a 13-kilometre wastewater pipeline to run between Western Springs and the Māngere Wastewater Treatment Plant. It will run underground at a depth of between 22 and 110 metres, crossing the Manukau Harbour at about 15 meters below the seabed. The pipeline will increase the capacity of the wastewater network, replace ageing infrastructure and reduce wet-weather wastewater overflows. Construction is likely to commence in 2019 and be completed in 2025.

Northern Interceptor is a large wastewater pipe that will divert flows from north-west Auckland, which currently connect to the Māngere Wastewater Treatment Plant, to the Rosedale Wastewater Treatment Plant on the North Shore. This has two major benefits: it utilises spare capacity at the Rosedale plant and it gives the

Māngere plant greater capacity to support growth in the central and southern areas. Construction is planned to be completed in 2021. Future planned phases are to occur when growth requires it.

Pukekohe Wastewater Treatment Upgrade will provide additional capacity to cater for population growth in the Pukekohe wastewater treatment catchment. Construction is planned to be completed in 2020.

Sub-regional Wastewater Servicing – Major wastewater treatment plant consolidation and pipe upgrades are planned for two sub-regions. The areas serviced are the south-west communities of Kingseat, Waiuku, Glenbrook and Clarks Beach and the north-east communities of Warkworth, Snells Beach and Algies Bay. At present, the wastewater treatment plants serving these communities are effective, and the upgrades will cater for population growth and produce high-quality treated wastewater for discharge. Construction of the upgrades in the north-east is planned for completion in 2022. The south-west servicing scheme is currently under appeal.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We collect and treat Auckland's waste water in a safe and sustainable way	The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	0.4	≤10	≤10	≤10	≤10	≤10
	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	a) 0	a) ≤2	a) ≤2	a) ≤2	a) ≤2	a) ≤2
		b) 0	b) ≤2	b) ≤2	b) ≤2	b) ≤2	b) ≤2
		c) 0	c) ≤2	c) ≤2	c) ≤2	c) ≤2	c) ≤2
d) 0		d) 0	d) 0	d) 0	d) 0	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	50 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins	
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	3 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours	

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
	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	24	≤50	≤50	≤50	≤50	≤50

Significant negative effects

There are no significant negative effects associated with these activities, but there are some negative effects arising from these activities.

Negative effect	Our response
Watercare's wastewater network effectively moves wastewater from private properties to our wastewater treatment plants. However, during periods of heavy rainfall, wet-weather overflows occur when the volume of stormwater entering the wastewater network exceeds the capacity of our pipes. This is different to dry-weather overflows, which occur when there is a build-up of fat or items like wet wipes in a pipe. These things don't break down in water. Instead, they form large, impenetrable clumps that block pipes and cause overflows.	Watercare operates a preventive maintenance programme, with regular inspections and clearing of known blockage points and has an emergency overflow response and clean-up procedure. We have an Auckland-wide bio solids strategy and are trialling screens on overflow structures to remove solid material from wastewater discharges. Work programmes also include upgrades of non-metropolitan treatment plants, environmental monitoring and sampling programmes. Long-term responses include interceptors planned for the central, western and northern areas.

Financial information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4-10 2021/22-2027/28	Total
Wastewater	Non-rates revenue	377,011	405,872	426,319	444,637	3,696,544	4,973,372
	Direct operating expenditure*	132,471	136,230	141,404	146,162	1,188,242	1,612,038
	Capital expenditure	223,063	299,629	347,806	469,731	2,465,509	3,582,675

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of operating funding:											
General rates, UAGCs, rates penalties ¹	(1,471)	(1,504)	(1,563)	(1,643)	(1,727)	(1,815)	(1,907)	(2,003)	(2,100)	(2,201)	(2,308)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	324,327	347,566	364,985	381,718	400,171	419,751	441,392	461,317	482,873	505,270	530,423
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts ²	52,684	58,306	61,334	62,919	65,617	65,023	66,228	66,669	62,251	62,551	67,009
Total operating funding	375,540	404,368	424,756	442,994	464,061	482,959	505,713	525,983	543,024	565,620	595,124
Applications of operating funding:											
Payment to staff and suppliers	132,471	136,230	141,404	146,162	151,439	157,656	163,835	169,891	175,655	181,545	188,210
Finance costs	80,185	76,860	83,988	95,061	106,979	118,168	126,568	134,052	138,290	138,649	138,363
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	212,656	213,090	225,392	241,223	258,418	275,824	290,403	303,943	313,945	320,194	326,573
Surplus (deficit) of operating funding	162,884	191,278	199,364	201,771	205,643	207,135	215,310	222,040	229,079	245,426	268,551
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0

¹ The negative general rates revenue is due to the elimination of inter-entity rates expenses.

² Infrastructure growth charges are included in this line.

Part 2: Our Activities

2.4 Wastewater treatment and disposal

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Increase (decrease) in debt	60,179	108,351	148,442	267,960	277,173	239,713	175,027	173,492	(3,354)	5,793	4,483
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	60,179	108,351	148,442	267,960	277,173	239,713	175,027	173,492	(3,354)	5,793	4,483
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	124,923	193,664	235,844	296,528	303,652	249,714	166,683	163,771	80,258	94,147	134,921
- to improve the level of service	10,165	35,362	43,323	84,983	95,176	88,491	89,181	114,809	42,232	41,126	43,681
- to replace existing assets	87,975	70,603	68,639	88,220	83,988	108,643	134,473	116,952	103,235	115,946	94,432
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	223,063	299,629	347,806	469,731	482,816	446,848	390,337	395,532	225,725	251,219	273,034
Surplus (deficit) of capital funding	(162,884)	(191,278)	(199,364)	(201,771)	(205,643)	(207,135)	(215,310)	(222,040)	(229,079)	(245,426)	(268,551)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.5 Stormwater management

This group of activities include the operation and maintenance of an extensive network of built and natural stormwater infrastructure and implementation of projects funded through the water quality targeted rate.

Key Activities




Auckland Council's stormwater management, flood protection and control, and waterways management functions including:

- Improving water quality through the management and regulation of land uses, runoff, private discharges and public drainage.
- Operating and maintaining an extensive network of natural and built stormwater systems.
- Planning, design, and construction of new stormwater systems, flood protection and control structures, and waterway enhancements.
- Management and enhancement of waterways and aquifers.

These activities will continue our investment in an extensive network of built and natural stormwater infrastructure for environmental protection, renewals, safety concerns and the provision for priority growth areas.

It is important to note that under the Local Government Act, councils are required to show flood protection and control works (such as major stop banks and dams) designed to protect urban and rural areas from flooding, as a separate group of activities. Due to the relatively short river catchments in the Auckland Region, Auckland Council does not have any flood protection and control works of a size and scale that qualify as major flood protection and control schemes under the criteria relating to reporting requirements set out in the Non-Financial Performance Measure Rules 2013. Therefore, the council manages any minor flood protection and control works within our stormwater management activity.

How these activities drive Auckland Plan outcomes

 <p>Māori identity & wellbeing</p>	<p>A thriving Māori identity is Auckland's point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders.</p>	<ul style="list-style-type: none"> • support to co-governance and co-management arrangements through the provision of services and advice on stormwater management arrangements
 <p>Homes & places</p>	<p>Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.</p>	<ul style="list-style-type: none"> • identifying initiatives that deliver development opportunities • contributing funding that supports the provision of bulk infrastructure within Auckland, unlocking potential development
 <p>Environment & cultural heritage</p>	<p>Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage, for its intrinsic value, and for the benefit of present and future generations.</p>	<ul style="list-style-type: none"> • providing resilient infrastructure that is adaptive to future changes • managing the impact of stormwater discharges to the receiving environments • supporting and delivering projects that embed water-sensitive urban design and future-proofed infrastructure

Key projects

Over the 10 years of LTP 2018-2028, the council will optimise and improve water outcomes for Auckland through key infrastructure initiatives described below:

- Design and deliver stormwater upgrade and improvement projects:
 - Takanini Cascades and Grove Road Culvert (including land purchase) – A new open channel and culvert incorporating cascading weirs, and associated green space to convey up to 100-year flood flows to service the Takanini Growth Areas.
 - Takanini School Road Area and Popes Road – A new trunk pipeline along Takanini School Road and a stormwater quality pond at 2 Popes Road to service development as per Takanini Plan Change 6A and 6B.
 - Ports of Auckland Outfall Upgrade – Design and installation of a 3.3 metres diameter stormwater pipe from the south side of Quay Street across Ports of Auckland to the Waitematā Harbour. This is to replace the existing pipeline which is in poor condition.
 - Oakley Walmsley and Underwood Park stream conveyance – Upgrade culverts and widening of Oakley Creek through Walmsley Park to convey flood flows to enable intensification and redevelopment in the upper catchment.
- Implement the water quality improvement programme, through delivering joint initiatives by Watercare, Auckland Transport and Auckland Council to upgrade critical stormwater and wastewater network infrastructure that the council is responsible for, such as the Western Isthmus Water Quality Improvement programme (WIWQIP). This will improve water quality in the receiving environment, reduce wastewater overflows and unlock the potential of the area for business and residential growth. This will be achieved through investment in green infrastructure, stormwater treatment, network extensions and combined sewer separation projects to allow capacity for growth, reduce wastewater overflows and improve infrastructure resilience. Key examples are as follows:
 - Central Interceptor consisting of a tunnel with a diameter of 4.5 metres from the Māngere Wastewater Treatment Plant to Western Springs (and potentially beyond to Saint Marys), together with a terminal pump station and link sewers, which will collect wastewater and stormwater from parts of the combined network in the western isthmus area and convey them to the Māngere Wastewater Treatment Plant.
 - Picton Street the separation of the combined wastewater/stormwater system on Picton Street and installation of new stormwater network to reduce wastewater overflow volumes to Wynyard Wharf outfall and alleviate property flooding.
 - Saint Marys Bay/Masefield Beach stormwater upgrade – A collaborative project between Healthy Waters, Watercare and Panuku to divert combined sewer overflows from Saint Marys Bay and Masefield beach to a discharge point further out in the harbour; and renewal of a failing stormwater coastal outfall.

Other water quality improvement programmes include:

- a programme to reduce contaminants such as sediments and heavy metals entering waterways
 - rehabilitation of urban and rural streams – e.g. Oamaru creek in East Tamaki
 - introduction of a proactive onsite waste water monitoring programme
 - development of a safe networks programme to investigate sources of contamination coming into stormwater system from cross connections and other types of unconsented discharge.
- Deliver on the National Policy Statement for Freshwater Management for Auckland

In addition, to support the development of the above water quantity and quality initiatives, a comprehensive communication and education programme to encourage water sensitive and low impact design for stormwater infrastructure, optimisation of operational practices, as well as asset and service risk management will be undertaken.

Performance information

Overall, we will measure our performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We 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	N/A	1 per 1000 properties	1 per 1000 properties	1 per 1000 properties	1 per 1000 properties	1 per 1000 properties
	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	N/A	2 hours	2 hours	2 hours	2 hours	2 hours
	The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system	1.01 per 1000 properties	3 per 1000 properties	3 per 1000 properties	3 per 1000 properties	3 per 1000 properties	3 per 1000 properties
	The percentage of response time during storms to close stormwater manholes within three hours	N/A	New Measure	90%	90%	90%	90%
We manage our harbours and waterways through sustainable management of the stormwater network	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 to those resource consents	0	0	0	0	0	0
We provide safe water quality at beaches and coastal areas for recreation (Auckland swimmability Index)	The proportion of time beaches are suitable for contact recreation during the summer swimming season (1 November to 30 April)	N/A	New Measure	78%	79%	80%	Increasing 1% every year to 87% in 2027/28

As discussed in the Financial Strategy found as 1.4, Volume 2 the introduction of the Water Quality Targeted Rate will allow us to significantly increase the service levels for this group of activities.

Significant negative effects

There are no significant negative effects associated with these activities, but there are some negative effects arising from these activities.

Negative effect	Our response
Stormwater which is not treated can pollute harbours by transporting environmental contaminants. It can also degrade streams and rivers in heavy rainfall, and cause property damage as well as potentially impact on the environment with associated health risks.	We are enhancing our current treatment programme to reduce the effects of stormwater. We will 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 are also actively looking at water sensitive design options to better manage and filter stormwater contaminants. Our regular maintenance programme will help reduce risks.

Financial information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4-10 2021/22-2027/28	Total
Stormwater	Non-rates revenue	2,132	2,168	2,212	2,256	17,090	23,726
	Direct operating expenditure*	35,983	45,724	48,375	50,146	473,716	617,961
	Capital expenditure	103,154	121,477	134,978	128,863	998,349	1,383,667

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of operating funding:											
General rates, UAGCs, rates penalties	86,750	122,112	121,812	120,022	126,346	134,946	144,736	152,799	159,622	167,171	172,663
Targeted rates	38	40,976	41,696	42,529	43,363	44,235	45,106	45,963	46,836	47,726	48,633
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2,132	2,168	2,212	2,256	2,301	2,347	2,394	2,442	2,474	2,541	2,591
Total operating funding	88,920	165,256	165,720	164,807	172,010	181,528	192,236	201,204	208,932	217,438	223,887
Applications of operating funding:											
Payment to staff and suppliers	27,475	31,250	34,221	37,684	41,432	44,459	48,760	52,613	56,554	60,932	65,243
Finance costs	14,647	17,025	15,941	14,560	12,722	10,977	9,254	7,419	5,549	3,490	1,352
Internal charges and overheads applied	8,508	14,474	14,154	12,462	12,172	12,980	14,854	15,002	15,375	16,629	16,707
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	50,630	62,749	64,316	64,706	66,326	68,416	72,868	75,034	77,478	81,051	83,302
Surplus (deficit) of operating funding	38,290	102,507	101,404	100,101	105,684	113,112	119,368	126,170	131,454	136,387	140,585
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	55,647	42,431	59,895	63,638	56,550	52,558	52,558	52,558	52,558	50,468	49,276
Increase (decrease) in debt	9,217	(23,461)	(26,321)	(34,876)	(28,701)	(27,825)	(31,360)	(33,577)	(37,516)	(41,018)	(40,938)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	64,864	18,970	33,574	28,762	27,849	24,733	21,198	18,981	15,042	9,450	8,338
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	31,088	46,915	48,551	47,501	55,838	52,492	41,569	37,862	38,176	42,352	42,122
- to improve the level of service	32,389	35,935	48,086	51,904	47,956	51,557	62,717	70,673	70,616	66,779	69,083
- to replace existing assets	39,677	38,627	38,341	29,458	29,739	33,796	36,280	36,616	37,704	36,706	37,718
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	103,154	121,477	134,978	128,863	133,533	137,845	140,566	145,151	146,496	145,837	148,923
Surplus (deficit) of capital funding	(38,290)	(102,507)	(101,404)	(100,101)	(105,684)	(113,112)	(119,368)	(126,170)	(131,454)	(136,387)	(140,585)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.6 Local council services

Local council services focus on activities governed locally by Auckland Council's 21 Local Boards. While primarily centring on community services and public spaces, these services also include programmes to improve local environmental and economic development outcomes.

Key activities

- **Local community services**

Local community services contribute to community wellbeing and a sense of belonging by increasing participation in local events, programmes and activities, across library information and literacy services, arts and culture, parks sport and recreation and, events facilitation. These services are provided through the provision of community facilities and spaces that are owned or managed by the council, and in some instances through community group partnerships.

Community-led action and volunteering is supported through provision of local grants programmes, community leases, advice and activities where local communities or communities of interest can get involved and shape the way we deliver services or provide community assets.

Celebrating our cultural heritage means Auckland has a unique point of difference. Investment in dual-naming (Te Reo and English) of our libraries, community facilities, parks and landmarks connect us with the rich history of Auckland as a place, while programmes such as Auckland Libraries Dare to Explore summer reading programme (provided in English and Te Reo) mean all Aucklanders have opportunities to learn our official language.

- **Local environmental management**

Local environmental management activities include local habitat restoration, pest animal and plant control, species management, native planting, water quality improvements, support for community environmental initiatives, local low carbon, sustainability and zero waste activities and local environmental education programmes.

- **Local planning and development**

Local planning and development includes local business area planning, local street environment and town centres and local environment and heritage protection. These activities are economic, environmental, heritage and spatial projects, and enable plans for and delivery of great local places. This activity also includes grants made to Business Improvement Districts (BIDs), which are funded by a targeted rate.

- **Local governance**

Local governance activities support our 21 local boards to engage with and represent their communities, make decisions on local activities and support local board input into regional plans, policies and strategies. This support also includes providing strategic advice, leadership of the preparation of local board plans, support in developing Local Board Agreements, community engagement including relationships with mana whenua and Māori communities, and democracy and administrative support.

How these activities drive Auckland Plan outcomes

 <p>Belonging & participation</p>	<p>All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential.</p>	<ul style="list-style-type: none"> • provision of social policy • supporting community organisations and providing community facilities and services • funding events and other initiatives that celebrate and showcase Auckland’s diversity • encouraging participation in the decision-making process by a range of diverse groups and communities through advisory panels.
 <p>Māori identity & wellbeing</p>	<p>A thriving Māori identity is Auckland’s point of difference in the world that advances prosperity for Māori and benefits all Aucklanders.</p>	<ul style="list-style-type: none"> • provision of support to co-governance and co-management arrangements.
 <p>Homes & places</p>	<p>Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.</p>	<ul style="list-style-type: none"> • delivering projects and initiatives that provide public places and spaces.
 <p>Environment & cultural heritage</p>	<p>Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage for its intrinsic value and for the benefit of present and future generations.</p>	<ul style="list-style-type: none"> • delivering projects and initiatives that protect and enhance the environment and cultural heritage • encouraging environmental stewardship by the community.
 <p>Transport & access</p>	<p>Aucklanders will be able to get where they want to go more easily, safely and sustainably.</p>	<ul style="list-style-type: none"> • Local planning considers accessibility and transport outcomes.
 <p>Opportunity & prosperity</p>	<p>Auckland is prosperous with many opportunities and delivers a better standard of living for everyone.</p>	<ul style="list-style-type: none"> • providing services that encourage lifelong learning and training with a focus on those most in need.

Key projects

Local community services

Focus on improving service to customers by:

- Joining up our services and programmes in new and existing service sites so that customers can access literacy, digital literacy, learning, arts and cultural programmes, community networking spaces, public information and wider council services from three multipurpose library and community hubs at Westgate, Takanini and Flatbush and a new library and community centre in Avondale.
- Making it easy for people to get out and about and be physically active by continuing our walkway and trail programme with further development of the Tamaki, Norana Park and Te Whau walkways and continuing our sports parks redevelopment programme with investment in parks such as Rautawhiri park, Hobsonville Point/Scotts Road, Fowlds park and Colin Maiden park.
- Serving new communities or addressing gaps in provisions for learn to swim, community recreation and fitness programmes and having fun as a family by completing a new pool and recreation facility at Flatbush and a second at New Lynn or Avondale. Planning for a new pool in the Northwest and Albert-Eden will also commence.
- Continued investment through renewals for existing assets to ensure they are fit for purpose and maintained to a good standard.
- Connecting people and nature through an ongoing parks development programme with further development at Marlborough, Moire, Keith Hay, Crown Lynn, Barry Curtis parks.
- Working with local boards to support the One Local Board Initiatives programme through development of business cases to allocate investment and delivery of projects.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We provide library services and programmes that support Aucklanders with reading and literacy, and opportunities to participate in community and civic life	The number of visits to library facilities	11.9 million	11.4 million	11.0 million	10.5 million	10.0 million	Decreasing to 7.8 million
	The number of internet sessions at libraries (unique sessions over public computing or public WIFI networks)	7.4 million	7.5 million	7.9 million	7.9 million	7.9 million	7.9 million
	Percentage of customers satisfied with the quality of library service delivery	80%	90%	85%	85%	85%	85%
We provide recreation programmes, opportunities and facilities to get Aucklanders more active, more often	The percentage of park visitors who are satisfied with the overall quality of sportsfields	73%	73%	74%	74%	74%	74%
	The customers' Net Promoter Score for Pool and Leisure Centres ⁽¹⁾	27	27	29	29	29	29

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We provide safe and accessible parks, reserves and beaches	The percentage of users who are satisfied with the overall quality of local parks	72%	75%	73%	73%	73%	73%
	The percentage of residents who visited a local park in the last 12 months	83%	85%	83%	83%	83%	83%
Provide safe, reliable and accessible social infrastructure for Aucklanders that contributes to placemaking and thriving communities	Percentage of Aucklanders that feel their local town centre is safe - day time	80%	84%	80%	80%	80%	80%
	Percentage of Aucklanders that feel their local town centre is safe - night time	35%	55%	40%	40%	40%	40%
We fund, enable and deliver community events and experiences that enhance identity and connect people	The number of attendees at Council-led community events ⁽²⁾	N/A	New measure	62,500	62,500	62,500	62,500
	The percentage of attendees satisfied with a nominated local community event ⁽³⁾	N/A	New measure	73%	73%	73%	73%
We fund, enable and deliver arts and culture experiences that enhance identity and connect people	The percentage of arts, and culture programmes, grants and activities that are community led ⁽⁴⁾	N/A	New measure	77%	77%	77%	77%
Utilising the Empowered Communities Approach, we support Aucklanders to create thriving, connected and inclusive communities	The percentage of Empowered Communities activities that are community led ⁽⁴⁾	N/A	New measure	35%	40%	45%	45%
	The percentage of Empowered Communities activities that build capacity and capability to assist local communities to achieve their goals	N/A	New measure	30%	35%	40%	40%
We provide art facilities, community centres and hire venues that enable	The number of participants in activities at art facilities, community centres and hire venues	N/A	New measure	5.9 million	6.0 million	6.1 million	6.1 million

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
Aucklanders to run locally responsive activities, promoting participation, inclusion and connection	The percentage of art facilities, community centres and hire venues network that is community led ⁽⁴⁾	N/A	New measure	57%	60%	62%	62%
We showcase Auckland's Māori identity and vibrant Māori culture	The percentage of local programmes, grants and activities that respond to Māori aspirations	N/A	New measure	11.4%	11.4%	11.4%	11.4%

Notes to table

1. Net promoter score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a product or service to others.
2. Council-led events are those primarily funded by the council (excluding sponsorship) and council staff plan or deliver the event.
3. Each local board will nominate an event from the council-led events programme held in their board area for which attendees will be surveyed on their satisfaction.
4. Community led activities are those where the main deliverer of the programme is not council staff and the deliverers receive some support from council. Support is either in the form of funding or brokerage for the programme to happen, council doesn't have control over the programme.

Local environmental management

- Continue to work closely with community groups, schools and iwi to improve water quality and biodiversity through local board investment, for example through the North West Wild Link, Industry Pollution Prevention Programmes and local restoration activities.
- Ongoing delivery of local board funded ecological restoration or water quality initiatives.
- Supporting local Pest Free Auckland initiatives such as community rat and possum trappers, weed control and community restoration groups.
- Localised low carbon programmes to support local actions at a household level such as Healthy Rentals, Love Your Neighbourhood, Eco Neighbourhoods and Low Carbon Networks.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We manage Auckland's natural environment	The proportion of local programmes that deliver intended environmental actions and/or outcomes	96%	90%	98%	98%	98%	98%

Local planning and development

- Developing plans for town centres and local areas
- Identifying and protecting heritage places and providing heritage advice.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We help attract investment, businesses and a skilled workforce to Auckland	The percentage of Business Associations meeting their Business Improvement District (BID) Partnership Programme obligations	98%	100%	100%	100%	100%	100%

Local governance

- Develop and deliver three-yearly local board plans.
- Develop annual local board agreements (budgets).
- Develop and deliver a three-year development programme for all elected members.
- Support local boards input into regional strategies, policies and plans.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We provide opportunities for Māori to contribute to community and civic life	The number of local boards that have signed a formal relationship agreement with at least one iwi (Out of 21)	N/A	New measure	15	21	21	21

Significant negative effects

There are no significant negative effects associated with these activities, but there are some negative effects arising from these activities.

Negative effect	Our response
To manage the risk of pest plants and pest animals on our indigenous biodiversity and primary productivity our biosecurity activities may result in negative impacts due to the use of toxins.	To manage the potential negative effects arising from toxin use council complies with all appropriate standards and regulations. This ensures that any negative effects are avoided, minimised or mitigated.

Financial information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4-10 2021/22-2027/28	Total
Local community services	Non-rates revenue	41,713	39,229	40,614	41,809	320,974	442,626
	Direct operating expenditure*	246,906	282,081	282,129	281,676	2,109,934	2,955,820
	Capital expenditure	152,938	149,324	145,507	203,462	1,643,276	2,141,569
Local environmental management	Non-rates revenue	0	0	0	0	0	0
	Direct operating expenditure*	4,485	6,232	1,204	1,176	8,774	17,386
	Capital expenditure	0	0	0	0	0	0
Local planning and development	Non-rates revenue	0	0	0	0	0	0
	Direct operating expenditure*	2,625	1,668	287	279	2,326	4,560
	Capital expenditure	33,581	20,509	2,514	2,495	18,252	43,770
Local governance	Non-rates revenue	0	0	0	0	0	0
	Direct operating expenditure*	27,890	19,591	24,732	24,185	168,042	236,550
	Capital expenditure	0	0	0	0	0	0

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of operating funding:											
General rates, UAGCs, rates penalties	281,398	318,292	329,768	343,163	361,544	379,028	397,870	417,529	438,904	465,163	488,164
Targeted rates	17,978	18,754	18,872	19,272	19,681	20,099	20,527	20,963	21,409	21,865	22,331
Subsidies and grants for operating purposes	7,713	4,384	4,471	4,561	4,652	4,745	4,841	4,937	5,036	5,137	5,240
Fees and charges	28,251	32,117	32,888	33,636	34,341	35,067	35,806	36,554	37,321	38,105	38,909
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	5,749	2,728	3,255	3,612	3,768	3,956	4,143	4,315	4,499	4,697	4,908
Total operating funding	341,089	376,275	389,254	404,244	423,986	442,895	463,187	484,298	507,169	534,967	559,552
Applications of operating funding:											
Payment to staff and suppliers	254,282	273,027	278,369	283,621	288,435	293,388	298,196	303,146	308,148	313,207	318,411
Finance costs	45,164	51,437	60,408	69,556	78,551	83,975	89,569	97,365	108,485	121,196	131,937
Internal charges and overheads applied	44,736	54,235	47,050	40,762	38,390	39,542	42,235	41,150	40,916	42,241	41,144
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	344,182	378,699	385,827	393,939	405,376	416,905	430,000	441,661	457,549	476,644	491,492
Surplus (deficit) of operating funding	(3,093)	(2,424)	3,427	10,305	18,610	25,990	33,187	42,637	49,620	58,323	68,060

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of capital funding:											
Subsidies and grants for capital expenditure	75	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	14,496	33,027	46,620	49,533	49,221	51,255	51,255	51,255	51,255	50,750	50,602
Increase (decrease) in debt	173,041	137,230	97,974	146,119	97,902	58,677	126,239	142,260	237,063	192,548	154,822
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	187,612	170,257	144,594	195,652	147,123	109,932	177,494	193,515	288,318	243,298	205,424
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	61,124	43,400	28,320	61,902	50,244	10,885	31,902	45,828	76,811	64,250	49,564
- to improve the level of service	29,445	41,150	27,100	57,685	44,503	40,881	84,456	96,197	137,967	123,390	108,529
- to replace existing assets	95,950	85,283	92,601	86,370	70,986	84,156	94,323	94,127	123,160	113,981	115,391
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	(2,000)	(2,000)	0	0	0	0	0	0	0	0	0
Total applications of capital funding	184,519	167,833	148,021	205,957	165,733	135,922	210,681	236,152	337,938	301,621	273,484
Surplus (deficit) of capital funding	3,093	2,424	(3,427)	(10,305)	(18,610)	(25,990)	(33,187)	(42,637)	(49,620)	(58,323)	(68,060)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.7 Regionally delivered council services

Auckland Council directly delivers a range of regional service-based activities which aims to create a city with great neighbourhoods, centres, parks and public spaces that are loved by Aucklanders. We also support the Mayor and councillors governing Auckland for the benefit of ratepayers, citizens and communities.

Key activities

- **Regional community services**

This activity includes regional parks, programmes and services, holiday parks, baches and camping, cemeteries and crematoria and parks co-governance services. We also invest in other organisations to deliver events, arts and cultural, sport and recreation, and community outcomes through provision of a regional grants programme.

Our customers and communities' information, learning and recreation needs are changing when it comes to what they expect to access from our regional library collections. A greater shift to new technologies and formats like e-books will be complemented by a focus on capturing the stories of Auckland through heritage and photographic collections. These collections are funded regionally and distributed locally.

Regional community services also include:

- management and service support for our local council services such as library and information services, events, recreation, community empowerment, arts and culture, community parks, centres and venues
- community facilities and parks asset management including new builds and renewals, maintenance, community leasing, land advisory services, and project support for community-led projects that deliver assets.

- **Regulatory services**

Regulatory services perform consenting and inspection services for resource, building, and development engineering consents. We license food and alcohol premises, manage the city's bylaws, dog control, noise control, provide property information and enforce compliance for non-compliant development. These services contribute to the successful development of Auckland.

- **Waste services**

Waste services manage the region's kerbside domestic refuse, recycling, hazardous and inorganic waste, public litterbins, and community recycling centres, as well as loose litter. Implementing Auckland's Waste Management and Minimisation Plan 2018 (WMMP) will be a key focus.

There are 200 closed landfills in the Auckland region. Engineering and technical services invest in remedial works to the surface and internal infrastructure, and undertake operational management of sites to minimise effects of leachate and gas discharges.

- **Regional planning**

Regional planning services comprise Auckland strategy and research, Unitary and area planning, community and social policies, Natural environment and heritage protection, urban design, Housing and infrastructure and the Southern and Western Initiatives.

The priorities are:

- Delivery of the Auckland Plan including integrated strategies and ongoing research, analysis and monitoring of housing, urban development, infrastructure, transport, natural environment and sustainability & climate change
- Developing plans for town centres and local areas, identifying and protecting heritage places and providing heritage advice

- Policy advice on regional and local investment in community services, social issues, public safety and order. Advice and protection program for Heritage Assets
- Provision of urban design and landscape inputs into the regulatory process, management of design review panels program, refresh and implementation of the City Centre Masterplan, activation and placemaking within the City Centre
- Delivery of the Southern Initiative transformation programme in South Auckland (focussed on shared prosperity, resilience and thriving children and whanau) and extension of programme to West Auckland
- Enabling the delivery of major development, including housing (and Māori housing), through programme management, advice on infrastructure and development strategy. In addition, carrying out negotiations to secure the necessary finance and funding agreements to deliver developments.

- **Environmental services**

Environmental services are responsible for managing the region's biodiversity and biosecurity on public and private land, enabling Aucklanders to adopt low carbon behaviours, and fostering environmental stewardship.

Managing our natural environment supports Auckland's native flora and fauna to flourish. This is achieved through implementing Auckland's Indigenous Biodiversity Strategy, the Regional Pest Management Plan, marine biosecurity initiatives and other projects funded through the natural environment targeted rate. Aucklanders are enabled to adopt low carbon behaviours to ensure Auckland meets its carbon emissions target through the implementation of the Low Carbon Action Plan.

Environmental services is also responsible for fostering youth kaitiakitanga and direct sustainability and resilience outcomes through youth-led action across environmental outcome areas including waste, water, biodiversity and low carbon.

- **3rd party amenity & grant**

Auckland Council contributes funding to the Auckland War Memorial Museum and the Museum of Transport and Technology (MOTAT). We also contribute funding to 10 other independent regional organisations through the Auckland Regional Amenities Funding Act. This supports those organisations in their delivery of services and facilities to Auckland residents.

- **Regional governance**

Regional governance manages local elections, provides support to the mayoral office, councillors and CCOs, and supports the decision-making process of the governing body and its committees. This activity also includes enabling effective Māori participation in the council's regional governance processes, administering remuneration and expenses of elected members, running hearings, and supporting advisory panels and boards.

- **Auckland emergency management**

Auckland emergency management work with Auckland Council's partner agencies and stakeholders to ensure effective response to, and recovery from, hazard events in Auckland.

The priorities are:

- reducing risks from hazards to Auckland
- increasing community awareness, understanding preparedness and participation in emergency management
- enhancing Auckland's capability to manage disasters; and
- enhancing Auckland's capability to recover from disasters.

• **Investment**

Auckland Council holds 100 per cent of the shares in Ports of Auckland Limited (POAL) as well as 22.3 per cent of the shares in Auckland International Airport Limited (AIAL), a New Zealand Stock Exchange (NZX) listed entity.

The council is focused on management of investments in POAL and AIAL to provide an efficient structure for the ownership of these assets.



• **Organisational support**

The services provided in this activity support the operational functioning of the council, and the day to day services it provides to decision makers (the governing body and local boards) and the public as those receiving the council services.

These include finance, procurement, corporate property, information communications and technology, people and performance, legal and risk, technical services and communications and engagement.

How these activities drive Auckland Plan outcomes

 <p>Belonging & participation</p>	<p>All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential.</p>	<ul style="list-style-type: none"> • provision of social policy • supporting community organisations and providing community facilities and services • funding events and other initiatives that celebrate and showcase Auckland’s diversity • encouraging participation in the decision-making process by a range of diverse groups and communities through advisory panels.
 <p>Māori identity & wellbeing</p>	<p>A thriving Māori identity is Auckland’s point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders.</p>	<ul style="list-style-type: none"> • provision of support to co-governance and co-management arrangements • active partnering with others e.g. The Southern Initiative • advancing Māori identity and culture • support delivery of Papakāinga and Māori housing.
 <p>Homes & places</p>	<p>Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.</p>	<ul style="list-style-type: none"> • delivering projects and regulatory services that unlock development opportunities • partnering with developers through the qualified partner service and the premium service (consents) • investigating and advocating for measures that support security of tenure for rental housing • championing good design • securing funding and delivery of supporting infrastructure to enable delivery of housing.
 <p>Transport & access</p>	<p>Aucklanders will be able to get where they want to go more easily, safely and sustainably</p>	<ul style="list-style-type: none"> • integrating land-use and transport factors when making decisions on timing and location of development • planning for cycling and walking in new development.

 <p>Environment & cultural heritage</p>	<p>Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage for its intrinsic value and for the benefit of present and future generations.</p>	<ul style="list-style-type: none"> • supporting and delivering projects that embed water-sensitive urban design and future-proofed infrastructure • encouraging environmental stewardship by the community • delivering regulatory services that consider Auckland's environment and cultural heritage.
 <p>Opportunity & prosperity</p>	<p>Auckland is prosperous with many opportunities and delivers a better standard of living for everyone.</p>	<ul style="list-style-type: none"> • delivering projects and regulatory services that support innovation and productivity growth • providing services to encourage lifelong learning and training with a focus on those most in need.

Regional Community Services

Key projects

- Increasing focus on digital services by providing Aucklanders with information and services that makes their lives easy and enjoyable. Auckland Libraries will increasingly focus on innovation and technology with their regionally funded collections. Improving access to information that Aucklanders need to participate and contribute to shaping council decisions and the way we deliver our services will be a priority.
- Investing in sector and community-led arts and cultural activities, events, community development and safety is reconfirmed with an increase of \$4.3 million grants funding for the Regional Grants Programme.
- Expanding cemeteries and crematoria to meet the needs of a growing Auckland. We will develop the southern block at North Shore Memorial Park and new areas at Waikumete and at Manukau Memorial Park cemeteries. Over the next 10 years we will need to decide how we continue to meet demand and will investigate new cemetery provision in the north of the city.
- Investing in our existing regional parks like Tawharanui and Te Arai and in new initiatives like the Pacific pathway and extending the carpark to accommodate increased visitors at Botanic Gardens. In addition the Sculpture in the Gardens event is secured through additional ongoing investment of \$1 million over 10 years.
- Supporting Tūpuna Maunga o Tāmaki Authority to protect and restore the maunga, progress the development of visitor infrastructure and support the UNESCO world heritage bid.
- Supporting the Ngāti Whātua Ōrākei Reserves Board through the construction of an iconic Pou at the harbour entrance and restoration and construction of infrastructure at Pourewa Creek Recreation Reserve.
- Supporting Te Poari o Kaipātiki ki Kaipara to improve the health and safety of its facilities at the reserve and the commencement of infrastructure investment to develop the front of the reserve to provide an enhanced public space.
- Replacing and renewing coastal assets, including the Orewa seawall project. Coastal compartment management plans will be developed which will inform the coastal asset management plan. This will prioritise the need for protection and development of new coastal assets using the \$90 million of additional capex approved in the LTP for this purpose.
- Implementing Auckland Council Sports Facilities Investment Plan, which will provide the framework for the newly established Sport and Recreation Facilities Investment Fund. Decisions on allocation will be made by the relevant committee.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We provide library services and programmes that support Aucklanders with reading and literacy, and opportunities to participate in community and civic life	The number of library items checked out (including e-items)	15.3 million	15.0 million	14.6 million	14.2 million	14.0 million	13.3 million
	The number of website sessions on Auckland Libraries website (corrected for the percentage of bounces, or non-productive page landings)	N/A	New measure	7.0 million	7.5 million	8.0 million	9.0 million
	The number of active library members (members who have used their membership account at least once in the past 12 months)	N/A	New measure	0.39 million	0.39 million	0.38 million	0.37 million
We deliver region-wide graffiti eradication services to improve the beautification of the city and enhance perceptions of safety and wellbeing	The percentage of all assets that are graffiti free across the city	94%	94%	95%	95%	95%	95%
We fund, enable and deliver arts and culture experiences that enhance identity and connect people	The percentage of eligible capital budget dedicated to public art	N/A	New measure	1%	1%	1%	1%
We showcase Auckland's Māori identity and vibrant Māori culture	The percentage of regional programmes, grants and activities that respond to Maori aspirations	N/A	New measure	13.9%	15.5%	17.2%	17.2%
We provide rental services to older tenants and maintain the older persons property portfolio	The percentage of tenants satisfied with provision and management of 'housing for older people'	62%	75%	76%	77%	78%	Increasing to 80%

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We provide and maintain cemeteries, memorial areas and facilities for families, friends and visitors	The percentage of visitors satisfied with the presentation of cemeteries	75%	82%	81%	81%	81%	81%
We manage Auckland's natural environment and help Aucklanders adopt a low carbon lifestyle	The number of New Zealand native plants grown for revegetation programmes in the Botanic Gardens	60,955	60,000	60,000	60,000	60,000	60,000
	The number of volunteer hours worked in regional parks each year	84,860	80,000	80,000	80,000	80,000	80,000
We provide safe and accessible parks, reserves and beaches	The percentage of the public who have used a regional park in the last 12 months	72%	76%	76%	76%	76%	76%
	The percentage of park visitors satisfied with the overall quality of their visit	96%	96%	96%	96%	96%	96%
We provide recreation programmes, opportunities and facilities to get Aucklanders more active, more often	The percentage of residents participating in sport and recreation at least once per week	68%	72%	72%	72%	72%	72%
	The percentage of available time that sportsfields are booked (utilisation rate)	N/A	New measure	87%	90%	90%	90%

Regulatory services

Key projects

- Deliver on new technology enabling digital consent processing
- Implement customer-initiated improvement programmes
- Provide technical guidance to support developers and their suppliers to provide infrastructure that meets council's requirements and environmental targets set through the Unitary Plan.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We make it easy for customers to apply for consents and we process these in a timely and professional way	The percentage of customers satisfied with the overall quality of building consent service delivery	55%	65%	60%	63%	65%	65%
	The percentage of building consent applications processed within 20 statutory working days ⁽¹⁾	80%	100%	100%	100%	100%	100%
	The percentage of building consent applications processed within 10 working days ⁽¹⁾	N/A	New measure	20%	20%	20%	20%
	The percentage of customers satisfied with the overall quality of resource consents service delivery	58%	55%	55%	60%	65%	65%
	The percentage of non-notified resource consent applications processed within 20 statutory working days ⁽¹⁾	77%	100%	100%	100%	100%	100%
	The percentage of non-notified resource consent applications processed within 10 working days ⁽¹⁾	N/A	New measure	20%	25%	30%	30%
	The percentage of notified resource consent applications processed within statutory time frame ⁽¹⁾⁽²⁾	45%	100%	100%	100%	100%	100%
We help reduce harm from noise and other nuisances	The percentage of complainants satisfied with the noise control service	59%	52%	51%	60%	60%	60%
	The percentage of verified noise complaints issued with a formal notice	N/A	New measure	90%	99%	99%	99%
We regulate the safe operation of premises selling food and/or alcohol	The percentage of licensees satisfied with the food and hygiene licensing service	82%	70%	70%	80%	80%	80%
	The percentage of food premises that improve from a D or E grade to an A, B or C grade when revisited	N/A	New measure	95%	95%	95%	95%
	The percentage of licensees satisfied with the alcohol licensing service	83%	68%	67%	85%	85%	85%

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
	The percentage of off-licence premises that pass a Controlled Purchase Operation targeting underage drinkers	N/A	New measure	90%	90%	90%	90%
We register dogs and respond effectively when animals cause harm or nuisances	The percentage of cases of non-compliance for menacing dogs that reach compliance within 3 months	N/A	New measure	90%	90%	90%	90%

Note to table:

1. The time it takes to process consents is measured according to MBIE and IANZ guidelines as to the correct application of the Building Act 2004 and the Resource Management Act 1991 about when timing starts and stops.
2. The statutory timeframe differs depending on the nature of the notified resource consent. The applicable statutory timeframes relating to this measure are included in Part 6 of the Resource Management Act 1991.

Waste services

Key projects

- Refuse: Moving from the current range of legacy services to a consistent regional refuse service, including introducing pay-as-you-throw refuse bins to every household
- Food waste: Implement rates funded, weekly kerbside collected food scraps service to all households in urban areas by 2020/2021, starting with the legacy Papakura area in 2018
- Resource Recovery Network: By 2025 the council will have 12 Community Recycling Centres that receive, collect and process unwanted inorganic material from the public. A resource recovery infrastructure plan will also be developed to look at Auckland's long-term infrastructure requirements for getting to Zero Waste
- Advocate for an increased waste levy and product stewardship, including a mandatory nationwide container deposit scheme (CDS)
- Address three priority commercial waste streams – Construction and Demolition (C&D) waste, organic waste and plastic waste
- Improve waste diversion from our own activities, broadening the focus to include the council and CCO's operational activities
- Closure of Greenmount as a managed fill site
- Improvements of various closed landfills to reduce water ingress and instability issues. Sites include Waikowhai, Ngataranga, Archibald Park, Motions/Meola, Barrys Point, Taipari Strand
- Remediation work at Seaside Park, Corbans Reserve, Whangateau, and Ngati Otara
- Leachate system upgrades
- Preparation of Rosedale as a public use site.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We manage land use and development on the council's closed landfills to	The percentage of the council controlled closed landfill discharge consents achieving category one or two compliance ratings	100%	98%	98%	98%	98%	98%

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
safeguard the region's environment, productivity and economic value of soil	The percentage of customers satisfied with overall reliability of waste collection services	74%	76%	76%	76%	76%	76%
We help Aucklanders minimise waste to landfills	The volume of domestic kerbside refuse per capita per annum	144kg	110kg	150kg	144kg	144kg	Decreasing to 110kg
	The total number of Resource Recovery Facilities ⁽¹⁾	4	4	6	7	8	Increasing to 12
	The total waste to landfill per year (kg per capita)	N/A	New measure	877kg	877kg	877kg	Decreasing to 582kg

Note to table:

1. A Resource Recovery Facility is a facility in the community where the public can drop off reusable and recyclable items. Resource Recovery Facilities can vary greatly - from simple drop off stations in small rural areas through to large eco-industrial parks.

Regional planning

Key projects

- Implementing the Auckland Plan 2050
- Developing a future management framework for Auckland's waters
- Developing the Auckland Climate Change Action Plan
- Developing planning frameworks for the City to Mangere, Light Rail Transport project
- Supporting growth and housing delivery
- Ensuring the Auckland Unitary Plan remains fit for purpose and adapts to an ever-changing Auckland by evaluating the environmental, social, economic and cultural outcomes it is achieving and making changes where needed
- Planning for new housing and employment land in 'future urban zoned' areas on the edge of the existing urban area; planning to support investment in light rail; and protecting Māori cultural heritage
- Policy/bylaw focus is on Smoke-free policy implementation, New Freedom Camping & Public Places Bylaw, Local Alcohol Policy, indicative business plans for community and sports and recreation facilities, service design pilots for Tamariki wellbeing and increasing belonging and participation, Regional Investment Plans for Golf, Sports and Recreation, Play and Outdoor Recreation, Homelessness Plan and Affordable Housing think-piece
- Refresh of the Auckland Design Manual (ADM) to align to Auckland Plan 2050. The ADM provides urban design guidance to developers and the public, to support quality design of the built environment
- Refresh of the City Centre Masterplan
- Supporting the redevelopment of the city centre, including the 36th America's Cup in 2021
- Enable delivery of major regional growth projects such as Westgate, Hobsonville Point and Three Kings, including through working with the crown and developers to secure the financing and funding to provide development infrastructure
- Extension of The Southern Initiative to the West Auckland areas of Whau, Henderson-Massey and Waitakere (The Western Initiative), with a focus on social procurement policy and local economic development.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We meet all planning legislative requirements	The percentage of unitary and area plan changes and Notices of Requirement processed within statutory timeframes	100%	100%	100%	100%	100%	100%
	The percentage of adopted core strategies, policies and plans incorporating Māori outcomes or developed with Māori participation	100%	85%	100%	100%	100%	100%
We provide a coordinated council response to major development and infrastructure programmes, including major housing developments	The percentage of Development Programme Office programmes that identify and engage with key stakeholders, including Mana Whenua and Māori organisations	N/A	New measure	95%	95%	95%	95%
	The percentage of City Centre Targeted Rate programme delivered on time and within budget	N/A	New measure	80%	80%	80%	80%

Environmental Services

Key projects

Implementation of key projects funded through the natural environment targeted rate, including:

- Coordination and support for Pest Free Auckland – A community-led conservation programme designed to engage the community in eradicating pest animals, plants and pathogens; restore and connect native ecosystems
- Coordinate and implement Auckland Council's accelerated programme for kauri dieback management programme, to protect taonga kauri
- Support adoption of proposed Regional Pest Management Plan and implementation of the plan once operational. This is a statutory tool which identifies and controls priority pests (including kauri dieback disease, pest animal and plant management)
- Auckland Biodiversity Strategy implementation – Protecting high priority indigenous species and ecosystems through site and species focused strategies in partnership with wider stakeholders
- Marine biosecurity – deliver a marine biosecurity education and behaviour change programme, develop and implement an inter-regional marine pest pathway management plan and carry out increased surveillance and monitoring in relation to marine pests.

Delivery of other key sustainability initiatives:

- Live Lightly – A collaborative behaviour change programme designed to encourage the adoption of everyday lifestyle changes that enable Aucklanders to save money, improve health and reduce their carbon emissions
- Retrofit Your Home –through the provision of financial assistance (loans) to adopt interventions including insulation, clean heating, moisture extraction, water tank installation, energy and water efficiency devices
- Sustainable Schools – Environmental Education for Sustainability programmes that engage school communities in sustainability initiatives, develops youth leadership through mentoring, networking and directly delivers community environmental action.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We support Aucklanders to adopt a low carbon lifestyle	The percentage of schools engaging in sustainability education programmes	N/A	New measure	58%	58%	58%	58%
	The number of Aucklanders engaged in living low carbon lifestyles	N/A	New measure	20,000	30,000	30,000	30,000
We manage Auckland's natural environment	The percentage of priority native habitats under active management	N/A	New measure	25%	50%	64%	72%
	The percentage of threatened plants and animals under active management	34%	34%	38%	42%	49%	68%
	The proportion of kauri areas on Auckland Council land that have active management in place for kauri dieback disease	68%	70%	75%	85%	85%	85%
	The number of hectares under community pest control	124,000	90,000	130,000	160,000	180,000	200,000

As discussed in the Financial Strategy found as 1.4, Volume 2 the introduction of the Natural Environment Targeted Rate will allow us to significantly increase the service levels for this activity.

3rd party amenity and grant

Key projects

- Completion of the Auckland Cultural Heritage institutions review: Auckland Council is undertaking a review of Auckland's major cultural heritage institutions. The focus of this review is to maximise the cultural and community benefit from Auckland's investment in cultural heritage institutions (Auckland War Memorial

Museum, MOTAT Auckland Art Gallery, Stardome Observatory and Planetarium and the New Zealand Maritime Museum). This review will look at both strategic investment priorities, and also the funding and governance structures of the cultural heritage sector and its institutions.

- Focused on completing the Auckland War Memorial Museum’s capital refurbishment programme.

Performance information

There is no performance measure for this activity.

Regional governance

Key projects

- Conduct an online voting trial in the 2019 local body elections subject to the enabling legislation being passed in time to procure and implement a suitable online voting solution and the Governing Body giving final approval for any trial to go ahead.
- Make better use of technology to support the work of elected members and make it easier for the public to engage with the council.
- Implement community engagement and education initiatives to increase voter participation in local body elections.
- Pro-actively coordinate the council’s response to Treaty settlements.
- Provide opportunities for improved governance and working relationships with mana whenua and Māori communities.
- Enable thriving Māori wellbeing and identity through supporting Māori culture and prosperity in Tāmaki Makaurau.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We provide opportunities for Aucklanders to contribute to community and civic life	The percentage of residents who feel they can participate in the council decision making	34%	50%	50%	50%	50%	50%
	The number of complaints regarding council democratic processes upheld by the Ombudsmen or Privacy Commissioner	0	0	0	0	0	0
	The percentage of eligible voters who voted in the local elections (3 yearly)	38.5%	N/A	N/A	40%	N/A	40%
	The percentage of post-hearing survey respondents who feel they have had a fair hearing (annual)	N/A	New measure	75%	75%	75%	75%
	The percentage of LGOIMA and Privacy requests completed within statutory timeframes	N/A	New measure	95%	95%	95%	95%
We provide opportunities for Māori to contribute	The number of iwi that have signed a formal relationship agreement with the Governing Body (Out of 19)	N/A	New measure	11	19	19	19

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
to community and civic life	The percentage of Māori residents who feel they can participate in the council decision making	32%	50%	50%	50%	50%	50%
We contribute to resilient, sustainable, and thriving marae facilities and infrastructure that support marae as hubs for their communities	The number of mana whenua and mataawaka marae that receive support to renew or upgrade marae infrastructure (Out of 33 existing Marae)	N/A	New measure	4	7	11	Increasing to 33
We support the Māori led housing and papakainga development through the planning processes	The number of Māori organisations and trusts projects that have been supported to achieve Māori housing and papakāinga development	N/A	New measure	14	16	18	Increasing to 25

Auckland Emergency Management

Key projects

- Management of natural hazards and risks through strong governance, key partnerships with stakeholders and working with Auckland's communities to build resilience.
- Increased capability and capacity to effectively respond to, and recover from an emergency.
- Enhanced emergency preparedness through effective warning and hazard monitoring systems.
- Develop resilience within Auckland cities and communities.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 – 28
We work with partner agencies and stakeholders to coordinate the response in a hazard event and build resilience in the Auckland community	The percentage of Aucklanders who are prepared for an emergency	N/A	New measure	65%	65%	65%	Progressively increasing to 68%
	The percentage of Aucklanders that have a good understanding of the types of emergencies that could occur in Auckland	N/A	New measure	75%	75%	75%	75%

Investment

Key projects

Auckland Council focuses on maximising its contribution to the Auckland economy through the investments it owns and provides substantial financial returns, which are financially sustainable in the long term, to the council.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We manage the Council's investment in Ports of Auckland and Auckland international Airport	The annual growth in Auckland Council's dividend compared to the Consumer Price Index growth	N/A	New measure	CPI plus 1.5%	CPI plus 1.5%	CPI plus 1.5%	CPI plus 1.5%

Organisational support

Key projects

- A portfolio of projects that deliver against organisational strategy outcomes including cost savings and efficiencies such as group shared services and group strategic procurement
- Section 17A value for money programmes across the council group
- Diversity programme aimed at community-centred thinking and decision making, reaching Auckland's 220 ethnicities.

Performance information

There is no performance measure for this activity.

Significant negative effects

There are no significant negative effects associated with the activities within this group of activities, but there are some negative effects arising from these activities.

Negative effect	Our response
Our natural and cultural heritage protection activities may result in restrictions on what landowners and developers can do on particular sites, such as restricting bush clearance and destruction of certain sites.	Consultation is typically undertaken before any restrictions are put in place to ensure those affected can put forward their views before any decisions are made.
Depositing of waste in landfills may affect the environment. This creates landfill gas and leachate liquid, and requires landfills to be completed and closed safely, with ongoing costs for future management.	The council manages these risks and issues through the closed landfills team with capital and operating budgets for closed landfills in line with appropriate resource consents.
There is some visual pollution of the environment during refuse collection times. Refuse may also cause odour, public health issues, the obstruction of footpaths and could be blown into private properties, waterways or be illegally dumped. Emissions of odours, spread of disease and water/land contamination should waste contracts not be performed as specified to collect and correctly dispose of waste.	The council will continue to reduce the quantity of waste going to landfill through full implementation of the Waste Management and Minimisation Plan and proven waste minimisation strategies. We continue to educate residents in waste minimisation behaviours and collection best practice, for example, reducing the time between putting out the refuse and its collection. The council will monitor services and enforce contractual terms to ensure contractor requirements are complied with.
To manage the risk of pest plants and pest animals on our indigenous biodiversity and primary productivity our biosecurity activities may result in negative impacts due to the use of toxins.	To manage the potential negative effects arising from toxin use council complies with all appropriate standards and regulations. This ensures that any negative effects are avoided, minimised or mitigated.
There could be some negative effects arising from the activities undertaken by the entities in which the council is investing.	We will closely monitor our investments and use our rights as a shareholder to mitigate any negative effects.

Financial information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4-10 2021/22-2027/28	Total
Regional community services	Non-rates revenue	40,743	31,400	32,715	33,536	258,562	356,213
	Direct operating expenditure*	189,200	203,737	221,322	224,127	1,946,533	2,595,719
	Capital expenditure	125,950	106,411	119,265	108,030	1,222,904	1,556,610
Regulatory services	Non-rates revenue	185,345	190,514	194,326	198,214	1,503,100	2,086,154
	Direct operating expenditure*	208,595	212,913	216,460	219,329	1,657,080	2,305,782
	Capital expenditure	195	206	213	220	1,743	2,382
Waste services	Non-rates revenue	32,834	35,543	34,011	53,647	397,466	520,667
	Direct operating expenditure*	119,439	125,969	131,856	144,279	1,108,644	1,510,748
	Capital expenditure	4,198	40,961	5,206	5,789	28,085	80,041
Regional planning	Non-rates revenue	7,093	6,701	6,807	7,013	52,979	73,500
	Direct operating expenditure*	78,715	76,265	76,960	78,779	612,052	844,056
	Capital expenditure	16,630	253,096	143,326	40,006	258,625	695,053
Environmental services	Non-rates revenue	686	697	711	816	6,183	8,407
	Direct operating expenditure*	19,925	39,469	45,484	48,406	351,255	484,614
	Capital expenditure	8,329	12,742	21,823	22,365	6,562	63,492
3rd party amenity and grant	Non-rates revenue	0	0	0	0	0	0
	Direct operating expenditure*	85,157	78,350	79,677	79,677	557,736	795,440
	Capital expenditure	0	0	0	0	0	0
Regional governance	Non-rates revenue	2,350	2,446	4,096	2,576	22,970	32,088
	Direct operating expenditure*	92,380	54,603	56,503	53,728	501,125	665,959
	Capital expenditure	0	100	1,250	1,250	0	2,600
Auckland emergency management	Non-rates revenue	0	0	0	0	0	0
	Direct operating expenditure*	4,511	5,769	5,854	5,913	44,814	62,350

Activity	Operating cost and revenue \$000 Financial year ending 30 June	2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4-10 2021/22-2027/28	Total
	Capital expenditure	742	570	1,000	465	3,151	5,186
Investment	Non-rates revenue	270,490	253,602	284,500	321,332	2,673,254	3,532,688
	Direct operating expenditure*	121,102	145,792	156,772	163,940	1,335,574	1,802,078
	Capital expenditure	184,271	180,342	54,828	65,134	435,671	735,975
Organisational support	Non-rates revenue	212,220	9,195	7,811	7,924	87,241	112,171
	Direct operating expenditure*	191,437	30,474	(614)	13,826	42,623	86,309
	Capital expenditure	(24,677)	171,615	48,771	35,634	401,455	657,475

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of operating funding:											
General rates, UAGCs, rates penalties	537,754	446,342	481,289	543,290	573,738	514,219	550,544	607,643	662,281	693,275	764,779
Targeted rates	103,305	135,202	145,199	139,813	144,644	148,151	151,516	153,399	156,148	158,784	161,933
Subsidies and grants for operating purposes	12,622	13,182	11,013	11,188	11,261	11,336	11,507	11,580	11,752	11,823	11,994
Fees and charges	238,713	490,315	524,442	585,908	608,935	629,412	649,007	667,429	686,729	706,268	728,293
Internal charges and overheads recovered	185,137	215,735	215,958	201,386	195,606	204,179	218,429	218,386	222,722	232,564	232,693
Local authorities fuel tax, fines, infringement fees and other receipts	44,799	82,678	85,057	83,590	88,684	92,367	93,360	95,696	99,552	100,508	102,845
Total operating funding	1,122,330	1,383,454	1,462,958	1,565,175	1,622,868	1,599,664	1,674,363	1,754,133	1,839,184	1,903,222	2,002,537
Applications of operating funding:											
Payment to staff and suppliers	840,028	1,024,359	1,034,409	1,068,158	1,090,054	1,131,363	1,168,796	1,202,610	1,239,904	1,278,012	1,316,552
Finance costs	58,740	72,068	86,425	92,888	87,196	75,266	69,313	63,736	60,191	50,040	41,951
Internal charges and overheads applied	129,551	147,027	154,754	148,163	145,044	151,656	161,339	162,234	166,431	173,694	174,844
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,028,319	1,243,454	1,275,588	1,309,209	1,322,294	1,358,285	1,399,448	1,428,580	1,466,526	1,501,746	1,533,347
Surplus (deficit) of operating funding	94,011	140,000	187,370	255,966	300,574	241,379	274,915	325,553	372,658	401,476	469,190
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	52,600	13,200	0	0	0	0	0	0	0	0
Development and financial contributions	66,126	57,247	80,810	85,860	85,316	88,843	88,843	88,843	88,843	87,967	87,712
Increase (decrease) in debt	(237,705)	348,478	201,332	15,943	(95,241)	(50,487)	(106,458)	(19,650)	(120,573)	(121,659)	(213,906)

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Gross proceeds from sale of assets	0	24,000	24,000	24,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	(171,579)	482,325	319,342	125,803	10,075	58,356	2,385	89,193	(11,730)	(13,692)	(106,194)
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	77,316	420,161	212,190	138,615	142,796	171,983	179,131	219,868	169,352	158,070	121,955
- to improve the level of service	50,293	238,418	102,387	62,121	37,460	32,789	33,146	46,522	10,883	39,220	38,897
- to replace existing assets	3,758	107,462	81,106	78,155	86,987	89,973	119,272	156,116	159,703	156,516	187,560
Increase (decrease) in reserves	62,453	32,319	81,369	78,655	38,820	16,620	12,631	12,393	10,325	6,385	3,001
Increase (decrease) in investments	(271,388)	(176,035)	29,660	24,223	4,586	(11,630)	(66,880)	(20,153)	10,665	27,593	11,583
Total applications of capital funding	(77,568)	622,325	506,712	381,769	310,649	299,735	277,300	414,746	360,928	387,784	362,996
Surplus (deficit) of capital funding	(94,011)	(140,000)	(187,370)	(255,966)	(300,574)	(241,379)	(274,915)	(325,553)	(372,658)	(401,476)	(469,190)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.8 Council controlled services

Council controlled services encompass a range of non-infrastructure-based activities. Each activity is governed by an independent board of directors or similar governance group. These activities include property development services, provision of major events and major facilities, and commercial investments.

Infrastructure based activities are covered in Section 2.1 Roads and footpaths, Section 2.2 Public transport and travel demand management, Section 2.3 Water supply, Section 2.4 Wastewater treatment and disposal, and Section 2.5 Stormwater management.

Key Activities

- **Regional facilities**

Auckland Council owns and operates 13 landmark venues and more than 16,000 artworks. These are managed by Regional Facilities Auckland (RFA). RFA creates exciting, creative and educative experiences for Aucklanders and visitors to our city as it develops and works with the arts, culture and heritage, wildlife conservation, leisure, sport, entertainment and corporate sectors. It offers a wide and unique range of services including art and maritime exhibitions, care of wildlife species, event programming and delivery across its venues.

These core services are further supported by conservation, research, industry and talent development, community outreach, public engagement and educational activities across the business. RFA's service delivery model is enabled by its six business brands: Auckland Live, Auckland Art Gallery, Auckland Zoo, Auckland Stadiums, New Zealand Maritime Museum and Auckland Conventions. Together they work towards building Auckland's reputation as a world-class city.





- **Economic growth and visitor economy**

As the region's economic development agency, Auckland Tourism, Events and Economic Development's (ATEED's) focus is in two areas. Firstly, its economic development activities including business support, business attraction and investment, local economic development, trade and industry development, skills employment and talent and innovation and entrepreneurship. The second area of focus is on the sustainable growth of the visitor economy, including destination marketing and management, major events, business events (meetings and conventions) and international student attraction and retention.

- **Development Auckland**

Redevelopment and housing intensification activities in priority urban locations (mostly town centres), to create vibrant, liveable places that leverage transport investment and accommodate growth, are delivered by Panuku Development Auckland (Panuku). Panuku creates strategic and commercial value from council's underutilised property portfolio. Across the programme including the waterfront, Panuku facilitates investment through collaboration with the private sector, third-party sector, Iwi and the Crown as partners in urban redevelopment. It manages a property portfolio, much of which is held for future infrastructure or service purposes, undertakes property acquisitions and disposals, and manages a variety of business interests on the council's behalf.

How these activities drive Auckland Plan outcomes

 <p>Belonging & participation</p>	<p>All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential.</p>	<ul style="list-style-type: none"> • funding events and other initiatives that celebrate and showcase Auckland’s diversity
 <p>Māori identity & wellbeing</p>	<p>A thriving Māori identity is Auckland’s point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders.</p>	<ul style="list-style-type: none"> • adoption of Te Aranga Māori Design Principles and Te Reo Māori policy – both support the use of Māori design and te reo Māori in council infrastructure, communications and publications
 <p>Homes & places</p>	<p>Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.</p>	<ul style="list-style-type: none"> • delivering projects and initiatives that unlock development opportunities and encourage development at scale
 <p>Transport & access</p>	<p>Aucklanders will be able to get where they want to go more easily, safely and sustainably.</p>	<ul style="list-style-type: none"> • urban design in regeneration projects which facilitates all modes of transport
 <p>Environment & cultural heritage</p>	<p>Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage, for its intrinsic value, and for the benefit of present and future generations.</p>	<ul style="list-style-type: none"> • provision of Auckland Art Gallery and its range of exhibitions and programmes • inclusion of art and cultural input into urban development and events
 <p>Opportunity & prosperity</p>	<p>Auckland is prosperous with many opportunities and delivers a better standard of living for everyone.</p>	<ul style="list-style-type: none"> • delivering projects and initiatives that highlight Auckland’s profile which help to attract investment in areas that support business, innovation and productivity

Regional facilities

Key projects

Over the 10 years of this LTP, RFA will:

- Continue the delivery of Auckland Zoo’s essential renewals programme aimed at addressing ageing infrastructure at the zoo, changing requirements for animal care and the need to modernise facilities for customer convenience.
- Complete the refurbishment of the Aotea Centre to address weather tightness issues and provide an aesthetic facelift while meeting current building codes.
- Improve safety of visitors, staff, animals and assets through investment in security infrastructure and health and safety across all venues.
- Continue the improvement to Auckland Stadiums network utilisation and financial sustainability through rationalisation, key strategic investments and carrying out essential renewals on the ageing infrastructure.
- Strategic operational and capital improvements to meet customer expectations across all brands and venues.
- Carry out a programme of essential renewals work across all venues so that facilities remain fit for purpose and meet expected levels of service and customer expectations.

- Work with Auckland Council to establish a future-proofed storage facility for Auckland Art Gallery's growing art collections.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
Regional Facilities Auckland deliver arts, wildlife, collections, sports and events that provide experiences that are engaging and embraced by Aucklanders	The number of people who experience Regional Facilities Auckland's arts, environment and sports venues and events	3.2 million	3.3 million	3.5 million	3.7 million	3.9 million	Increasing to 4.0 million
	The net promoter score for Regional Facilities Auckland's audiences and participants ⁽¹⁾	16	17	18	19	20	20
	The percentage of operating expenses funded through non-rates revenues	68%	71%	65%	65%	65%	65%
	The number of programmes contributing to the visibility and presence of Māori in Auckland, Tamaki Makaurau	10	12	14	16	18	20

Note to the previous table:

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

Note: The performance measures for RFA have now been changed to represent aggregated results across all facilities. The actuals and the targets for 2017/2018 have been restated on this basis.

Economic growth and visitor economy

Key projects

Over the 10 years of the LTP, ATEED's key initiatives are:

- Sustainably growing the value of Auckland's visitor economy by partnering to implement the Destination Auckland strategy and through major events, with a focus on destination marketing and management, major events, business events (meetings and conventions) and international student attraction and retention.
- Working with central government, corporates, education providers, and the Auckland Council group to support local economic and employment outcomes across Auckland, including a focus on less prosperous areas of Auckland.
- Supporting Auckland businesses to grow by connecting them to support, such as the Regional Business Partner Programme, that builds their capability, enhances export performance and helps them prepare for technological change and disruption.
- Supporting jobs and skills matching initiatives such as Jobfest to assist Aucklanders who are not currently in the workforce or who are underemployed to access employment and progression opportunities in growing sectors and associated development projects.
- Working with partners to develop and deliver initiatives that promote Māori Economic Development, with a focus on building an eco-system of support for Māori businesses, developing the Māori creative sector, and developing youth entrepreneurship and employment pathways.

- Continuing the development and implementation of the Wynyard Quarter Innovation Precinct, focusing on the management and strategic leasing of the GridAKL buildings (Lysaght, Mason Brothers, and 12 Madden Street buildings), and the development of services and a network of affiliated partner organisations, with the objective of growing businesses, creating jobs and building Auckland's culture of innovation and entrepreneurship.
- Promote Auckland as a global destination for business and investment with a focus on target places and sectors of interest.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We support the sustainable growth of the Auckland visitor economy through destination management and marketing, major events, business events and international education attraction and support programmes	The contribution to regional GDP from major events and business events attracted or supported ⁽¹⁾	N/A	New measure	\$49m	\$52.5m	\$66.5m	Increasing to \$70m
	The number of visitor nights generated as a result of an ATEED intervention ⁽²⁾	N/A	New measure	340,000	370,000	435,000	Increasing to 442,500
We deliver information, advice, programmes and initiatives to support the creation of high value jobs for all Aucklanders	The number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention ⁽²⁾	4,178	3,000	3,000	3,000	3,000	3,000
	The number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention ⁽²⁾	183	120	120	120	120	120

Notes to table:

- The current 2020/2021 target reflects the scheduled opening of the NZ International Convention Centre (NZICC) and ATEED's role in attracting events to that, and other, venues. The 2020/2021 target does not include 36th America's Cup (AC36) or Asia Pacific Economic Cooperation (APEC) events as ATEED's role in these events is still subject to scoping and confirmation.
- Intervention is a programme or service delivered by ATEED. The targets reflect ATEED's emerging strategy which is likely to result in the delivery of fewer larger interventions.

Development Auckland

Key projects

Over the 10 years of this LTP, Panuku will:

- Facilitate projects that will deliver 10,000 additional housing units, including affordable housing, in partnership with the private sector, Crown, Iwi and the third-party sector.
- Regenerate town centres through public realm upgrades, such as improving connections, cycling and walking links and environmental enhancement, activation and other initiatives, increasing the vibrancy, safety and success of the centres.
- Complete legacy commercial projects in City Centre, Wynyard Quarter, Hobsonville and Ormiston, attracting significant private investment.

- Deliver new social housing units for older people as part of the redevelopment of the Haumaru Portfolio working closely with the service provider Haumaru Housing Ltd.
- Accelerate planning for the development of the waterfront park on Wynyard Point and the next phase of commercial mixed use development.
- Acquire strategic sites to add strategic and commercial value to council underutilised sites and improve urban development outcomes.
- Optimise the return to the council from both disposal programme and management of the non-service property portfolio.

Performance information

We will measure performance against the following levels of service:

Level of service statement	Performance measure	Actual 2016/17	Target 2017/18	Long-term Plan Targets			
				2018/19	2019/20	2020/21	2021 - 28
We make the waterfront and town centres dynamic, culturally-rich, safe and sustainable places for Aucklanders and visitors to enjoy	The percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront ⁽¹⁾	93%	75%	80%	80%	80%	80%
	The percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year	73%	73%	73%	73%	73%	73%
	The number of significant Māori initiatives implemented per annum	48	47	50	52	54	Increasing to 78
	The percentage of marina customers surveyed who are satisfied with marina facilities and services ⁽²⁾	93%	74%	88%	88%	88%	85%
We manage and maintain Council's properties, assets and services to optimise financial returns	The return on investment on like-for-like properties managed for Auckland Transport and Auckland Council ⁽³⁾	3.10%	≥ 2.2%	≥ 2.25%	≥ 1.75%	≥ 1.75%	Decreasing to 1.25%
	The monthly average occupancy rate for tenatable properties ⁽⁴⁾	98%	≥ 95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
	The return on equity on commercial assets and services ⁽⁵⁾	12.70%	8.4%	8.25%	8.25%	8.25%	Increasing to 8.75%

Notes to the previous table:

1. The city centre and town centres visitor satisfaction is set to 80 per cent taking into account the potential adverse impact on visitors from disruption caused by projects such as road construction and building activities occurring.
2. The marina facilities customer satisfaction is set to 88 per cent considering the potential adverse impact on customers from disruption caused by building activities that affect the Westhaven Marina such as America's Cup, Promenade stage 2.
3. The return on investment is projected to decrease as Panuku sells higher returning assets as part of their "Transform" and "Unlock" programme of works.
4. The average occupancy rate of 95 per cent considers the condition of properties and the fact that a significant portion of the portfolio are mainly held for projects affecting the length of tenure.
5. The return on equity is expected to reduce over the time due to assets being transferred out of Panuku's ownership as they are leased to property developers on long term leases.

Significant negative effects

There are no significant negative effects associated with the activities within this group of activities, but there are some negative effects arising from these activities.

Negative effects	Our response
<p>Large commercial operations, such as forestry, landfills and quarries, will place a burden on infrastructure such as roading and have an effect on the natural environment through the contamination of soil and water, destruction of vegetation, dust and loud noise pollution.</p>	<p>Contracts with the commercial operators will provide for make-good on the sites. In addition, we will ensure traffic management plans, health and safety plans, resource consent conditions and regular monitoring to ensure compliance and minimise impact.</p>
<p>Large urban redevelopment projects may result in some negative impacts on existing residents and businesses, such as travel and business disruption and noise during construction, or changes in land use and activity. A number of these are addressed as part of business as usual activities such as stakeholder communication and engagement, traffic management, resource consent conditions (e.g. noise and dust) and other.</p>	<p>Through working closely with Local Boards and stakeholders and delivering on council-endorsed plans, we're committed to minimising the detrimental effects of redevelopment projects in line with legislative requirements and best practice. The outcomes and impacts of development programmes are monitored.</p>
<p>The large renewals projects may result in a range of negative impacts from noise and travel disruption through to environmental damage.</p>	<p>We're committed to minimising the detrimental effects of these renewals projects in line with legislative requirements and best practice.</p>
<p>Events can cause some inconvenience for some members of the community due to noise, restriction of traffic movement and adverse environmental effects such as littering.</p>	<p>Events are managed and monitored to ensure event organisers manage the potential for inconvenience to a minimum via waste management plans, traffic management plans and compliance with event-specific consent conditions.</p>

Financial information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4-10 2021/22-2027/28	Total
Regional facilities	Non-rates revenue	58,084	62,983	64,712	67,330	503,482	698,507
	Direct operating expenditure*	82,875	97,580	97,948	101,183	761,176	1,057,887
	Capital expenditure	57,273	101,556	42,219	33,843	219,533	397,151
Economic growth and visitor economy	Non-rates revenue	15,035	19,152	19,180	19,325	146,541	204,198
	Direct operating expenditure*	62,583	66,820	67,870	69,018	523,503	727,211
	Capital expenditure	187	3,428	198	204	1,612	5,442
Development Auckland	Non-rates revenue	79,565	58,503	57,187	58,915	445,571	620,176
	Direct operating expenditure*	53,508	52,338	52,637	53,667	417,086	575,728
	Capital expenditure	151,306	186,255	131,010	86,486	358,313	762,064

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of operating funding:											
General rates, UAGCs, rates penalties	41,117	146,001	159,652	175,212	182,796	195,647	202,092	211,086	212,941	215,024	215,902
Targeted rates	13,450	13,679	13,952	14,231	14,516	14,806	15,102	15,404	15,712	16,027	16,347
Subsidies and grants for operating purposes	3,740	2,283	2,299	2,316	2,362	2,410	2,458	2,507	2,557	2,608	2,660
Fees and charges	266,301	53,210	55,510	57,965	58,856	59,740	59,859	61,110	61,759	62,953	63,739
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	153,133	99,734	102,419	96,658	102,865	116,987	103,547	119,310	94,925	104,137	99,630
Total operating funding	477,741	314,907	333,832	346,382	361,395	389,590	383,058	409,417	387,894	400,749	398,278
Applications of operating funding:											
Payment to staff and suppliers	309,963	216,738	218,455	223,868	228,453	233,414	238,658	243,897	247,910	252,213	257,084
Finance costs	56,653	34,236	44,784	50,293	53,135	54,287	54,131	53,241	51,767	50,104	48,195
Internal charges and overheads applied	2,343	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	7,763	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	376,722	250,974	263,239	274,161	281,588	287,701	292,789	297,138	299,677	302,317	305,279
Surplus (deficit) of operating funding	101,019	63,933	70,593	72,221	79,807	101,889	90,269	112,279	88,217	98,432	92,999
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Development and financial contributions	2,837	2,020	2,852	3,030	3,011	3,136	3,136	3,136	3,136	3,105	3,096
Increase (decrease) in debt	174,676	72,286	19,982	(1,716)	(108,529)	(46,176)	(16,690)	(58,167)	(64,681)	(91,922)	(62,025)
Gross proceeds from sale of assets	114,505	153,000	80,000	47,000	154,000	45,000	23,000	20,000	37,000	44,000	19,000
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	292,018	227,306	102,834	48,314	48,482	1,960	9,446	(35,031)	(24,545)	(44,817)	(39,929)
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	220,305	66,748	68,541	51,096	76,353	53,700	32,554	18,100	21,412	24,122	23,502
- to improve the level of service	94,623	108,137	58,136	31,250	18,585	18,186	10,309	12,006	6,940	6,890	5,502
- to replace existing assets	78,109	116,354	46,750	38,189	33,351	31,963	56,852	47,142	35,320	22,603	24,066
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	393,037	291,239	173,427	120,535	128,289	103,849	99,715	77,248	63,672	53,615	53,070
Surplus (deficit) of capital funding	(101,019)	(63,933)	(70,593)	(72,221)	(79,807)	(101,889)	(90,269)	(112,279)	(88,217)	(98,432)	(92,999)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

3.1 Revenue and Financing Policy

Policy purpose and overview

The purpose of the Revenue and Financing Policy is to provide predictability and certainty about sources and levels of funding available to the council. It explains the rationale for, and the process of selecting various tools to fund the operating and capital expenditures of the council.

Policy background

Funding principles

To assist with the identification of the appropriate funding methods, the council has used a set of guiding principles that incorporate the matters set out in Section 101 of the Local Government Act 2002. These are set out in table 3.1.1 below.

Table 3.1.1

Principle	Rationale for its application
Paying for benefits received or costs imposed	<p>Under this principle, the council considers benefit distribution and cost causation and the period in or over which benefits and costs are expected to occur. The allocation of costs to those who benefit from a council service or those who impose costs to the council (whether the community as a whole, any identifiable part of community, or individuals) is considered economically efficient and equitable and the extent to which the actions or inaction of individuals or a group contribute to the need to do the activity</p> <p>Section 101(3)(a)(ii), Section 101(3)(a)(iv), Section 101(3)(a)(iii)</p>
Transparency, accountability and costs and benefits of funding activities separately	<p>This principle is applied when considering the costs and benefits of separate funding. Transparency of funding enables the users of services to assess whether they get value for money. Accountability makes the council more efficient in providing these services. From the perspective of the service users, transparency and accountability also enables them to make more informed decisions in using council services</p> <p>Section 101(3)(a)(v)</p>
Market neutrality	<p>This principle is relevant when the council is competing with the private sector in producing or delivering services. The council can be placed in an advantageous position vis a vis the private sector because of its ability to fund such services from rates, either fully or partially. This can lead to market distortions and economic inefficiencies. It can also discourage private enterprise. To avoid this, in tandem with other principles such as affordability, the council will apply commercial best practice when providing such services</p> <p>Section 101(3)(b)</p>
Financial prudence and sustainability	<p>This principle is relevant in determining appropriate funding mixes. It is recognised that additional revenue may be required to support debt repayment and manage treasury ratios</p> <p>Section 101(2)</p>
Optimal capital usage	<p>This principle relates to the effectiveness of funding tools in achieving efficiencies. The council's limited financial resources should be used in such a way to maximise the benefits provided to the community, while minimising the burden on ratepayers. Among other things, this principle</p>

Principle	Rationale for its application
	<p>influences the council's decisions on the best mix of funding (between rates income, other revenue sources, borrowings and asset sales) to pay for its assets and activities</p> <p>Section 101(3)(b)</p>
Strategic alignment	<p>The Auckland Plan sets out a vision for the city over the next 30 years. The Revenue and Financing Policy should have regard to its impact on the broader strategies and priorities as set out in the council's vision and the Auckland Plan</p> <p>The infrastructure strategy outlines how the council intends to manage its infrastructure assets. The Revenue and Financing Policy will show how investment in infrastructure is funded</p> <p>Section 101(3)(b)</p>
Overall social, economic, environmental and cultural impacts	<p>Decisions on how the council's revenue requirements will be met (by ratepayers and other groups) should take into account the impact of such decisions on the current and future social, economic, environmental and cultural well-being of the community and the community outcomes to which the activity relates</p> <p>Section 101(3)(b)</p>
Community outcomes in the Auckland Plan	<p>Decisions on how the councils revenue requirements will be met (by ratepayers and other groups) should take into account the impact of such decisions on the community outcomes in the Auckland Plan</p> <p>Section 101(3)(a)(i)</p>
Affordability	<p>The council needs to consider the impact of funding methods on people's ability to pay as this can have implications for community well-being</p> <p>Section 101(3)(b)</p>
Minimise the effects of change	<p>The integration and harmonisation of the policies of the former councils may lead to major changes in the incidence or rates and user charges for services. Funding and financial policies should seek to minimise or manage the impact of these changes</p> <p>Section 101(3)(b)</p>
Efficiency and effectiveness	<p>The councils financial policies should have regard to the costs of carrying them out, and how effective they will be in achieving their objectives</p> <p>Section 101(3)(a)(v)</p>
Practicality of policy	<p>The councils funding policies must be achievable and unconstrained by practical issues that will prevent compliance</p> <p>Section 101(3)(a)(v)</p>
Legal compliance	<p>The LGA 2002 and related legislation include a number of legal requirements for the development of the Revenue and Financing Policy. All aspects of the policy will comply with legislation</p>

There are some inherent conflicts between these guiding principles. In practice, establishing the council's specific revenue and financing policies involves balancing competing guiding principles. For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability. In practice, when the council applies these principles to assess how to fund the separate activities, the council then considers the overall impact of any allocation of liability on the community.

Policy details

Expenditure to be funded

Legislation requires the council to make adequate provision in its long-term plan to meet expenditure needs identified. Generally, this will mean that all expenditure is funded. Exceptions include funding of depreciation expenditure where it is financially prudent not to do so. In determining the level of non-funded depreciation, the council will have regard to:

- whether at the end of its useful life, the replacement of an asset will be funded by way of a grant or subsidy from a third party
- whether the council has elected not to replace an asset at the end of its useful life
- whether a third party has a contractual obligation to maintain the service potential of an asset throughout all or part of its useful life or to replace the asset at the end of its useful life
- whether fully funding depreciation in the short-term will result in an unreasonable burden on ratepayers, presenting conflict between funding principles, for example between affordability and financial prudence and sustainability. In such circumstances, the council will remain prudent and ensure it promotes both the current and future interests of the community by forecasting to reach a position over time where it fully funds depreciation (apart from the exceptions above).

Table 3.1.2 below sets out the minimum level of depreciation funding the council will incorporate when calculating its rates requirement.

Table 3.1.2 Proportion of depreciation expenditure to be funded

Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Funded	78%	82%	85%	89%	93%	96%	100%	100%	100%	100%
Not funded	22%	18%	15%	11%	7%	4%	0%	0%	0%	0%

As a result of this policy of moving towards funding 100 per cent of depreciation by 2025 the council has resolved that for three of the next 10 years, the councils operating revenue (adjusted for items such as vested assets and development contributions) will be less than the councils total operating expenditure (including depreciation). This implies that in the early years of the plan, the council is more reliant on borrowings, rather than rates and other current revenue, to fund its capital expenditure. However, the council considers that the level of council debt is manageable and prudent in every year of the plan. In particular, the projected level of council debt will not exceed our prudential limit of 270 per cent of revenue. Further information about our prudent approach to managing debt is included in our Financial Strategy in section 1.4.

The council considers that this policy on funding depreciation and the consequential impacts on councils operating budgets and debt levels is financially prudent, reasonable and appropriate having had regard to our funding principles, the factors in section 100(2) of the Local Government Act 2002 and all other relevant matters.

Sources of funding

The sources of funding applied under this policy are limited to those set out under section 103 (2) of the LGA 2002.

Sources of funding: Operating expenditure

The council has determined the funding sources for operating expenditure after considering the funding principles set in Table 3.1.1. Table 3.1.3 Funding sources for operating expenditure.

Funding source	Rationale
Fees and charges	Fees and charges can be applied where the users of a service can be identified and charged according to their use of the service (and those that do not pay are denied access to the service). This is based on the paying for benefits received principle. Fees are also appropriate where an individual's action or inaction creates the need for an activity (cost causation). For example, the cost of obtaining a building consent is met by the building owner
Grants and subsidies	Grants and subsidies are generally only appropriate for funding the operating costs of the particular activity that the grant or subsidy is intended to pay for. For example, NZTA (government) transport subsidies can only be used to fund transport projects.
Development or financial contributions	Development contributions or financial contributions can only be used to fund capital expenditures related to growth. Development contributions also include financing costs incurred due to timing differences between growth-related capital expenditure being incurred and the related development contribution being received
Targeted rates	Appropriate to fund operating expenditure (including projects to support growth) where one or more of the following apply: <ul style="list-style-type: none"> • that benefit a specific group of ratepayers • to incentivise land owners to develop land in response to a commitment to the provision of infrastructure • to provide certainty of the council recovering its costs • where greater transparency in funding the cost of the activity is desirable • where an individual or a group of ratepayers voluntarily chooses to adopt the rate, such as for business improvement districts or the Retrofit Your Home scheme • where the rate is for a specific service, or bundle of services, such as for waste collection.
General rates	General rates are appropriate for funding activities where it is not practicable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the service and charge them for the benefits received or costs imposed (e.g. regional parks and open spaces). It is also appropriate for general rates to partially fund activities where the provision of a private good also generates wider social benefits or where the application of fees and charges either causes affordability issues or compromises the wider objectives of the activity. This is consistent with the guiding principle of affordability
CCO profits, and net rental and interest from investments	CCO profits and net returns from investments will be used to offset the general rates funding requirement of other council activities, reducing the burden on all ratepayers
Borrowing	Borrowing will not generally be used to fund operating expenses. The council may choose to borrow for an operating expense where it is providing a grant to an external community organisation that is building an asset such as a community facility or in other cases where operating expenditure provides enduring economic benefits. Borrowing may also be used to fund the interest expense accrued on borrowing during the period of construction of an asset; and to fund the cost of discovered liabilities such as the council's share of weathertightness claims. In these cases borrowing and repaying the debt over time promotes intergenerational equity by spreading the responsibility for funding across the generations who will benefit

Funding source	Rationale
Trusts, bequests and other reserve funds	Certain operating expenditure may be funded from restricted or special funds that are subject to special conditions of use, whether under statute or accepted as binding by the council. Transfers from reserves may only be made when the specified conditions for use of the funds are met
Other funding sources	The use of any other funding sources should be assessed with regard to the guiding principles. Any miscellaneous revenue not linked to a specific activity should be used to fund activities that would otherwise be funded through the general rate
Surpluses from previous financial years	A surplus may be available to be carried forward if the actual surplus/(deficit) is improved compared to the forecast surplus/(deficit). Generally, only those factors that are cash in nature will be available for use in determining the level of surplus to be carried forward. The amount of any surplus carried forward will be accounted for as an operating deficit in the year the benefit is passed to ratepayers
Regional Fuel Tax	A Regional Fuel Tax may be used to fund the operating expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme.

Note: Auckland Council does not intend to use lump sum contributions or proceeds from asset sales to fund operating expenditure.

The funding mix for activities shown in Table 3.1.6 below reflects the application of the above principles and rationale to the operating expenditure of individual activities.

Sources of funding: Capital expenditure

The council has determined the funding sources for capital expenditure after considering the funding principles set out in Table 3.1.1.

Table 3.1.4 Funding sources for capital expenditure

Funding source	Rationale
General rate	Appropriate funding source where it is not practicable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the capital expenditure
Targeted rates	Appropriate to fund capital expenditure projects (including projects to support growth) where one or more of the following apply: <ul style="list-style-type: none"> that benefit a specific group of ratepayers to incentivise land owners to develop land in response to a commitment to the provision of infrastructure to provide certainty of the council recovering its costs where greater transparency in funding the cost of the activity is desirable
Fees and charges	Appropriate funding source where users of a service can be identified and charged according to their service. Examples include water charges and Infrastructure Growth Charges from Watercare Services Limited
Interest and dividends from investments	Interest and dividends from investments may be used where appropriate and consistent with the councils funding principles to fund capital expenditure projects and to reduce the reliance on ratepayer funding.
Borrowing	Borrowing is used to spread the funding requirement for capital expenditure across multiple years. Given assets deliver benefits throughout their useful lives it is appropriate that the funding is spread across the useful life
Proceeds from asset sales	Funds received from the sale of surplus assets will generally be used to repay borrowings. On a case-by-case basis these surpluses may be used to fund investment in another asset of higher strategic priority than the asset sold
Development or financial contributions	Appropriate to fund capital expenditure in anticipation of or in response to development (growth) that will generate a demand for additional reserves, network or community infrastructure (such as stormwater systems). Contributions are set through the council's Contributions Policy

Funding source	Rationale
Grants, subsidies, and donations	Appropriate to fund specific capital expenditure projects as per terms of the grant, subsidy or donation. An example of this is NZTA subsidies to partially fund transport projects
Trusts, bequests and other reserve funds	Certain capital expenditure may be funded from restricted or special funds that are subject to special conditions of use, whether under statute or accepted as binding by the council. Transfers from reserves may only be made when the specified conditions for use of the funds are met
Other sources	Other revenue sources may be used where appropriate and consistent with the council's funding principles to fund capital expenditure projects and to reduce the reliance on ratepayer funding. An example of this is the use of commercial returns from property holdings to fund capital spend on those property assets
Regional Fuel Tax	A Regional Fuel Tax may be used to fund the capital expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme.

Note: Auckland Council does not intend to use lump sum contributions to fund capital expenditure.

The funding mix for activities shown in Table 3.1.6 below reflects the application of the above principles and rationale to the operating and capital expenditure of individual activities.

Rating Policy

The council will use general rates to fund activities which have a 'public good' element, e.g. civil defence, or where it wishes to subsidise the provision of services because of the wider social benefits they provide e.g. libraries.

Valuation basis

The general rate will be set on the basis of capital value. Capital value better reflects the level of benefit a property is likely to receive from services rather than land value or annual value.

Application of a uniform annual general charge

To ensure that the rates incidence isn't disproportionately borne by higher value properties the council sets a uniform annual general charge (UAGC). Every ratepayer will therefore make a minimum contribution to meeting the council's costs.

The charge will apply to every separately used or inhabited part of a rating unit e.g. shop in a mall or granny flat. This ensures equal treatment between these properties and main street shops or apartments on individual titles.

Rates differentials

It is the council's view that some land uses receive more benefit from, or place more demand on, council services and/or may have a differing ability to pay rates. The differentials will be determined based on land use (including consideration of land use classifications determined under the Rating Valuation Rules) and location.

The council will apply general rates differentially (the base level for rating is the residential sector) and may also apply targeted rates differentially to:

- business properties in the urban area
- business properties in rural areas
- residential properties in the rural areas
- farm/lifestyle properties
- moderate-occupancy online accommodation providers in the rural areas
- moderate-occupancy online accommodation providers in the urban area

- medium-occupancy online accommodation providers in the rural areas
- medium-occupancy online accommodation providers in the urban area
- properties with no direct or indirect road access and properties on uninhabited islands.

The council has decided that the appropriate differential for business is to raise 25.8 per cent of the general rates take, which is substantially lower than the current level. Business rates will move to that level in equal steps by 2037/2038 to manage the affordability impact of the shift in the rates incidence to the non-business sector.

Targeted rates

The council mainly uses targeted rates where there is a clearly identifiable group benefiting from a specific council activity. Targeted rates will apply to properties that receive certain services, or which are located in specified areas. Targeted rates may be used where the council wishes to incentivise development in areas where infrastructure investments have been made and/or to provide more certainty over the timing of payment for those investments. Targeted rates may also apply universally to fund a specific activity where a greater degree of transparency is desired. The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate.

The council intends to set targeted rates to fund activities as set out in Table 3.1.5 below.

Table 3.1.5: Services to be funded by targeted rates

Targeted rate	Services to be funded or part funded
Solid waste targeted rates	Refuse, inorganic, food scraps collection, resource recovery centres and recycling services as appropriate for former council areas
City centre targeted rate	Investment in projects to enhance the central city environs
Local targeted rates as proposed by local boards	Local or regional activities in the local board's area
Business improvement district targeted rates	Investments to enhance the environs in the area of the business association as agreed with the business association
Loan repayment targeted rates	To repay financial assistance provided by the council to ratepayers for specific purposes
Waitakere rural sewerage targeted rate	To pay for the provision of inspection and pump out services for on-site waste management systems
Infrastructure targeted rates	Activities requiring infrastructure investment
Accommodation provider targeted rate	ATEEDs visitor attraction and major events expenditure
Water Quality targeted rate	Additional investment in improving water quality
Natural Environment targeted rate	Additional investment in improving environmental outcomes

Annual adjustments to regulatory fees and charges

The council will amend its regulatory fees and charges annually to:

- reflect increases in costs as measured by the council rate of inflation and/or
- maintain the cost recovery levels underlying the basis for setting the fee levels.

The change to fee levels will be made on a practical basis recognising that the percentage change applied to individual fees may not precisely equal the council rate of inflation. This also means smaller fees may increase by more material amounts in one year and remain constant for a period before being adjusted again.

Application of funding principles to the funding of operating and capital expenditure for each activity

The council has determined the sources of funding for capital and operating expenditure for each of its activities after considering the principles set out in Table 3.1.1 and the rationale for the use of funding sources in Tables 3.1.3 and 3.1.4 above. A brief summary of the decisions and consideration of funding principles for each activity is set out in table 3.1.6 below.

Table 3.1.6 Funding sources for operating and capital expenditure for each activity

Groups of Activities: Council controlled services

Activities	Consideration of funding principles	Funding policy
Development Auckland	<p>This involves both commercial operations that deliver private benefits and public initiatives that benefit the community as a whole</p> <p>Lessees, tenants and purchasers derive the full benefit</p>	<p>Costs of commercial operations are funded from user charges and other non-rates revenue</p> <p>Costs of public initiatives are primarily funded from the general rate</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Economic growth and visitor economy	<p>The related industries benefit from increased visitor numbers</p> <p>The community as a whole benefit from growth in the economy and employment</p>	<p>Visitor attraction and major events expenditure is funded by a mix of general and targeted rates</p> <p>Economic development costs are primarily funded from the general rate</p> <p>Subsidies from government and other sources are utilised where available</p> <p>User charges are applied where benefits are private (event tickets)</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regional facilities	<p>Users of the facilities derive a direct benefit</p> <p>The community as a whole benefit through a more diverse and vibrant lifestyle and an increased sense of pride and identity created by the events hosted in the facilities</p> <p>An enhancement to the overall economy and employment resulting from increased visitor numbers</p>	<p>The majority of the costs are funded from the general rate with the balance funded from user charges such as venue hire</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Groups of Activities: Local services

Activities	Consideration of funding principles	Funding policy
Local planning and development	<p>Business improvement districts (BIDs) directly benefit from council expenditure on local economic development made at their direction</p> <p>The rest of the councils service in local planning and development benefits the community as a whole</p>	<p>Grants provided to each BID for spending in the BID area are funded from the respective BID targeted rate</p> <p>Revenue from any other sources (including from any user charges, targeted rate, grants, donations and sponsorships) will be utilised should they become available</p> <p>The balance of the costs are funded from the general rate</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Local environmental management	<p>These are public goods that benefit the community as a whole</p>	<p>Costs are fully funded from the general rate</p> <p>Revenue from any other sources (including from any user charges, targeted rate, grants, donations and sponsorships) will be utilised should they become available</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Local governance	<p>These are public goods that benefit the community as a whole</p>	<p>Costs are primarily funded from the general rate</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Local community services	<p>Service users derive a direct benefit</p> <p>The wider public benefit from a more vibrant and friendly community, a safer community environment and access to high quality open space</p> <p>In most cases it is impractical to directly charge users</p> <p>In some cases the service is private and a charge can be implemented (e.g. use of park space or facilities for private functions)</p> <p>The target recipients of the services may have affordability issues</p>	<p>Costs are primarily funded from the general rate</p> <p>User charges may apply where the service is private and a charge can be implemented without compromising the council's social objectives</p> <p>Subsidies from government and other sources, (including from any targeted rate, grants, donations and sponsorships) are utilised where available</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Groups of Activities: Regional council services

Activities	Consideration of funding principles	Funding policy
Regional planning	<p>The community as a whole benefit from this activity</p> <p>The city centre redevelopment programme directly benefits businesses in the city centre area through enhancing the quality of the environment in the city centre for workers and visitors</p>	<p>Costs are primarily funded from the general rate</p> <p>Costs associated with the city centre redevelopment programme are funded from a combination of the city centre targeted rate and general rates</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regulatory services	<p>The need for the council involvement is mainly caused by licence or consent applicants or holders whose activities, if unregulated, could cause nuisance to the public or pose a threat to the safety or health of the community</p> <p>In some cases it is difficult to identify and charge the parties who cause the costs (e.g. owners of unregistered dogs)</p> <p>In some cases charging the full cost may discourage compliance</p> <p>Certain related services (e.g. provision of property information) deliver private benefit to users</p>	<p>Costs are primarily funded from user charges</p> <p>Certain charges are set at a level below cost to encourage compliance, with the balance funded from general rates</p> <p>Where costs cannot be easily attributed to individual parties, they are funded from the general rate</p> <p>Targeted rates are used where there is a clearly identifiable group benefiting from a specific council activity (e.g. on-site sewerage pump out)</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Organisational support	<p>Certain services within this activity (e.g. provision of financial assistance to certain ratepayers and supply of information for commercial or private use) deliver private benefits</p> <p>The remainder of the activity contributes to the council's provision of other external services</p>	<p>Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers</p> <p>There is a small amount of revenue from fees and charges</p> <p>The remainder of the costs are allocated to the council's external services</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regional governance	<p>These are public goods that benefit the community as a whole</p>	<p>Costs are primarily funded from the general rate (see note below)</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regional community services	<p>Service users derive a direct benefit</p> <p>The wider public benefit from a more vibrant and friendly community, a safer community environment and access to high quality open space</p> <p>In most cases it is impractical to directly charge users</p> <p>In some cases the service is private and a charge can be implemented (e.g. use of park space or facilities for private functions)</p> <p>The target recipients of the services may have affordability issues</p>	<p>Costs are primarily funded from the general rate</p> <p>User charges may apply where the service is private and a charge can be implemented</p> <p>Subsidies from government and other sources (including from any targeted rate, grants, donations and sponsorships) are utilised where available</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p>

Activities	Consideration of funding principles	Funding policy
		<p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Environmental services	The provision of environmental services is primarily a public good that benefits the community as a whole	<p>Costs are funded predominantly from the general rate</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p> <p>Targeted rates applied universally on a differential basis (business and non-business) are used where a greater degree of transparency is desired in relation to how funds are spent</p>
Investment	All ratepayers as a whole bear the risk of the investments	<p>Any profit realised is used to reduce the general rate requirement</p> <p>Any loss would be funded from the general rate or other revenue</p> <p>Borrowings are used to address cash-flow timing differences</p>
3rd party amenities and grants	<p>Regional amenities such as MOTAT and Auckland War Memorial Museum benefit the community as a whole</p> <p>Council is required under legislation to provide funding for amenities included in this activity</p>	<p>Costs to the council are primarily funded from the general rate</p> <p>Borrowings may be used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Note: Revenue from council owned cafeteria is currently grouped under this activity and is used to offset the general rate.

Groups of Activities: Roads and Footpaths

Activities	Consideration of funding principles	Funding policy
Road and footpaths	<p>Road and footpath users derive a direct benefit</p> <p>There are legal and practical constraints in directly charging users</p> <p>The vast majority of the public are users</p>	<p>Costs are funded from a combination of the general rate, user charges, and government grants.</p> <p>Targeted rates may also be used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers</p> <p>Costs associated with the city centre redevelopment programme are funded from a combination of the city centre targeted rate and general rates</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p> <p>The Regional Fuel Tax may be used to fund the some of the operating and capital expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme</p>

Groups of Activities: Public Transport and Travel Demand Management

Activities	Consideration of funding principles	Funding policy
Public Transport and travel demand management	Service users derive a direct benefit Public transport provides benefit for the wider community by reducing demand from private transportation for roading infrastructure	Costs are funded from a combination of the general rate, user charges and government grants Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences The Regional Fuel Tax may be used to fund the some of the operating and capital expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme
Parking and enforcement	Parking customers derive the full benefit Individuals failing to comply with restrictions create the need for the council involvement	Costs are fully funded from user charges and fines Borrowings are used to address cash-flow timing differences
Organisational support (Auckland Transport)	Certain services within this activity (e.g. provision of financial assistance to certain ratepayers and supply of information for commercial or private use) deliver private benefits The remainder of the activity contributes to the council's provision of other external services	Costs are allocated to the council's external services Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences

Groups of Activities: Stormwater Management

Activities	Consideration of funding principles	Funding policy
Stormwater management	These are public goods that benefit the community as a whole (except for a small number of local projects that benefit a specific group of ratepayers)	Costs are primarily funded from the general rate Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Financial contributions are used to fund the costs of environmental mitigation through the resource consent process Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences Targeted rates applied universally on a differential basis (business and non-business) are used where a greater degree of transparency is desired in relation to how funds are spent

Groups of Activities: Wastewater treatment and disposal

Activities	Consideration of funding principles	Funding policy
Wastewater	Water and wastewater customers derive the full benefit	<p>Costs are mainly funded from user charges</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) and are not funded by other user charges and/or development contributions where a project benefits a specific group of ratepayers</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of water users and to address cash-flow timing differences</p>

Groups of Activities: Water Supply

Activities	Consideration of funding principles	Funding policy
Water supply	Water and wastewater customers derive the full benefit	<p>Costs are mainly funded from user charges</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) and are not funded by other user charges and/or development contributions where a project benefits a specific group of ratepayers</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of water users and to address cash-flow timing differences</p>

3.2 Prospective funding impact statement

Prospective consolidated funding impact statement

Auckland Council group consolidated

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Sources of operating funding:											
General rates, UAGCs, rates penalties	1,517,067	1,588,388	1,660,153	1,752,213	1,848,734	1,949,845	2,055,738	2,167,522	2,285,588	2,409,220	2,538,303
Targeted rates	197,643	212,615	223,859	220,129	226,636	231,872	236,987	240,626	245,167	249,632	254,647
Subsidies and grants for operating purposes	273,705	286,973	297,307	305,689	313,599	321,216	329,329	336,149	342,569	348,891	356,218
Fees and charges	1,255,679	1,347,989	1,424,281	1,529,557	1,593,904	1,656,940	1,725,021	1,788,539	1,854,387	1,926,709	2,001,496
Interest and dividends from investments	67,976	70,661	70,961	70,930	70,825	72,391	74,118	75,946	77,918	79,889	81,909
Local authorities fuel tax, fines, infringement fees and other receipts	289,074	430,324	442,794	439,510	456,352	471,395	460,157	477,455	456,585	465,384	471,503
Total operating funding	3,601,144	3,936,950	4,119,355	4,318,028	4,510,050	4,703,659	4,881,350	5,086,237	5,262,214	5,479,725	5,704,076
Applications of operating funding:											
Payment to staff and suppliers	2,418,699	2,587,623	2,655,498	2,744,272	2,817,466	2,910,733	3,006,309	3,093,448	3,181,378	3,275,935	3,370,765
Finance costs	454,998	467,214	513,661	562,389	594,238	611,472	630,593	643,051	660,264	675,602	685,461
Other operating funding applications	7,763	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	2,881,460	3,054,837	3,169,159	3,306,661	3,411,704	3,522,205	3,636,902	3,736,499	3,841,642	3,951,537	4,056,226
Surplus (deficit) of operating funding	719,684	882,113	950,196	1,011,367	1,098,346	1,181,454	1,244,448	1,349,738	1,420,572	1,528,188	1,647,850
Sources of capital funding:											

Part 3: Our policies
3.2 Prospective Funding Impact Statement

\$000 Financial year ending 30 June	Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Subsidies and grants for capital expenditure	403,083	411,868	486,707	475,320	471,167	430,841	552,107	561,020	511,655	580,785	631,385
Development and financial contributions	214,358	204,491	288,657	306,696	297,514	301,303	301,303	301,303	301,303	295,771	293,224
Increase (decrease) in debt	354,308	591,532	703,627	712,291	484,954	542,829	450,799	304,585	407,301	196,463	53,551
Gross proceeds from sale of assets	114,505	177,000	104,000	71,000	174,000	65,000	43,000	40,000	57,000	64,000	39,000
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	1,086,254	1,384,891	1,582,991	1,565,307	1,427,635	1,339,973	1,347,209	1,206,908	1,277,259	1,137,019	1,017,160
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	797,653	980,090	827,105	774,944	806,379	678,595	648,054	690,428	543,127	616,381	634,791
- to improve the level of service	609,111	539,727	759,619	738,929	719,212	845,475	959,753	992,961	1,191,235	1,023,308	966,177
- to replace existing assets	609,952	658,203	581,334	600,823	623,084	688,867	963,799	1,012,417	942,479	991,540	1,049,458
Increase (decrease) in reserves	65,329	32,319	81,369	78,655	38,820	16,620	12,631	12,393	10,325	6,385	3,001
Increase (decrease) in investments	(276,107)	56,665	283,760	383,323	338,486	291,870	7,420	(151,553)	10,665	27,593	11,583
Total applications of capital funding	1,805,938	2,267,004	2,533,187	2,576,674	2,525,981	2,521,427	2,591,657	2,556,646	2,697,831	2,665,207	2,665,010
Surplus (deficit) of capital funding	(719,684)	(882,113)	(950,196)	(1,011,367)	(1,098,346)	(1,181,454)	(1,244,448)	(1,349,738)	(1,420,572)	(1,528,188)	(1,647,850)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Rating mechanism

This section sets out how the council will set its rates for 2018/2019. It explains the basis on which rating liability will be assessed. In addition, it covers the council's early payment discount policy.

Background

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

Rating base information

The following table sets out the projected number of rating units at the end of the preceding financial year for each year of the long-term plan.

Financial year ending 30 June	Number of rating units for Auckland Council
2018	559,788
2019	570,704
2020	582,118
2021	593,528
2022	604,923
2023	616,417
2024	628,129
2025	640,063
2026	651,968
2027	663,834

How the increase in the rate requirement is applied

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

Uniform annual general charge (UAGC) and other fixed rates

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

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

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

- Waste management targeted rate
- part of some Business Improvement District targeted rates
- City centre targeted rate for residential properties
- Point Wells wastewater targeted rate
- Jackson Crescent wastewater targeted rate

- Riverhaven Drive targeted rate
- Waitākere rural sewerage targeted rate
- Ōtara-Papatoetoe swimming pool targeted rate
- Māngere-Ōtāhuhu swimming pool targeted rate
- Rodney Local Board Transport targeted rate

Funds raised by uniform fixed rates, which include the UAGC and any targeted rate set on a uniform fixed basis¹, cannot exceed 30 per cent of total rates revenue sought by the council for the year (under Section 21 of Local Government (Rating) Act 2002).

A UAGC of \$414 (including GST) will be applied per SUIP for 2018/2019. This is estimated to produce around \$219.5 million (excluding GST) for 2018/2019.

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

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

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

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

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

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

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

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

Value-based general rate

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

Rates differentials

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

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

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

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

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

Rates differential definitions

Differential group	Definition
Urban business	<p>Land in the Metropolitan Urban Limit (MUL) as well as land within the Pukekohe township that is used for commercial, industrial, transport, utility or public communal – licensed purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence.</p> <p>Also includes land in the MUL as well as land within the Pukekohe township, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year.</p>
Urban residential	<p>Land in the MUL, as well as land within the Pukekohe township that is used exclusively or almost exclusively, for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels.⁽¹⁾ Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence)</p>
Rural business	<p>Land outside the MUL that is used for commercial, industrial, transport, utility network⁽²⁾, or public communal – licensed purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence.</p> <p>Also includes land outside the MUL where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach for more than 180 nights in the 12 months ending 30 June of the previous financial year.</p>

Differential group	Definition
Rural residential	Land outside the MUL that is used exclusively or almost exclusively for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels ⁽¹⁾ . Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence)
Farm and lifestyle	Any land that is used for lifestyle or rural industry purposes, excluding mineral extraction ⁽³⁾
No road access	Includes all land (irrespective of use) for which direct or indirect access by road is unavailable or provided for, and all land situated on the islands of Ihumoana, Kaikoura, Karamuramu, Kauwahia, Kawau, Little Barrier, Mokohinau, Motahaku, Motuketekete, Motutapu, Motuihe, Pakatoa, Pakihi, Ponui, Rabbit, Rakitu, Rangiahua, Rotoroa and The Noises
Uninhabitable islands	Includes land on all Hauraki Gulf islands and Manukau Harbour other than Waiheke, Great Barrier and the islands named in the definition of No road access.
Urban moderate-occupancy online accommodation provider	Land in the Metropolitan Urban Limit (MUL) as well as land within the Pukekohe township where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Rural moderate-occupancy online accommodation provider	Land outside the MUL where a residence is let out on a short-term basis, via online web-based accommodation that offer short-term rental accommodation services via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Urban medium-occupancy online accommodation provider	Land in the Metropolitan Urban Limit (MUL) as well as land within the Pukekohe township where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Rural medium-occupancy online accommodation provider	Land outside the MUL where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.

Notes to previous table:

- Hotels, motels, serviced apartments, boarding houses and hostels will be rated as business except when the land is used exclusively or almost exclusively for residential purposes. Ratepayers must provide proof of long-term stay (at least 90 days) as at 30 June of the previous financial year. Proof should be in the form of a residential tenancy agreement or similar documentation.
- Utility networks are classed as rural business differential. However, all other utility rating units are categorised based on their land use and location.
- To be considered "lifestyle", land must be in a rural or semi-rural area, must be predominantly used for residential purposes, must be larger than an ordinary residential allotment, and must be used for some small-scale non-commercial rural activity.

The long-term differential strategy

In 2018/2019 the council is recommending the long-term differential strategy. The business differential ratios will be set so that 32.4 per cent of general rates (UAGC and value-based general rate) come from businesses.

The table below sets out the rates differentials and rates in the dollar of capital value to be applied in 2018/2019. This is estimated to produce around \$1,389.8 million (excluding GST) for 2018/2019.

Value-based general rate differentials for 2018/2019

Property category	Effective relative differential ratio for general rate for 2018/2019	Rate in the dollar for 2018/2019 (including GST) (\$)	Share of value-based general rate (excluding GST) (\$)	Share of value-based general rate (%)
Urban business	2.79	0.00512269	455,477,146	32.8%
Urban residential	1.00	0.00183316	773,938,258	55.7%
Rural business	2.52	0.00461042	44,136,372	3.2%
Rural residential	0.90	0.00164984	42,162,451	3.0%
Farm and lifestyle	0.80	0.00146653	71,272,833	5.1%
No road access	0.25	0.00045829	227,715	Less than 0.1%
Uninhabitable island ⁽¹⁾	0.00	0.00000000	0	0%

Note: 1. Uninhabitable islands ratepayers are liable for the UAGC only, which is automatically remitted through the rate remission policy.

Property category	Effective relative differential ratio for general rate for 2018/2019	Rate in the dollar for 2018/2019 (including GST) (\$)	Share of value-based general rate (excluding GST) (\$)	Share of value-based general rate (%)
Urban moderate-occupancy online accommodation provider	1.90	0.00347792	422,986	Less than 0.1%
Rural moderate-occupancy online accommodation provider	1.71	0.00313013	132,995	Less than 0.1%
Urban medium-occupancy online accommodation provider	1.45	0.00265554	1,441,250	0.1%
Rural medium-occupancy online accommodation provider	1.30	0.00238999	562,761	Less than 0.1%

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

Targeted rates

The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate. Unless otherwise stated, the targeted rates described below will be used as sources of funding for each year of the Long-term Plan 2018-2028.

Water Quality Targeted Rate

Background

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

Activities to be funded

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

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as uninhabited Islands as defined for rating purposes. The business differential ratio will be set so that 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of \$0.00010677 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business and Rural business) as defined for rating purposes, and \$0.00006076 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, and No road access) as defined for rating purposes. This is estimated to produce around \$41 million (excluding GST) for 2018/2019, \$10.6 million from business and \$30.4 million from non-business.

Natural Environment Targeted Rate

Background

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

Activities to be funded

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

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as uninhabited Islands as defined for rating purposes. The business differential ratio will be set so that 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of \$0.00007603 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business and Rural business) as defined for rating purposes, and \$0.00004326 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online

accommodation provider, and No road access) as defined for rating purposes. This is estimated to produce around \$29.1 million (excluding GST) for 2018/2019, \$7.5 million from business and \$21.6 million from non-business.

Waste Management targeted rate

Background

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

The refuse, recycling, inorganic collection and other waste management services in Auckland are being standardised under the Waste Management and Minimisation Plan (WMMP). The service will be rolled out across the region gradually until full coverage is achieved in 2020/2021. Refuse collection is also being standardised. All areas will move to pre-paid bin collection. In 2018/2019 Papakura will be the first area to receive a food scraps collection service. Papakura is moving to pay as you throw refuse bins in 2018.

Solid waste targeted rates for 2018/2019 include:

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

Where user charges currently apply, these will continue.

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

Activities to be funded

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

How the rate will be assessed

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

For land within the district of the former Auckland City Council, the targeted rate for the base service and the standard refuse service will be charged based of the number and type of services supplied or available to each rating unit. For rating units made up of one SUIP, the council will provide one refuse collection service. For rating units made up of more than one SUIP, the council will provide the same service as was provided at 30 June 2018, unless otherwise informed by the owner of the rating unit (that is, at least one base service and one refuse collection service). Land which has an approved alternative service will be charged the waste service charge that excludes the approved alternative service or services.

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

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

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

The following table sets out the waste management targeted rates to be applied in 2018/2019. This is estimated to produce around \$78.7 million (excluding GST) for 2018/2019.

Waste management targeted rates

Service	Differential group	Amount of targeted rate for 2018/2019 (including GST) \$	Charging basis	Share of targeted rate (excluding GST) (\$)
Base service	Rating units in the former Auckland City	100.39	Per service available	14,298,146
	Rating units in the former Franklin District, Manukau City, North Shore City, Papakura District, Rodney District and Waitakere City	100.39	Per SUIP	32,642,193
Base service excluding recycling	Rating units in the former Auckland City	35.25	Per service available	802,002
Standard refuse	Rating units in the former Auckland City	123.78	Per service available	17,490,394
	Rating units in the former Manukau City	123.78	Per SUIP	11,944,103
Large refuse	Rating units in the former Auckland City and Manukau City	58.18	Per service available	463,776
Additional recycling	All rating units	65.14	Per service available	83,453
Food scraps	Rating units in the former Papakura District	67.00	Per SUIP	995,917

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

- land which has an approved alternative refuse service will be charged the base service rate (\$100.39)
- land which has an approved alternative recycling service will be charged the standard refuse rate (\$123.78) plus the base service excluding recycling rate (\$35.25)
- land which has approved alternative refuse and recycling services will be charged the base service excluding recycling rate (\$35.25).

Accommodation provider targeted rate

Background

Auckland Council, through Auckland Tourism, Events, and Economic Development (ATEED), has a strong focus on developing Auckland's visitor economy into a sustainable year-round industry, including working with industry partners such as Tourism New Zealand and Auckland International Airport Limited to attract high-value

visitors, and facilitating the establishment of world-class attractions. The Auckland Convention Bureau team attracts business events which inject millions annually into the economy.

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

Activities to be funded

The Accommodation provider targeted rate will be used to help part fund the costs of visitor attraction, major events and destination and marketing which are part of council's "economic growth and visitor economy" activity. The rate will apply from 2018/2019.

How the rate will be assessed

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

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

Provider type

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

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

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

Where an accommodation operator offers differing accommodation types from one establishment then the different parts should be treated according to their differential category use. For example, many campgrounds,

motor parks, and holiday parks offer a mixture of self-contained units (similar to motels), cabins (similar to backpackers), and camp sites.

Provider types will be grouped into the following seven tiers:

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

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

Location

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

- Zone A: accommodation providers located in local board areas of Albert-Eden, Devonport-Takapuna, Mangere-Ōtāhuhu, Maungakiekie-Tamaki, Ōrākei, Waitemātā.
- Zone B: accommodation providers located in local board areas of Henderson-Massey, Hibiscus and Bays, Howick, Kaipātiki, Manurewa, Ōtara-Papatoetoe, Puketāpapa, Upper Harbour, Waiheke, Whau.
- Zone C: accommodation providers located in local board areas of Franklin, Great Barrier, Papakura, Rodney and Waitakere Ranges.

Differential ratios

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

Differential ratios		Provider type					
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Location	Zone A	1.0	0.6	0.50	0.30	0.25	0.15
	Zone B	0.5	0.3	0.25	0.15	0.12 5	0.07 5

Accommodation provider targeted rate

The following table sets out the Accommodation provider targeted rate to be applied to the differential categories described above for 2018/2019. This is estimated to produce around \$13.68 million (excluding GST) for 2018/2019.

Rate in the dollar to be based on the portion of capital value of the rating unit used for commercial accommodation (including GST) (\$)		Provider type					
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Location	Zone A	0.00567049	0.00340230	0.00283525	0.00170115	0.00141762	0.00085057
	Zone B	0.00283525	0.00170115	0.00141762	0.00085057	0.00070881	0.00042529

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

City centre targeted rate

Background

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

Activities to be funded

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

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

How the rate will be assessed

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

A rate in the dollar of \$0.00126779 (including GST) of rateable capital value will be applied to business land in 2018/2019. This is estimated to produce around \$21.3 million (excluding GST) for 2018/2019.

A fixed rate of \$60.42 (including GST) per SUIP (see UAGC section prior for the council's definition of a SUIP) will be applied to residential, urban moderate-occupancy online accommodation provider, and urban medium-occupancy online accommodation provider land in 2018/2019. This is estimated to produce around \$0.96 million (excluding GST) for 2018/2019.

Rodney Local Board Transport Targeted Rate

Background

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

Activities to be funded

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

How the rate will be assessed

The targeted rate will be applied as an amount per SUIP (see UAGC section prior for the council's definition of a SUIP) on all rateable land in the Rodney Local Board area except land categorised as uninhabited Islands as defined for rating purposes. The amount of the targeted rate will be \$150 (including GST) per SUIP. This is estimated to produce around \$3.9 million (excluding GST) for 2018/2019.

Business Improvement District targeted rates

Background

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

Activities to be funded

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

How the rates will be assessed

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

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

The table below sets out the budgets and the rates for each BID area that the council will apply in 2018/2019. This is estimated to produce around \$17.7 million (excluding GST) in targeted rates revenue for 2018/2019.

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

BID area	Amount of BID grant 2018/2019 (excluding GST) (\$)	Amount of BID targeted rate 2018/2019 (excluding GST) (\$)	Amount to be funded by fixed charge for 2018/2019 (excluding GST) (\$)	Fixed rate per rating unit for 2018/2019 (including GST) (\$)	Amount to be funded by property value rate based on the capital value of the rating unit for 2018/2019 (excluding GST) (\$)	Rate in the dollar for 2018/2019 to be multiplied by the capital value of the rating unit (including GST) (\$)
Avondale	140,000	140,000	0	0.00	140,000	0.00116859
Birkenhead	187,000	189,158	0	0.00	189,158	0.00088548
Blockhouse Bay	58,000	58,000	0	0.00	58,000	0.00144837
Browns Bay	150,000	149,925	0	0.00	149,925	0.00053238
Devonport	120,000	120,206	17,391	250.00	102,815	0.00061385
Dominion Road	180,000	179,007	0	0.00	179,007	0.00052696
Ellerslie	152,000	152,000	0	0.00	152,000	0.00192286
Glen Eden	91,920	91,920	0	0.00	91,920	0.00107244
Glen Innes	166,000	167,124	0	0.00	167,124	0.00104201
Greater East Tāmaki	500,000	501,809	332,866	195.00	168,943	0.00003089
Heart of the City	4,643,315	4,656,465	0	0.00	4,656,465	0.00042166
Howick	167,772	167,772	0	0.00	167,772	0.00088557
Hunters Corner	126,590	126,629	0	0.00	126,629	0.00072542
Karangahape Road	425,648	448,579	0	0.00	448,579	0.00051298
Kingsland	210,000	212,271	0	0.00	212,271	0.00039396
Mairangi Bay	63,000	63,000	5,000	250.00	58,000	0.00126774
Māngere Bridge	28,800	28,800	0	0.00	28,800	0.00140697
Māngere East Village	6,100	6,100	0	0.00	6,100	0.00029693
Māngere Town	284,949	284,949	0	0.00	284,949	0.00401509
Manukau Central	490,000	490,376	0	0.00	490,376	0.00032794
Manurewa	142,470	142,626	0	0.00	142,626	0.00092294
Milford	132,000	126,616	0	0.00	126,616	0.00054761
Mt Eden Village	89,035	90,065	0	0.00	90,065	0.00056159
New Lynn	176,091	176,091	0	0.00	176,091	0.00054930
Newmarket	1,634,409	1,636,658	0	0.00	1,636,658	0.00066205
North Harbour	690,621	686,316	328,423	150.00	357,893	0.00009373
North West District	180,000	181,461	91,086	250.00	90,374	0.00020209
Northcote	120,000	120,000	0	0.00	120,000	0.00236693
Old Papatoetoe	113,090	113,090	0	0.00	113,090	0.00146794
Onehunga	405,000	405,937	0	0.00	405,937	0.00109896
Orewa	232,220	221,673	0	0.00	221,673	0.00083269
Ōtāhuhu	628,425	622,045	0	0.00	622,045	0.00064901
Ōtara	90,219	90,219	0	0.00	90,219	0.00155399
Panmure	422,759	427,288	0	0.00	427,288	0.00142816
Papakura	250,000	250,275	0	0.00	250,275	0.00073930

BID area	Amount of BID grant 2018/2019 (excluding GST) (\$)	Amount of BID targeted rate 2018/2019 (excluding GST) (\$)	Amount to be funded by fixed charge for 2018/2019 (excluding GST) (\$)	Fixed rate per rating unit for 2018/2019 (including GST) (\$)	Amount to be funded by property value rate based on the capital value of the rating unit for 2018/2019 (excluding GST) (\$)	Rate in the dollar for 2018/2019 to be multiplied by the capital value of the rating unit (including GST) (\$)
Parnell	815,000	797,613	0	0.00	797,613	0.00051100
Ponsonby	471,586	458,671	0	0.00	458,671	0.00058283
Pukekohe	440,000	436,843	0	0.00	436,843	0.00050761
Remuera	242,564	242,049	0	0.00	242,049	0.00111725
Rosebank	430,000	425,467	0	0.00	425,467	0.00039412
South Harbour	81,325	81,324	0	0.00	81,324	0.00044770
St Heliers	138,484	138,485	0	0.00	138,485	0.00105659
Takapuna	403,541	402,920	0	0.00	402,920	0.00036465
Te Atatu	92,000	88,693	0	0.00	88,693	0.00128390
Torbay	15,415	15,415	0	0.00	15,415	0.00090904
Uptown	270,000	267,084	0	0.00	267,084	0.00014740
Waiuku	122,750	122,963	0	0.00	122,963	0.00099810
Wiri	670,000	672,883	0	0.00	672,883	0.00021195
Total	17,690,098	17,674,861	774,766		16,900,095	

Note to the table: Targeted rate amounts include surpluses and deficits (if any) carried over from 2016/2017 so may differ from grant amounts.

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

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

Māngere-Ōtāhuhu and Ōtara-Papatoetoe swimming pool targeted rates

Background

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

Activities to be funded

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

How the rate will be assessed

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

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

The following table sets out the local activity targeted rates that apply in 2018/2019 for the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. This is estimated to produce around \$1.1 million (excluding GST) for 2018/2019.

Local board area	Local activity targeted rates	
	Fixed rate for each separately used or inhabited part of a rating unit for 2018/2019 (including GST) (\$)	Revenue from the targeted rate (excluding GST) (\$)
Māngere-Ōtāhuhu	31.94	519,793
Ōtara-Papatoetoe	29.94	558,731

Riverhaven Drive targeted rate

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

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

The council will apply a uniform rate of \$10,317.02 (including GST) per rating unit for 2018/2019. This is estimated to produce around \$72,000 (excluding GST) for 2018/2019.

Glorit Flood Gate Restoration targeted rate

A targeted rate for three rating units, detailed below, to recover the cost of Glorit flood gate restoration. The rate will fund expenditure within the following activity: Stormwater management. The rate will apply until the cost of the project is recovered. The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest on a table mortgage basis. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 10 years (2009/2010 to 2018/2019). The costs of works, together with interest and administration charges are apportioned on an area of benefit basis.

The following table sets out the Glorit Flood Gate Restoration targeted rates for 2018/2019. This is estimated to produce around \$38,000 (excluding GST) for 2018/2019.

Glorit Flood Gate Restoration targeted rate

Valuation number	Legal description (abbreviated)	Area of benefit in hectares	Amount of targeted rate for 2018/2019 (including GST) (\$)
00910-00102	Sec 27 SO 59120	245	40,689.21
00910-00502	Lot 5 DP 127940	2	332.15
00910-12128597	Lot 1 DP 497349	17.5	2,906.37

Waitākere rural sewerage targeted rate

The Waitākere rural sewerage targeted rate is set as a uniform charge on all rating units in the Non-Drainage Area of the former district of the Waitākere City Council where there are on-site waste management systems that are scheduled to be inspected and/or pumped out by the council within the three-yearly cycle, to recover the costs of implementation of the On-site Waste Systems Management Plan. The uniform charge is assessed in respect of each on site waste management system utilised in conjunction with the particular rating unit. The rate will fund expenditure within the following activities: Regulation.

For 2018/2019 the council will apply a uniform rate of \$194.54 (including GST) for each on-site waste management system utilised in conjunction with the rating unit. This is estimated to produce around \$0.8 million (excluding GST) for 2018/2019.

Retro-fit your home targeted rate

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

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

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 1 July each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Retro-fit Your Home targeted rate that the council will apply in 2018/2019. This is estimated to produce around \$6.2 million (excluding GST) for 2018/2019.

Retro-fit your home targeted rate

Year of repayment	Rate in the dollar for 2018/2019 to be multiplied by the ratepayers outstanding balance as at 30 June 2018 (including GST) (\$)
1	0.14678592
2	0.16045527
3	0.17812329
4	0.20178998
5	0.23505519
6	0.28511857
7	0.36877905

Kumeu Huapai Riverhead wastewater targeted rate

The Kumeu Huapai Riverhead wastewater targeted rate is set on land that has received financial assistance from Auckland Council for the purchase and installation of equipment for pumping waste from the property to

Watercare's pressurised wastewater scheme. The rate will fund expenditure within the following activity:
Organisational support.

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

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 1 July each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Kumeu Huapai Riverhead wastewater targeted rate that council will apply in 2018/2019. This is estimated to produce around \$5,800 (excluding GST) for 2018/2019.

Kumeu Huapai Riverhead wastewater targeted rate

Year of repayment	Rate in the dollar for 2018/2019 to be multiplied by the ratepayers outstanding balance as at 30 June 2018 (including GST) (\$)
1	0.11952911
2	0.12467972
3	0.13067747
4	0.13773481
6	0.15630249

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

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

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

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 1 July each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the On-site wastewater systems (septic tank) upgrades targeted rate that the council will apply in 2018/2019. This is estimated to produce around \$2,000 (excluding GST) for 2018/2019.

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

Year of repayment	Rate in the dollar for 2018/2019 to be multiplied by the ratepayers outstanding balance as at 30 June 2018 (including GST) (\$)
1	0.11952911

Point Wells wastewater targeted rate

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

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

The following table sets out the Point Wells wastewater targeted rate that council will apply in 2018/2019. This is estimated to produce around \$14,700 (excluding GST) for 2018/2019.

Point Wells wastewater targeted rate

Total assistance provided	Amount of targeted rate per rating unit for 2018/2019 (including GST) (\$)
\$8,000	\$674.60
\$8,500	\$716.76
\$9,000	\$758.92
\$9,500	\$801.08
\$10,000	\$843.25

Jackson Crescent wastewater targeted rate

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

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

The council will apply a uniform rate of \$608.88 (including GST) per rating unit in 2018/2019. This is estimated to produce \$529 (excluding GST) for 2018/2019.

Rates payable by instalment

Rates will be payable by four equal instalments due on:

- Instalment 1: 31 August 2018
- Instalment 2: 28 November 2018
- Instalment 3: 28 February 2019
- Instalment 4: 28 May 2019.

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

Penalties on rates not paid by the due date

The council will apply a penalty of 10 per cent of the amount of rates assessed under each instalment in the 2018/2019 financial year that are unpaid after the due date of each instalment. Any penalty will be applied to unpaid rates on the day following the due date of the instalment.

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

Early payment discount policy

Objectives

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

Conditions and criteria

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

Delegation of decision-making

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

Review process

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

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

Discount in 2018/2019

The discount is 0.87 per cent for 2018/2019.

Sample properties

The following section is intended to provide examples of the individual rates for 2018/2019. The following targeted rates are not shown:

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

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

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

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

Differential category	Capital value	UAGC (including GST) (\$)	General rate (including GST) (\$)	Water quality targeted rate (including GST) (\$)	Natural Environment targeted rate (including GST)	Total rates (including GST) (\$)
Urban - business	500,000	414	2,561	53	38	3,067
	1,500,000	414	7,684	160	114	8,372
	3,000,000	414	15,368	320	228	16,330
	10,000,000	414	51,227	1,068	760	53,469
Urban - residential	500,000	414	917	30	22	1,383
	750,000	414	1,375	46	32	1,867
	1,000,000	414	1,833	61	43	2,351
	1,500,000	414	2,750	91	65	3,320
Rural - business	500,000	414	2,305	53	38	2,811
	1,500,000	414	6,916	160	114	7,604

Differential category	Capital value	UAGC (including GST) (\$)	General rate (including GST) (\$)	Water quality targeted rate (including GST) (\$)	Natural Environment targeted rate (including GST)	Total rates (including GST) (\$)
	3,000,000	414	13,831	320	228	14,794
	10,000,000	414	46,104	1,068	760	48,346
Rural - residential	500,000	414	825	30	22	1,291
	750,000	414	1,237	46	32	1,729
	1,000,000	414	1,650	61	43	2,168
	1,500,000	414	2,475	91	65	3,045
Farm/lifestyle	500,000	414	733	30	22	1,199
	1,500,000	414	2,200	91	65	2,770
	3,000,000	414	4,400	182	130	5,126
	10,000,000	414	14,665	608	433	16,120

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

Waste management targeted rate

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

Former council area	Service	Total amount of charges (including GST) (\$)				
		1	2	3	5	10
Auckland City	Full service (base service plus standard refuse service)	224	448	673	1,121	2,242
	Opt out of refuse	100	201	301	502	1,004
	Opt out of recycling	159	318	477	795	1,590
	Opt out of both refuse and recycling	35	71	106	176	353
	Additional recycling	65	130	195	326	651
Manukau City	Full service (base service plus standard refuse service)	224	448	673	1,121	2,242
Papakura District, North Shore City, Waitākere City, Franklin District and Rodney District	Base service	100	201	301	502	1,004
Papakura District	Food scraps	67	134	201	335	670

Accommodation provider targeted rate

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

Rating units in Zone A that provide visitor accommodation						
Capital value	Zone A – Tier 1 rate	Zone A – Tier 2 rate	Zone A – Tier 3 rate	Zone A – Tier 4 rate	Zone A – Tier 5 rate	Zone A – Tier 6 rate
	(including GST) (\$)	(including GST) (\$)	(including GST) (\$)	(including GST) (\$)	(including GST) (\$)	(including GST) (\$)
500,000	2,835	1,701	1,418	851	709	425
1,500,000	8,506	5,103	4,253	2,552	2,126	1,276
3,000,000	17,011	10,207	8,506	5,103	4,253	2,552
10,000,000	56,705	34,023	28,352	17,011	14,176	8,506

Rating units in Zone B that provide visitor accommodation						
Capital value	Zone B – Tier 1 rate	Zone B – Tier 2 rate	Zone B – Tier 3 rate	Zone B – Tier 4 rate	Zone B – Tier 5 rate	Zone B – Tier 6 rate
	(including GST) (\$)	(including GST) (\$)	(including GST) (\$)	(including GST) (\$)	(including GST) (\$)	(including GST) (\$)
500,000	1,418	851	709	425	354	213
1,500,000	4,253	2,552	2,126	1,276	1,063	638
3,000,000	8,506	5,103	4,253	2,552	2,126	1,276
10,000,000	28,352	17,011	14,176	8,506	7,088	4,253

City centre targeted rate

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

Business rating units located in the city centre area	
Capital value	Rate (including GST) (\$)
500,000	634
1,500,000	1,902
3,000,000	3,803
10,000,000	12,678

Residential rating units located in the city centre area	
Number of separately used or inhabited parts	Rate (including GST) (\$)
1	60
2	121
3	181
5	302
10	604

Rodney Local Board Transport Targeted Rate

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

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

Swimming pool targeted rates

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

Residential rating units located in	Number of separately used or inhabited parts	Total targeted rate amount (including GST) (\$)				
		1	2	3	5	10
Māngere-Ōtāhuhu		32	64	96	160	319
Ōtara-Papatoetoe		30	60	90	150	299

Waitākere rural sewerage targeted rate

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

Residential rating units located in	Number of septic tanks pumped out once every 3 years	Total targeted rate amount (including GST) (\$)				
		1	2	3	5	10
Waitākere City that have septic tanks pumped out by council		195	389	584	973	1,945

Retro-fit your home targeted rate

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

Outstanding balance at beginning of 2018/2019	Rate for 1st year of repayment (including GST) (\$)	Rate for 2nd year of repayment (including GST) (\$)	Rate for 3rd year of repayment (including GST) (\$)	Rate for 4th year of repayment (including GST) (\$)	Rate for 5th year of repayment (including GST) (\$)	Rate for 6th year of repayment (including GST) (\$)	Rate for 7th year of repayment (including GST) (\$)
1,500	220	241	267	303	353	428	553
2,000	294	321	356	404	470	570	738
2,500	367	401	445	504	588	713	922
3,500	514	562	623	706	823	998	1,291

Kumeu Huapai Riverhead wastewater targeted rate

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

Outstanding balance at beginning of 2018/2019	Rate for 1st year of repayment (including GST) (\$)	Rate for 2nd year of repayment (including GST) (\$)	Rate for 3rd year of repayment (including GST) (\$)	Rate for 4th year of repayment (including GST) (\$)	Rate for 6th year of repayment (including GST) (\$)
5,000	598	623	653	689	782
7,000	837	873	915	964	1,094
9,000	1,076	1,122	1,176	1,240	1,407
11,000	1,315	1,371	1,437	1,515	1,719

3.3 Financial reporting and prudence benchmarks

Long-term plan disclosure statement for the period commencing 1 July 2018 to 30 June 2028

What is the purpose of this statement?

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

The council is required to include this statement in its 10-year budget in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

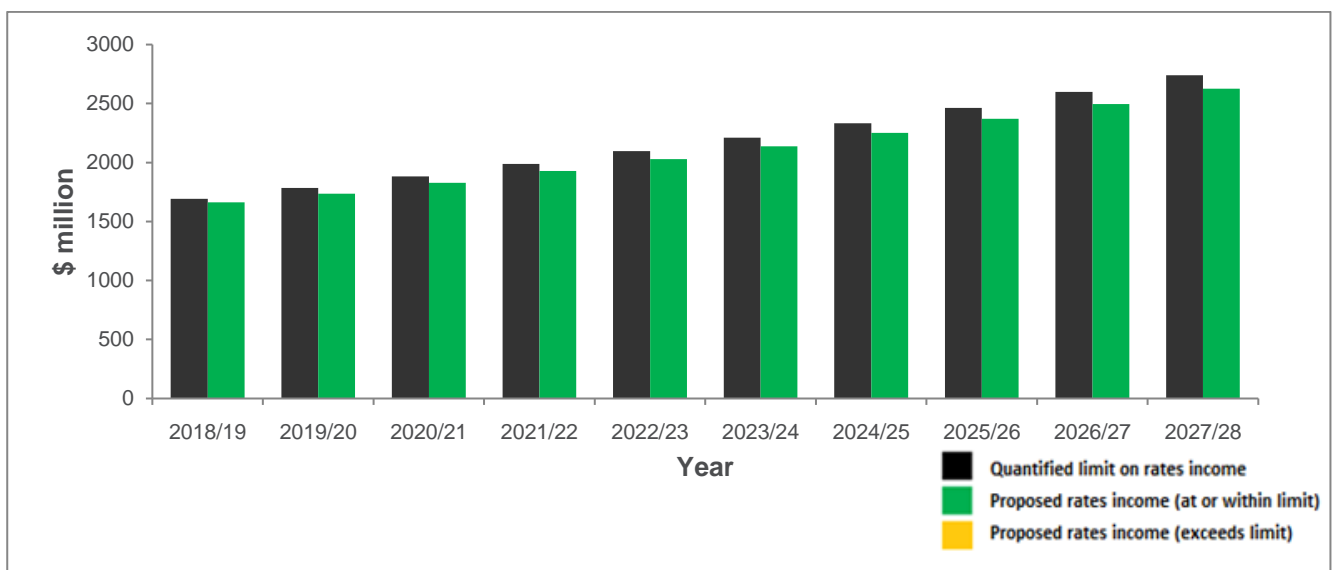
For the purposes of this section:

Rates income: General rates including remissions, less any internal rate charges. This does not include income arising from water and wastewater charges and targeted rates that apply to specific groups of ratepayers. The group meets the rates affordability benchmark if:

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

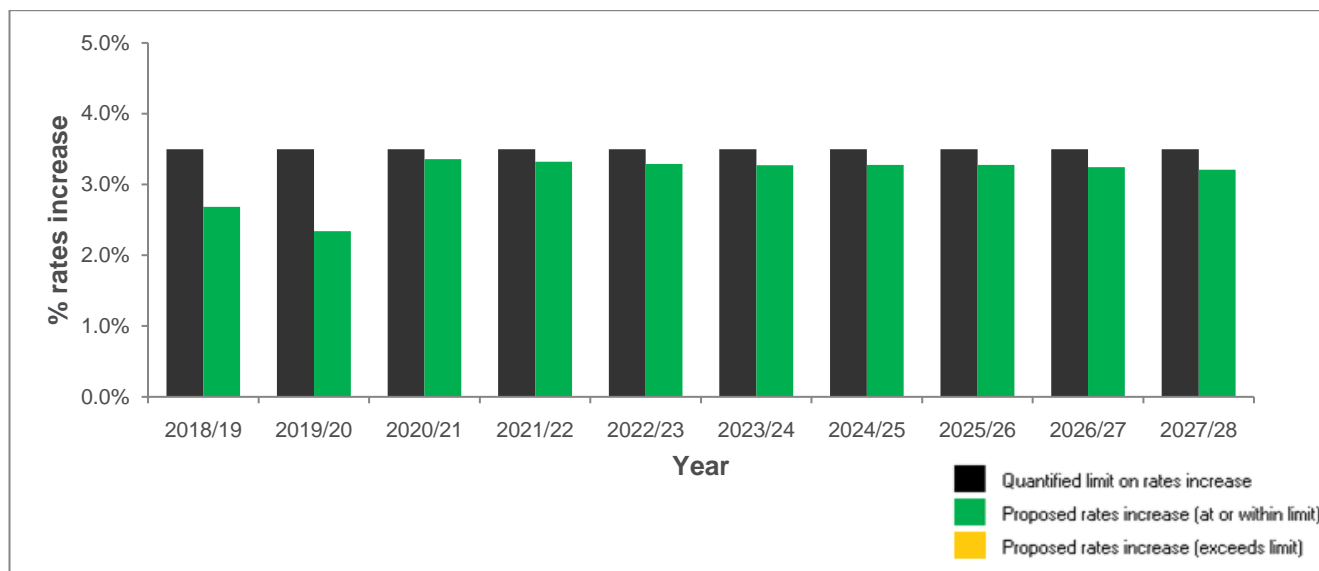
Rates (income) affordability

The following graph compares the group's planned rates with the quantified limit on rates contained in the financial strategy included in this 10-year budget. The quantified limit is the amount of income from rates, in millions of dollars, represented by the black bars in the graph. This limit includes targeted rates that apply generally across Auckland and refers to the overall average increase across all ratepayers (including different ratepayer groups such as business, farm and lifestyle ratepayers). Targeted rates that apply to specific groups of ratepayers are excluded.



Rates (increases) affordability

The following graph compares the group's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this 10-year budget. The quantified limit is to maintain average rates increases for existing ratepayers to 3.5 per cent per annum¹. This limit includes targeted rates that apply generally across Auckland and refers to the overall average increase across all ratepayers (including different ratepayer groups such as business, farm and lifestyle ratepayers). Targeted rates that apply to specific groups of ratepayers are excluded.



Note to chart:

For 2018/2019 and 2019/2020, the average rates increase will be well below the 3.5 per cent limit because of the decision to increase average general rates by 2.5 per cent in those years.

For residential ratepayers the average overall rates increase (including general rates and targeted rates applied generally across Auckland) will also be 2.5 per cent for 2018/2019. This is because the impact of the introduction of the water quality and natural environment targeted rates is offset by the impact of the Interim Transport Levy finishing. The overall average rates increase across all ratepayer groups is slightly higher at 2.7 per cent, because those new targeted rates and the Interim Transport Levy have different impacts on business and farm/lifestyle ratepayers.

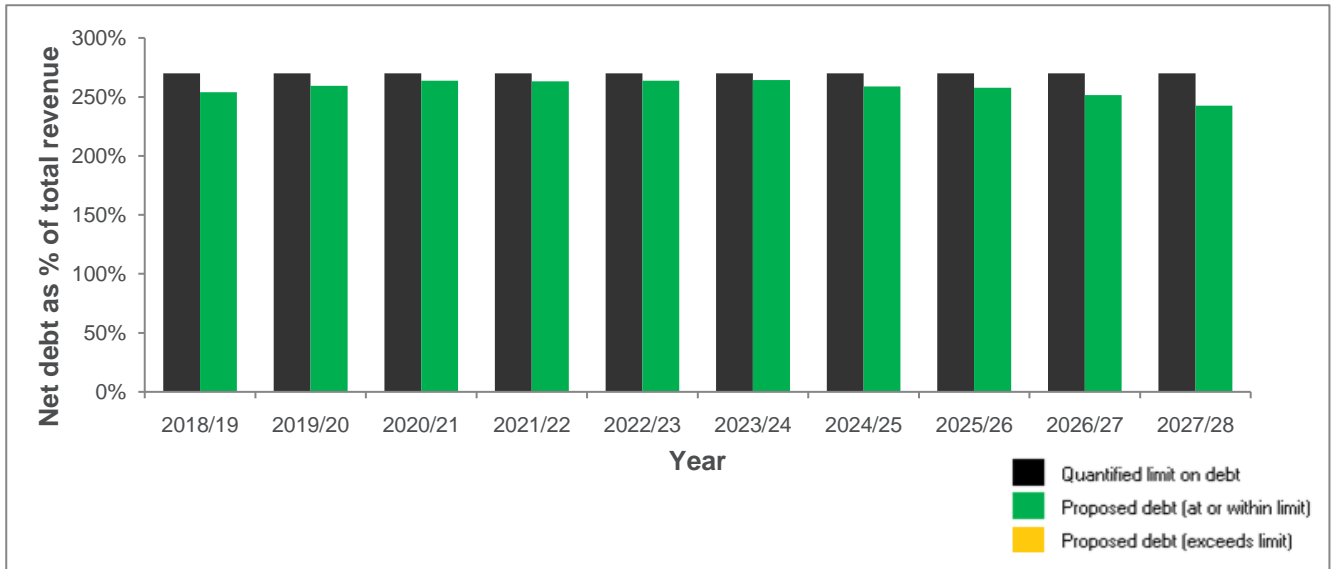
The average overall rates increase for years two and beyond are slightly below the 2.5 per cent and 3.5 per cent average general rates increases. This is because the new targeted rates do not increase each year.

¹ The increases in the cart are lower than the planned general rates increase to existing ratepayers of 2.5% in 2018/19 and 2019/20 and 3.5% thereafter. This is due to the inclusion of targeted rates which are forecast to increase at a lower rate than general rates.

Debt affordability benchmark

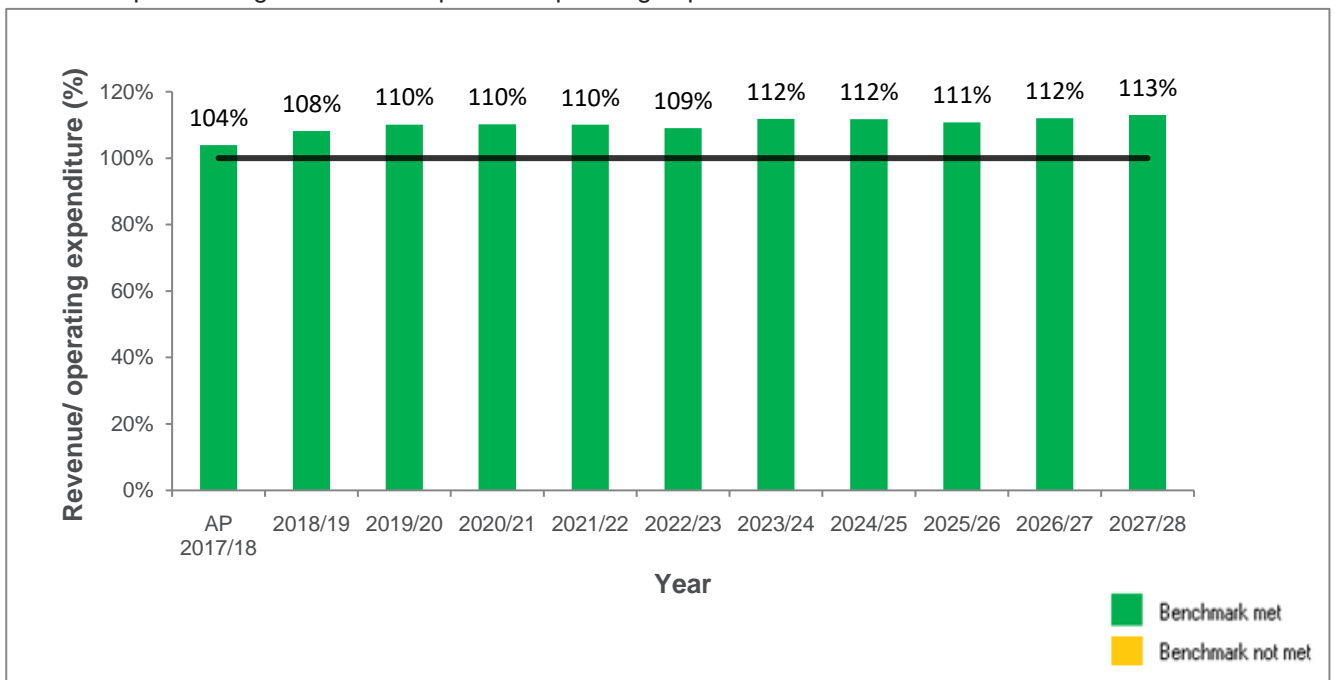
The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the council's planned debt with the quantified limit on borrowing contained in the financial strategy included in this 10-year budget and council's treasury management policy. The quantified limit is measured in terms of net debt as a percentage of total revenue, and the quantified limit is 270 per cent.



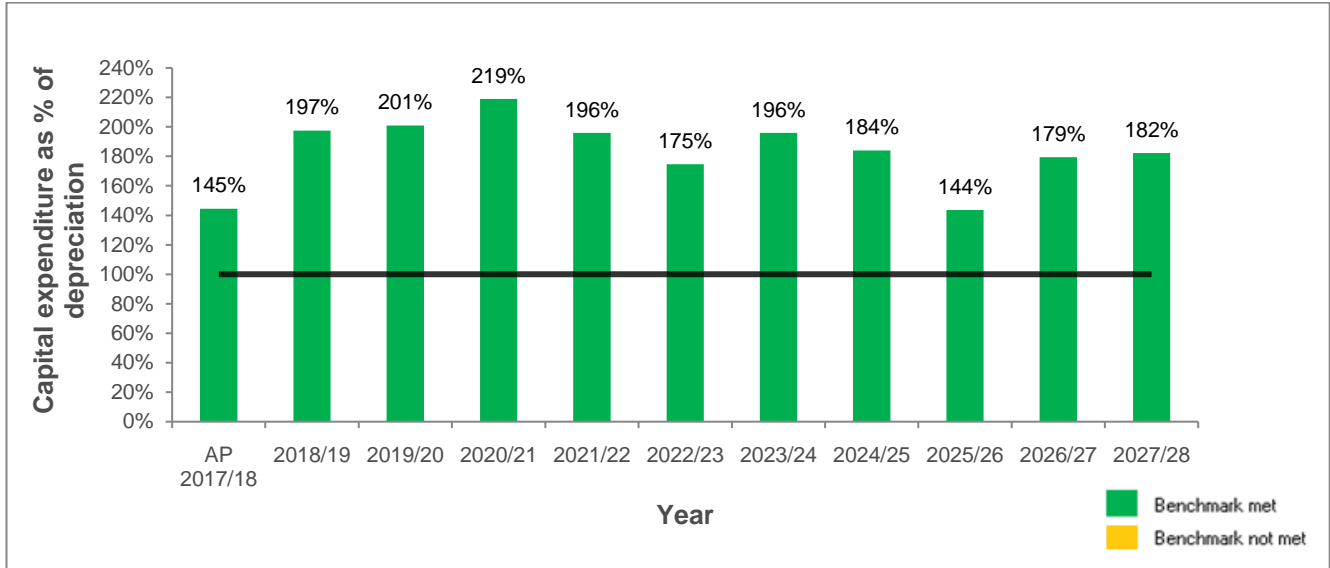
Balanced budget benchmark

The following graph displays the group's total planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant, or equipment) as a percentage of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The group meets the benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

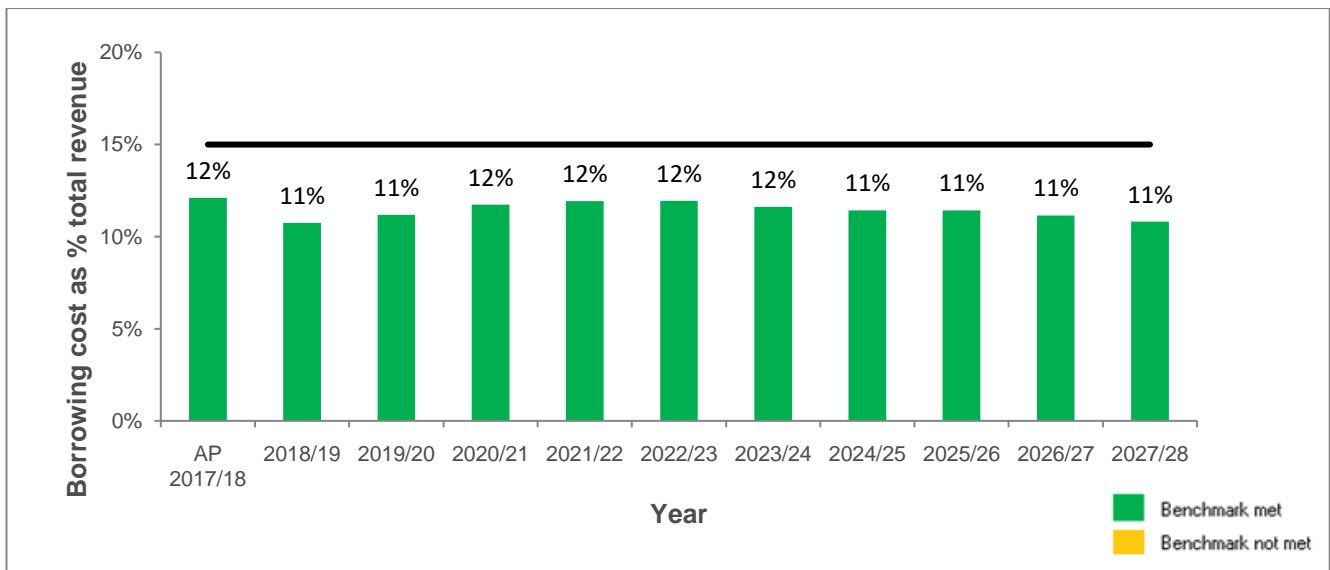
The following graph displays the group's planned capital expenditure on network services as a proportion of expected depreciation on network services. The group meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. Network services refer to infrastructure related to water supply, sewerage treatment and disposal, stormwater drainage, flood protection and control, roads and footpaths.



Debt servicing benchmark

The following graph displays the group's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant, or equipment).

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



3.4 Local Boards Funding Policy

1. Purpose/Introduction

The Local boards funding policy sets out how local boards are funded to meet the costs of:

- providing local activities
- administration support.

2. Background

Auckland Council's 21 local boards have decision making responsibility for local activities. The full list of local activities is set out in the Allocation of decision making for non-regulatory activities found as 3.5 in volume 2. They include amongst others:

- local recreation services e.g. swimming pools
- local libraries
- local parks
- local events
- local community development.

Funding for local activities is split into three parts based on the nature of the service provided and the allocation of decision making between the Governing Body and local boards. The three classifications of activities are set out in the table below.

Nature of service	Nature of local board decision making role*	Examples of activities
Asset based services	Make decisions within parameters set by the Governing Body	Swimming pools, Libraries Local parks
Locally driven initiatives	Make decisions on how locally driven initiative funding allocated from Governing Body is spent	Local events Local community grants
Locally driven capital projects	Make decisions on how locally driven capital projects funding allocated from Governing Body is spent	Local Park improvements Streetscape improvements

* Local boards make decisions on specific location, design, and build of new facilities, service standards, and renewals, within parameters set by the governing body. Local boards also decide on use of facilities, including change of use and leases. Local board's decision making is set out in full in the "Allocation of decision making responsibility for non-regulatory activities" in the Long-term Plan.

Local boards have decision making responsibility for fees and charges for both asset based services and locally driven initiatives within any parameters set by the Governing Body. For example, local boards can set the fees for adult entry to swimming pools but may not charge for the entry of children, under 16.

How local asset based services, locally driven initiatives, locally driven capital projects and administration support, will be funded is set out below.

3. Funding for local asset based services

Local asset based services will be funded by:

1. fees and charges collected from local asset based services for base fee levels set by the Governing Body
2. plus any other revenue including grants, donations, and sponsorships
3. plus any revenue from a targeted rate set to fund local asset based services
4. plus general rate funding to meet the balance of costs for providing the services levels set by the Governing Body in the long-term plan for local asset based services being provided to each local board area.

4. Funding for locally driven initiatives (operational funding)

4.1 Funding sources

The amount of budget available to each local board for locally driven initiatives is determined by:

1. fees and charges collected from locally driven initiatives
2. plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards sets higher fees, (see section 3 above)
3. minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)
4. plus any revenue from grants, donations, and sponsorships
5. plus any revenue from a targeted rate set to fund local activities in the local board area
6. plus an allocation from a budget pool for locally driven initiatives funded from the general rate.

4.2 Level of total budget available for locally driven initiatives

The total general rates funded budget available for locally driven initiatives will be set by the Governing Body and will be identified in the long-term plan or annual plan.

4.3 Allocation of total budget pool

Each local board will be allocated a share of the total budget available after deducting the funding for the Great Barrier Island Local Board and the Waiheke Island Local Board, see section 4.4 below. Each local board's share of the budget will be equivalent to its share of the regional population adjusted for deprivation¹ and land area, excluding Great Barrier Island and Waiheke Island. This is set out in the table on the next page.

Factor	Proportion of total general rate funded locally driven initiative budget	Local board share
Population*	90%	Local board population divided by the total population of all local boards***
Deprivation**	5%	Average local board deprivation divided by the total of the average deprivation of each local board***
Land area	5%	Local board land area divided by the total land area of all local boards***

* adjusted each year to reflect changes in population estimates provided by Statistics New Zealand

** based on the most recently available update of the Index of Deprivation provided by the Ministry of Health

*** excluding Great Barrier Island Local Board and Waiheke Local Board

¹ Population will be adjusted annually based on revised estimates from Statistics New Zealand.

4.4 Funding for Great Barrier Island Local Board and Waiheke Island Local Board

The amount of budget available for locally driven initiatives on Great Barrier Island and Waiheke Island is determined by:

1. fees and charges collected from locally driven initiatives
2. plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards sets higher fees, (see section 3 above)
3. minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)
4. plus any revenue from grants, donations, and sponsorships
5. plus any revenue collected from targeted rates set to fund local activities
6. plus a general rates allocation

General rates funding will be provided to meet the balance of the costs of providing locally driven initiatives on Great Barrier Island and the Waiheke Island. This will be based on the expenditure on these activities agreed with the Governing Body in their local board agreements each year net of revenue generated from the items in 1 to 5 above.

4.5 Transition

The table below sets out the transition mechanism that will be applied from 2018/2019 onwards.

Local boards funded to the level of the allocation formula	Local boards funded above their allocation under the formula
Increases in the total budget for locally driven initiatives budget will be applied as per the formula	Locally driven initiatives budget will be held at its current absolute level (no increases for inflation) until it is exceeded by the allocation under the formula

4.6 Definition of local asset based services and locally driven initiatives

The Governing Body, after considering local board feedback, will determine which services are local asset based services and locally driven initiatives when the total budget for local activities is set.

5. Funding allocation for locally driven initiatives (capital funding)

This funding enables local boards to deliver small local asset based projects, either directly, in partnership with the community, or through joint agreements between boards.

The budget available for locally driven capital projects will be set by the Governing Body and will be identified in the long-term plan or annual plan. These funds will be allocated to local boards on the following basis:

1. one per cent of the total fund allocated to the Great Barrier Island local board
2. two per cent of the total fund allocated to Waiheke Island local board
3. the remainder of the fund allocated to the remaining local boards, with each board's share equivalent to its share of the regional population adjusted for deprivation and land area, as set out in the table below:

Factor	Proportion of budget for locally driven capital projects	Local board share
Population*	90%	Local board population divided by the total population of all local boards***
Deprivation**	5%	Average local board deprivation divided by the total of the average deprivation of each local board***
Land area	5%	Local board land area divided by the total land area of all local boards***

* adjusted each year to reflect changes in population estimates provided by Statistics New Zealand

** based on the most recently available update of the Index of Deprivation provided by the Ministry of Health

*** excluding Great Barrier Island Local Board and Waiheke Local Board

6. Funding allocation for other purposes

The Governing Body may make available funds to local boards for purposes other than local asset based services, locally driven initiatives, locally driven capital projects or administrative support. These funds will be allocated to local boards on the same basis as funding for locally driven initiatives (capital funding).

7. Funding allocation for administrative support

The funding for administrative support is allocated by adopting the following method:

- a) Allocation for the costs related to elected members in a local board - number of elected members multiplied by the budgeted cost per elected member
- b) Allocation for meeting other administrative costs - estimated cost of other administrative support for all local boards divided by the number of local boards.

In estimating the costs, the special circumstances of the Great Barrier Island and Waiheke Island are taken into consideration to ensure equitable allocation of funds.

8. Funding allocation for non-dedicated purposes

There will be no allocation of non-dedicated (general purpose) funding to local boards in the LTP 2018-2028.

9. Funding sources for funds allocated for local activities

Funding sources for funds allocated for local activities are set out in the Revenue and Financing policy.

3.5 Allocation of Decision-Making Responsibility for Non-Regulatory Activities

Source of decision-making responsibilities

The Governing Body and local boards obtain their decision-making responsibilities from three sources:

(a) Statutory decision-making responsibilities

The Governing Body and local boards have statutory responsibilities under the Local Government (Auckland Council) Act 2009 (Act). These statutory responsibilities are not repeated in the allocation table.

Governing Body: The Governing Body is a local authority, and hence has the power of general competence under section 12 of the Local Government Act 2002. In addition, the Governing Body has specific statutory decision-making responsibility for the following:

- The regulatory activities of Auckland Council (such as Unitary Plan, consenting, and bylaws)
- Allocation of non-regulatory activities to either local boards or the Governing Body
- Any non-regulatory activities of Auckland Council that are allocated to the Governing Body
- Agreeing local board agreements with local boards
- Emergency management
- Compliance with the financial management requirements of section 101 of the Local Government Act (including the Annual Plan, the Long-term Plan, and financial policies)
- Regional strategies and policies (such as the Auckland Plan and the Local Board Funding Policy)
- Governance of Council-Controlled Organisations
- Appointment of the Chief Executive and maintaining the capacity of Auckland Council to provide its services and facilities
- Transport networks and infrastructure.

Local boards: The statutory role of local boards includes decision-making responsibility for the following:

- Any non-regulatory activities of Auckland Council that are allocated to local boards
- Adoption of local board plans
- Agreement of local board agreements (with the Governing Body) and monitoring the implementation of local board agreements - this can include proposing a local targeted rate
- Providing input into regional strategies, policies and plans
- Proposing bylaws for the local area
- Community engagement, consultation and advocacy.

Local boards are not local authorities but will act as such for specified allocated matters, or those matters set out in the Local Government (Auckland Council) Act 2009.

(b) Delegation of decision-making responsibilities

The Governing Body can also delegate some of its decision-making responsibilities to local boards. To date the Governing Body has delegated the following decision-making responsibilities to local boards:

- Input into notification decisions for resource consent applications
- Authorising the destruction of wandering stock on Great Barrier Island, in accordance with the Impounding Act 1955 is delegated to the Great Barrier Local Board
- Decision-making on operational cemeteries on Great Barrier Island is delegated to the Great Barrier Local Board.
- Amendments to the Policy on Dogs in relation to any dog access rules in local parks, local beaches or local foreshore areas in their local board area
- Making objections to liquor licensing applications under the Sale and Supply of Alcohol Act 2012
- Making, amending or revoking alcohol bans, except in areas of regional significance.
- Certain powers under the Reserve Act 1977 for local reserves: declaring a reserve (s.14(1)), classifying a reserve (s.16(1) or 16(2A)), reclassifying a reserve (24(1)), and proposing the revocation of reserve status (s.24(1)) in order to manage the land under the Local Government Act 2002.

The Governing Body and local boards can also be delegated decision-making responsibilities from Auckland Transport. There are currently no delegations in place.

(c) Allocation of decision-making for non-regulatory activities

The Governing Body is required by legislation to allocate decision-making responsibility for the non-regulatory activities of Auckland Council to either the Governing Body or local boards, in accordance with principles contained in section 17(2) of the Act. This provides as follows:

- a) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its local boards unless paragraph (b) applies:
- b) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its Governing Body if the nature of the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland because-
 - i. the impact of the decision will extend beyond a single local board area; or
 - ii. effective decision making will require alignment or integration with other decisions that are the responsibility of the Governing Body; or
 - iii. the benefits of a consistent or co-ordinated approach across Auckland will outweigh the benefits of reflecting the diverse needs and preferences of the communities within each local board area.

Decision-making for non-regulatory activities can only be allocated to either the Governing Body or to a local board. Where more than one local board has an interest in a local activity then section 16(3) of the Act provides that:

... a local board should collaborate and co-operate with 1 or more other local boards in situations where the interests and preferences of communities within each local board area will be better served by doing so.

The non-regulatory decision-making allocation is required to be identified in the Auckland Council's Long-Term Plan and Annual Plans.

Allocation of decision-making for non-regulatory activities

The allocation of decision-making responsibility to the Governing Body and to local boards for the non-regulatory activities of Auckland Council is set out in the following tables. These will apply from 1 July 2018.

The allocation has been written on an inclusive basis. It does not contain an exhaustive list of all elements that make up an allocated activity. To aid interpretation, elements of the key decision-making responsibilities of local boards and the Governing Body are provided for each allocated activity.

It is intended that the allocation be interpreted on a principled basis. Given the broad range of activities undertaken by Auckland Council it is not possible to list in precise detail all elements that are allocated to a local board or the Governing Body. Instead the allocation is applied on a case-by-case basis.

This needs to take into account the principles of section 17 of the Local Government Auckland Council Act. The general principle is that a non-regulatory decision will be made by local boards unless the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland.

Group of activities	Local Board non-regulatory responsibilities <i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>	Governing Body non-regulatory responsibilities <i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>		
Local council services and Regionally delivered council services	Local governance including: <ul style="list-style-type: none"> • decision-making and oversight of decisions on local activities • development of local policy positions such as determining areas in which activities may take place and local service specifications • submissions to government on legislation where it specifically relates to that local board area only • civic duties, engagements and functions in the local area, including citizenship ceremonies and recognition of volunteers. 	Regional governance including: <ul style="list-style-type: none"> • decision-making and oversight of decision on regional activities • submissions to government on legislation including official submissions of Auckland Council incorporating local board views • regional civic duties, engagements and functions. 		
<p>Explanatory notes:</p> <ul style="list-style-type: none"> • A local board does not have the power to make submissions or objections on matters where the council is exercising its regulatory responsibilities unless specifically delegated by the Governing Body. • Local boards have a statutory role identifying and communicating the interests and preferences of its communities in relation to policies, plans and bylaws. 				
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Local planning and development including: <ul style="list-style-type: none"> • local place-shaping activities, including local leadership to create a local identity • local strategic visioning, policy making and planning within parameters set by regional strategies, policies and plans </td> <td style="width: 50%; vertical-align: top;"> Regional planning including: <ul style="list-style-type: none"> • Auckland Plan, area plans, regional spatial priority areas and prioritised development areas focusing on growth development and key infrastructure priorities • regional strategies, policies and plans • Auckland-wide place-shaping activities, including regional leadership to create Auckland's identity. </td> </tr> </table>			Local planning and development including: <ul style="list-style-type: none"> • local place-shaping activities, including local leadership to create a local identity • local strategic visioning, policy making and planning within parameters set by regional strategies, policies and plans 	Regional planning including: <ul style="list-style-type: none"> • Auckland Plan, area plans, regional spatial priority areas and prioritised development areas focusing on growth development and key infrastructure priorities • regional strategies, policies and plans • Auckland-wide place-shaping activities, including regional leadership to create Auckland's identity.
Local planning and development including: <ul style="list-style-type: none"> • local place-shaping activities, including local leadership to create a local identity • local strategic visioning, policy making and planning within parameters set by regional strategies, policies and plans 	Regional planning including: <ul style="list-style-type: none"> • Auckland Plan, area plans, regional spatial priority areas and prioritised development areas focusing on growth development and key infrastructure priorities • regional strategies, policies and plans • Auckland-wide place-shaping activities, including regional leadership to create Auckland's identity. 			
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Street environment and town centres including: <ul style="list-style-type: none"> • maintenance of the local street environment and local centres, within parameters set by the Governing Body • improvements to the local street environment and town centres excluding any improvements that are integral to </td> <td style="width: 50%; vertical-align: top;"> Street environment and town centres including: <ul style="list-style-type: none"> • street environment and town centres strategy and policy, including the classification of town centres • centres that are prioritised for growth as set out in the Auckland Plan </td> </tr> </table>			Street environment and town centres including: <ul style="list-style-type: none"> • maintenance of the local street environment and local centres, within parameters set by the Governing Body • improvements to the local street environment and town centres excluding any improvements that are integral to 	Street environment and town centres including: <ul style="list-style-type: none"> • street environment and town centres strategy and policy, including the classification of town centres • centres that are prioritised for growth as set out in the Auckland Plan
Street environment and town centres including: <ul style="list-style-type: none"> • maintenance of the local street environment and local centres, within parameters set by the Governing Body • improvements to the local street environment and town centres excluding any improvements that are integral to 	Street environment and town centres including: <ul style="list-style-type: none"> • street environment and town centres strategy and policy, including the classification of town centres • centres that are prioritised for growth as set out in the Auckland Plan 			

Group of activities	Local Board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
	<p><i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i></p> <ul style="list-style-type: none"> centres prioritised for growth as set out in the Auckland Plan naming of roads pursuant to section 319(1)(j) of the Local Government Act 1974. <p><i>Business area planning including:</i></p> <ul style="list-style-type: none"> local economic development plans, projects and initiatives (including local centre branding and marketing and local business events) within parameters set by regional strategies, policies and plans Business Improvement District (BID) programmes, including the strategic direction (in partnership with the business association), establishment of new BIDs within the parameters set by the BID policy and recommending BID targeted rates to the Governing Body. 	<p><i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i></p> <p><i>Economic development including:</i></p> <ul style="list-style-type: none"> regional economic development strategy and policy, such as Auckland economic development strategy, investment framework and BID policy international relationships, including entering into new relationships and ending existing relationships Auckland-wide economic development programmes and initiatives, including regional business events, and branding and marketing for the city centre, metropolitan centres and centres prioritised for growth as set out in the Auckland Plan.
	<p>Explanatory notes:</p> <ul style="list-style-type: none"> Area plans will require a high degree of involvement from local boards. Regional strategies and policies are not intended to be prescriptive or unduly restrict the decision-making role of local boards. Where they relate to local activities, they provide regional parameters within which local boards then make decisions on local activities. Development of the city centre waterfront is the responsibility of Panuku Development Auckland. Auckland Transport has significant decision-making responsibilities within the street environment and town centres A number of agencies will be involved in the delivery of transformation programmes. Major events, tourism and visitor centres, and business attraction and development are the responsibility of ATEED 	
	<p>Local community services <i>including:</i></p> <p><i>Arts and culture including:</i></p> <ul style="list-style-type: none"> the specific location, design, build and fit out of new local arts and culture facilities within budget parameters agreed with the Governing Body the use of local arts and culture facilities, including changes of use. local arts and culture projects, initiatives and events local public artwork and local public art programmes local community funding and grants tailoring regional arts and culture programmes and events to local needs. 	<p>Regional community services <i>including:</i></p> <p><i>Arts and culture including:</i></p> <ul style="list-style-type: none"> any new arts and culture facilities acquired for an Auckland-wide purpose or function the number and general location of all new arts and cultural facilities and the prioritisation of major upgrades to all existing arts and culture facilities the use of regional arts and culture facilities. regional arts and culture strategy and policy regional arts and culture programmes and events regional public artwork and regional public art programmes development, maintenance and access to the regional visual arts collection, including exhibitions and interpretive programmes region-wide community funding and grants regional arts and culture programmes, which can be tailored to local needs.

Group of activities	Local Board non-regulatory responsibilities <i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>	Governing Body non-regulatory responsibilities <i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>
	<p><i>Events including:</i></p> <ul style="list-style-type: none"> • attraction, development, delivery and promotion • sub-regional events which are the responsibility of the local board in which the event is located, in collaboration with other affected local boards • local events sponsorship, funding and grants • tailoring regional events programmes to local needs. 	<p><i>Events including:</i></p> <ul style="list-style-type: none"> • regional events strategy and policy, including region-wide events plan • coordinating regional events, including attraction, development, delivery and promotion • regional events sponsorship, funding and grants • regional events programmes, which can be tailored to local needs.
	<p><i>Community development and facilities including:</i></p> <ul style="list-style-type: none"> • plans, projects and initiatives specific to the local area • tailoring region-wide community development and safety programmes to local needs • facilitating community-led placemaking and development initiatives • community advisory services • local community funding and grants. • the specific location, design, build and fit out of new local community facilities within budget parameters agreed with the Governing Body • the use of local community facilities, including leasing and changes of use. 	<p><i>Community development and facilities including:</i></p> <ul style="list-style-type: none"> • regional community development strategy and policy • regional community development and safety programmes which can be tailored to local needs • regional community funding and grants. • the number and general location of all new community facilities and the prioritisation of major upgrades to all existing community facilities • the location design and use of any new community facilities developed for an Auckland-wide purpose • social housing, such as housing for the elderly.
	<p><i>Libraries including:</i></p> <ul style="list-style-type: none"> • the specific location, design, build and fit out of new local libraries within budget parameters agreed with the Governing Body • the design and type of community facilities within local libraries • the use of local libraries including local exhibitions, programmes and events within local libraries. 	<p><i>Libraries including:</i></p> <ul style="list-style-type: none"> • libraries strategy and policy • the number and general location of all new libraries and the prioritisation of major upgrades to existing libraries • the libraries' collection policy and practice (including development and maintenance of all library collections) • regional exhibitions, programmes and events within libraries • the mobile library service • the central library, other than the ground and first floors.
	<p><i>Recreation facilities and initiatives including:</i></p> <ul style="list-style-type: none"> • the specific location, design, build and fit out of new local recreation and sports facilities within budget parameters agreed with the Governing Body • the use of local recreation facilities and initiatives including leasing and changes of use • local recreation and sports programmes • local community funding and grants • tailoring regional recreation and sports programmes to local needs. 	<p><i>Recreation facilities and initiatives including:</i></p> <ul style="list-style-type: none"> • any new recreational facilities developed for an Auckland-wide purpose or function • the number and general location of all new recreation and sports facilities (including sports stadiums) and the prioritisation of major upgrades to all existing recreation and sports facilities • the use of regional recreation and sports facilities (including sports stadiums) • coordination of the use of recreation and sports facilities on a regional basis • regional recreation and sports strategy and policy

Group of activities	Local Board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
	<p><i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i></p> <p>Parks including:</p> <ul style="list-style-type: none"> the specific location of new local parks (including the prioritisation for acquisition) within budget parameters agreed with the Governing Body reserve management plans for local parks local parks improvements and place shaping the use of and activities within local parks, such as community events and community planting programmes cemeteries that are no longer in regular active use and are functioning as local parks naming of local parks. 	<p><i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i></p> <ul style="list-style-type: none"> regional recreation and sports programmes, which can then be tailored to local needs regional community funding and grants <p>Parks including:</p> <ul style="list-style-type: none"> any new parks acquired for an Auckland-wide purpose or function regional open space strategy and policy, including open space network plan and volcanic cones strategy reserve management plans for regional parks the number and general location of all new parks and the prioritisation of major upgrades to existing parks (including sports fields within parks) the use of and activities within regional parks acquisition and divestment of all park land, including the disposal of surplus parks, excluding any disposal and reinvestment made in accordance with the Service Property Optimisation Approach coordination of the use of all sports fields on a regional basis Open cemeteries.
	<p><i>Explanatory notes:</i></p> <ul style="list-style-type: none"> Definitions of local and regional events are set out in schedule 2 in accordance with the Auckland Council Events Policy. Regional events facilities and amenities are the responsibility of Regional Facilities Auckland (RFA). These include the Viaduct Events Centre, stadium management, The EDGE, Auckland Zoo and the Auckland Art Gallery. Regional sports facilities (including sports stadiums) are generally the responsibility of Regional Facilities Auckland (RFA). 	
	<p>Local environmental management including:</p> <ul style="list-style-type: none"> local environmental initiatives and projects facilitating community-led placemaking and development initiatives local stormwater quality projects within regional frameworks local waste management plans and projects within regional parameters set out in the Waste Minimisation and Management Plan. 	<p>Waste services and Environmental services including:</p> <ul style="list-style-type: none"> regional environmental, heritage and urban design strategy, policy and guidelines regional environmental programmes and projects waste management, including the Waste Minimisation and Management Plan landfill management environmental research and monitoring.
<p>Stormwater</p>	<p>Stormwater management limited to:</p> <ul style="list-style-type: none"> the Te Arai Drainage District, the Okahuhura Drainage Area and the Glorit Drainage District. This allocation of decision-making responsibility is to the Rodney Local Board. 	<p>Stormwater management including:</p> <ul style="list-style-type: none"> the stormwater network, including catchment management plans.

Relevant to each group of activities/ area	Local board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
<i>Fees and charges</i>	Setting of fees and charges for local activities excluding : <ul style="list-style-type: none"> library collections fees and charges; and any fees and charges for local activities that are set on a region-wide basis by the Governing Body in a regional policy. 	Setting of fees and charges for regional activities and : <ul style="list-style-type: none"> regional fees and charges for local activities that are set by the Governing Body in a regional policy library collections fees and charges.
<i>Service specifications</i>	Setting of service specifications for local activities subject to any minimum service specifications that the Governing Body has decided, for policy reasons, to set on an Auckland-wide basis.	Setting of service specifications for regional activities and minimum service specifications for local activities where the Governing Body decides to do so for policy reasons.
<i>Procurement</i>	Procurement for local activities excluding : <ul style="list-style-type: none"> procurement of major service delivery contracts (such as maintenance, security and cleaning contracts) for Auckland-wide local assets and facilities on a coordinated basis. 	Procurement for regional activities and <ul style="list-style-type: none"> procurement of major service delivery contracts (such as maintenance, security and cleaning contracts) for Auckland-wide local assets and facilities on a coordinated basis the procurement policy for Auckland Council.
<p><i>Explanatory notes:</i></p> <ul style="list-style-type: none"> There are significant efficiencies to be gained by the Governing Body procuring some contracts on a larger scale or a coordinated basis. This is likely to cover areas like parks and facilities maintenance, security and cleaning, which involve local and regional assets and facilities across Auckland. (The guidelines for procuring these types of contracts will be contained in the procurement manual. Procurement for most local activities will though, remain a local board decision-making responsibility). Local boards will set the service specifications as they relate to their local area as set out in the allocation above. 		
<i>Asset renewal</i>	Maintaining service capacity and integrity of local assets throughout their useful life in accordance with Auckland-wide parameters and standards set by the Governing Body.	Maintaining the service capacity and integrity of regional assets throughout their useful life and setting Auckland-wide parameters and standards for all asset management planning.
<p><i>Explanatory note:</i></p> <ul style="list-style-type: none"> The local board's asset renewal decision-making responsibility is within the framework and standards set by the Governing Body to ensure regional consistency 		

Relevant to each group of activities/ area	Local board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
<i>Asset acquisition and disposal</i>	Disposal of local service property and reinvestment of sale proceeds in accordance with the Sservice property optimisation approach (as adopted by the Governing Body).	All other acquisition and disposal decisions.
<i>Other activities of Auckland Council</i>		All other non-regulatory activities of Auckland Council

Explanatory note:

- An assessment of the principles for allocating non-regulatory decisions set-out in section 17 of the Local Government Auckland Council Act must be considered before applying this allocation

Schedule 1- Governance of parks

1. The Governing Body has governance responsibility for the following regional parks and contiguous land.

Regional Parks

Auckland Council has classified the following as regional parks:

Ambury	Shakespear
Atiu Creek	Tapapakanga
Auckland Botanic Gardens	Tawharanui
Awhitu	Tawhitokino
Duder	Te Ārai
Glenfern Sanctuary	Te Muri
Hunua Ranges	Te Rau Pūiri
Long Bay	Waharau
Mahurangi	Waitākere Ranges
Muriwai (excluding Muriwai Village Green)	Waitawa
Mutukaroa / Hamlins Hill	Wenderholm
Omāna	Whakanewha
Pakiri	Whakatiwai
Te Motu a Hiaroa / Puketutu	
Scandrett	

Land contiguous with Regional Parks

Relevant Regional Park	Land to be amalgamated into adjacent Regional Park	
Long Bay	Piripiri Park	Section 1 SO 70452
Mahurangi	Scott Point Reserve, Te Kapa Peninsula (subject to continued 24 hour public access)	Lot 15 DP 44711
		Sec 216 Mahurangi Village SO 43441
		Lot 14 DP 11711
Muriwai	Oaia Reserve, Muriwai	Lot 11 DP 58521
Te Arai	Te Ārai Reserve (subject to continued 24 hour public access)	Lot 1 DP 66227
		Lot 1 DP 59556
Waitākere Ranges	Mārama Plantation Reserve, Little Huia	Lot 12 DP 27798
	Douglas Scenic Reserve	Lot 31 DP 77453
	Rāroa Park	Lot 100 DP 21358

Regional Parks

Parkland surrounding Waitākere Quarry Scenic Reserve	Lot 2 DP 193044
Karekare Reserve	Lot 31 DP 40109
Lone Kauri Road – 3 reserves	Lot 99 DP 42402
	Lot 106 DP 42402
	Lot 107 DP 42402
South Piha Plantation Reserve	Lot 77 DP 31268
Lake Wainamu Scenic Reserve	Section 3 Block 1/Waitakere SD/
Tasman View Esplanade	Lot 90 DP 42223
Lake Wainamu Walkway	Pt Waitakere 1A (Easement over lake edge only)
Waitoru Reserve, Bethells Rd	Pt Allotment 5 PSH OF Waitakere

2. The Maunga Authority has governance decision-making responsibility for the following maunga.

Parks under the administration of the Maunga Authority

Matukutūruru / Wiri Historic Reserve
Maungakiekie / One Tree Hill
Maungarei / Mt Wellington
Maungauika (North Head) (subject to agreement regarding the council's role)
Maungawhau / Mt Eden
Ōhinerau / Mt Hobson
Ōhūiarangi / Pigeon Mountain
Ōtāhuhu / Mt Richmond
Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert
Puketāpapa / Pukewīwī / Mount Roskill
Takarunga / Mount Victoria
Te Kōpuke / Tītīkōpuke / Mount St John
Te Pane-o-Mataaho / Te Ara Pueru / Māngere Mountain
Te Tātua a Riukiuta / Big King

Note: ownership of Maungakiekie / One Tree Hill Northern land remains with the Crown and it is administered by the Tupuna Maunga Authority under the Nga Mana Whenua o Tamaki Makaurau Collective Redress Act 2014 and the Reserves Act 1977.

3. Post settlement governance entities have governance responsibility for the following reserves.

Park name	Governance entity	Relevant legislation
Kaipātiki (formerly Parakai Recreation Reserve)	Te Poari o Kaipātiki ki Kaipara (formerly Parakai Recreation Reserves Board)	Ngāti Whātua o Kaipara Claims Settlement Act 2013
Whenua Rangatira and Pourewa Creek Recreation Reserve	Ngāti Whātua o Ōrākei Reserves Board	Ngāti Whātua Ōrākei Claims Settlement Act 2012

4. The Governing Body has responsibility for the majority of land contiguous to Tupuna Maunga governed by the Maunga Authority. The Ngā Mana Whenua o Tāmaki Makaurau Redress Act 2014 provides for the transfer of administration by the Council of these lands to the Maunga Authority at the discretion of the Governing Body.

Land contiguous with parks subject to Treaty of Waitangi settlement	
Park subject to Treaty of Waitangi Settlement	Contiguous council owned land allocated to the Governing Body
Maungawhau / Mt Eden	Lot 1 DP 131932
Maungarei / Mt Wellington	Lot 200 DP 436081
Ōhinerau / Mt Hobson	Pt Allotment 2 SECT 11 SBRS OF Auckland
Ōhūiarangi / Pigeon Mountain	Lot 182 DP 98841
	Lot 183 DP 98841
	Section 1 SO 434440
	Section 2 SO 434440
	Section 3 SO 434440
	Allotment 19 SECT 5 SM FMS NEAR Howick
Land contiguous with parks subject to Treaty of Waitangi settlement	
Ōtāhuhu / Mt Richmond	Lot 1 DP 47429
	Lot 2 DP 47429
	Lot 3 DP 47429
	Lot 4 DP 47429
	Lot 5 DP 47429
	Lot 6 DP 47429
	Lot 7 DP 47429
	Lot 8 DP 47429
	Pt Lot 10 DP 47429
	Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert
Lot 19 DP 58177	
Lot 59 DP 16603	
Te Kōpuke / Tītīkōpuke / Mount St John	Lot 1 DP 334602

Land contiguous with parks subject to Treaty of Waitangi settlement	
	Lot 2 DP 413830
	Lot 13 DP 20564
	Lot 2 DP 35331
Te Tātua a Riukiuta / Big King	Lot 4 DP 44196
	Lot 3 DP 44196
	Lot 5 DP 108794
	Lot 4 DP 21107
	Lot 5 DP 108794
	Lot 1 DP 108794
	Pt Allotment 80 SECT 10 SBRS of Auckland

5. Auckland Domain

Decision making allocation for Auckland Domain is geographically split, with the Waitemata Local Board being allocated responsibility for the playing fields areas and two community recreational leases (Auckland Bowling Club and Parnell Tennis Club), and the balance of land within Auckland Domain being allocated to the Governing Body. The Waitemata Local Board and the Governing Body have delegated decision making to the Auckland Domain Committee, a joint governance committee of the Waitemata Local Board and Governing Body.

6. Motukorea / Browns Island

The Governing Body has governance responsibility for Motukorea / Browns Island.

Schedule 2 - Auckland Council Events Policy categories

The Events Policy identifies three categories of events, local, regional and major.

Local events - An event is considered to be a local activity governed by local boards unless it meets the criteria for a regional or major event as defined in this policy.

Regional and major events - An event must demonstrate the strategic outcomes, appeal, profile and economies of scale to be categorised a regional or major event as defined in the table below. It will have most, if not necessarily all, of the distinguishing characteristics below.

Event Category	Strategic Outcomes	Appeal – breadth and depth of the event	Profile	Regional Coordination
Regional	<ul style="list-style-type: none"> delivers regional objectives set by the Governing Body helps deliver on Auckland-wide strategies such as for sport and recreation, arts and culture offers a distinctive event proposition for the region. 	<ul style="list-style-type: none"> demonstrates it draws from a regionally-distributed audience e.g. appeals to a specific demographic or interest group that is geographically dispersed across the region demonstrates a size and scale that is regionally significant. 	<ul style="list-style-type: none"> has region-wide and maybe national profile, demonstrated through media and wide public awareness. 	<ul style="list-style-type: none"> demonstrates clear benefits of decisions being coordinated at a region-wide level only if the nature of the event is such that decision-making on an Auckland-wide basis will better promote community well-being across Auckland e.g. delivered in multiple locations across the region, ensuring regional distribution , ability to attract sponsorship, region-wide marketing and promotion.
Major	<ul style="list-style-type: none"> delivers economic development outcomes delivers significant economic return on investment provides measureable economic benefits such as significant increase in visitor nights. 	<ul style="list-style-type: none"> appeals to regional, national and international audiences and participants a large mass appeal social event that is distinctive to Auckland. 	<ul style="list-style-type: none"> has regional, national and international profile. 	

3.6 Summary of Significance and Engagement policy

Auckland Council's Significance and Engagement Policy (the Policy) assists the council to determine the significance of matters and the extent to which the council will engage with the community on those matters before it makes any decisions. The policy also lists the council's strategic assets.

The policy also contains references to supporting information used to support staff in applying the policy and other reference material, together with an overview of council's decision making responsibilities and some key definitions.

This section provides a summary of the council's Significance and Engagement Policy. The full policy is available at <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/Documents/significance-engagement-policy201412.pdf>

Policy summary

The council will assess the degree of significance of proposals and decisions and the appropriate level of community engagement in accordance with the policy in the early stages of a proposal before decision making occurs. If necessary, the council will reconsider this assessment as the proposal develops.

The council will consider the following matters when assessing the degree of significance of proposals and decisions and the appropriate level of community engagement:

- legal requirements to engage with the community
- the number of people affected, the degree to which they are affected and the likely impact of a decision
- whether the type of decision is likely to generate wide public interest within the local board area (local board decision) or within Auckland and New Zealand (governing body decision)
- the impact of the decision on the governing body or local board ability to deliver on actions that contribute to the Auckland Plan, as well as any statutory responsibility
- the impact of the decision on the intended service levels for a group of activities, including the start/stop of any group of activity
- the financial implications of the decision
- the degree to which the decision or proposal can be reversed should circumstances warrant, and
- the relationship of Māori, and their culture and traditions, in respect of any decision impacting on ancestral lands, water, sites, waahi tāpu, valued flora and fauna and other taonga.

Where required, the council will use a special consultative procedure as set out in Section 83 of the Local Government Act 2002. For all other matters requiring a decision, the council will determine the appropriate level of community engagement on a case by case basis.

The level of community engagement the council will undertake in relation to a proposal or decision will depend on the significance of that proposal or decision. In general, the more significant a matter, the greater the extent to which the council will engage with the community on it.

All engagement with the community by the council will be carried out in accordance with the principles set out in the Local Government Act 2002 and the policy.

In limited cases, the council may need to make a decision that is inconsistent with the policy (for example, where failure to make a decision urgently would result in unreasonable or significant damage to property, or risk people's health and safety). In such cases, the council will follow the process set out in section 80 of the Local Government Act 2002.

3.7 CCO Accountability Policy

This policy sets out the council's expectations for its substantive council-controlled organisations¹ in accordance with section 90 of the Local Government (Auckland Council) Act 2009 (LGACA). This policy is designed to be read in conjunction with the Governance Manual for Substantive Council-Controlled Organisations (CCOs). The Governance Manual brings together key policies and documents relating to the governance of CCOs, and provides further detail about how this policy should be implemented. It provides guidance for boards, executives and senior staff on the effective governance of the substantive CCOs².

1. The council's expectations for CCO's contribution to the council's objectives and priorities

Section 90(2) of the LGACA sets out the requirements of the accountability policy, and states that:

“(2) The policy must—

- a) include a statement of the Council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, the Council's objectives and priorities.*
- b) include a statement of the Council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, any relevant objectives and priorities of central government.”*

Central government departments have been involved in the development of plans and strategies of the council, including the Auckland Plan and the Auckland Transport Alignment Plan. Therefore, the objectives and priorities of central government are reflected in the expectations set out in this policy.

1.1 Common expectations

Auckland Council has a number of expectations of each of its substantive council-controlled organisations in respect of their contribution to, and alignment with, the council's objectives and priorities. Each substantive CCO is to meet the common expectations set out below and the specific expectations for each.

1.1.1 Build public trust and confidence in the council group

Each substantive CCO is to be responsible for building public trust and confidence in itself and the council group. This is to be achieved by:

- Acting in the interests of all Aucklanders, both current and future.
- Recognising that the services and assets it may own or manage are public services and assets, which should be managed in the best interests of Aucklanders.
- Meeting the public's expectation of transparency and accountability, and always considering the council group's reputation.
- Improving the public's perception of transparency and accountability by tracking and reporting investment and performance data in a clear and accessible manner.

¹ The Governing Body resolved on 31 May 2018 to disestablish council-controlled organisation Auckland Council Investments Limited and transfer all of its assets, liabilities and obligations to Auckland Council on 1 July 2018. Therefore, Auckland Council Investments Limited has not been explicitly included in this Policy.

² The Governance Manual for Substantive CCOs can be accessed at:

<http://temp.aucklandcouncil.govt.nz/EN/AboutCouncil/representativesbodies/CCO/Documents/governancemanualforsubstantiveccos.pdf>

- Operating under a no surprises policy, which means informing the Mayor, councillors or local boards (as appropriate) well in advance of any events, transactions or issues that could attract public interest, whether positive or negative.
- Ensuring excellent customer service, including understanding the communities it serves.
- Ensuring that any conflicts of interest or potential conflicts of interest (whether actual or perceived) are declared and managed appropriately.
- Providing transparent information about the activities and services it provides to the community.
- Including customers and communities in decision-making where appropriate, using the principles in the Significance and Engagement Policy.
- Being aware, as a public entity, of the need to be especially prudent around sensitive expenditure such as travel and entertainment, and ensuring that it only occurs where there is a justifiable business purpose.
- Engaging with central government on central government policy through the council parent. Engagement on operational matters does not need to be carried out through the council parent.
- Improving the recognition of ratepayer funding for public services and assets through the use of consistent, group-wide branding in accordance with the council's Brand Navigation Guidelines.
- Ensuring that it acts as a good employer.

1.1.2 Provide value for money

Each substantive CCO is to ensure that it provides value for money for Aucklanders, which means achieving the outcomes and levels of service specified by the council in an efficient and effective way. This is to be achieved by:

- Being accountable for decisions about spending and the use of council group resources and assets.
- Ensuring that all activities and services are underpinned by prudent use of resources and assets.
- Ensuring that there is a high degree of transparency in financial planning, budgeting, and sources of revenue.
- Informing the council well in advance of entering into any commitments or obligations that may:
 - have financial impacts which are outside of approved funding; or
 - negatively affect the group's prudential ratios³ through a significant increase in group debt or reduction in revenue.
- Providing transparent information to Aucklanders on financial and non-financial performance to demonstrate value for money.
- Ensuring that there is a justifiable business purpose for all spending.
- Ensuring that investment is supported by robust business cases which meet the standards of any relevant group policies and provide a clear and strategic rationale for investment.
- Ensuring that the delivery of activities and services is as efficient as possible, and that corporate spending is kept to a minimum.

³ The council monitors prudential debt ratios (which can include things such as lease commitments) to ensure group borrowings remain sustainable relative to revenue. These are set out in the Financial Strategy (Part 1.4 Volume 2 of the 10-year Budget).

1.1.3 Building a group approach to achieve outcomes for Aucklanders

The substantive CCOs are to work with the council and with each other to achieve outcomes for Aucklanders. This is to be achieved by:

- Working together to align and achieve group strategies as set out in the Auckland Plan and prioritised through the Long-term Plan.
- Building and maintaining a culture of collaboration across the group to achieve the objectives and priorities of the council and to provide value for money.
- Open and transparent sharing of information where that is required to achieve outcomes for Aucklanders.
- Presenting a unified front with the parent and with other CCOs on key issues facing Auckland.
- Implementing agreed group policies such as those on Treasury, Insurance and Procurement⁴, and participating in the development of any further group policies, for example 'Our Charter', which includes foundation principles and standards for staff behaviours.
- Participating proactively and constructively in efforts to achieve efficiencies and savings for the council group and make the most of its size and scale, including group procurement and the use of shared services.
- Acknowledging the council's wider policy settings in its own decision-making and considering issues from the perspective of the council.

1.1.4 Improve outcomes for Māori

The substantive CCOs are to give effect to the council's Māori responsiveness framework and foster more positive and productive relationships between the council group and Māori, develop the ability of the council group and its people to respond more effectively to Māori and contribute to Māori wellbeing by developing strong Māori communities in Tāmaki Makaurau. This is to be achieved by:

- Ensuring that the principles of te Tiriti o Waitangi, such as shared decision-making, partnership and mutual benefit, are applied consistently in activities and decision-making.
- Fulfilling statutory obligations to Māori under the Local Government (Auckland Council) Act 2009, Local Government Act 2002 and other statutes.
- Enabling Māori outcomes.
- Valuing te ao Māori – the Māori world view.
- In addition, the substantive CCOs are to contribute to achieving a collaborative and aligned approach across the council group to working with mana whenua and matāwaka.

1.1.5 Health and safety

Each substantive CCO is to give effect to the group Health, Safety and Wellbeing Policy and Behaviours Statement. This sets out principles and behaviours to give effect to the health and safety vision of the group.

1.1.6 Manage risk appropriately

Each substantive CCO is to proactively manage all their risks including strategic, financial, operational, and reputational risks (including the risk of fraud and/or corruption). Each CCO must:

- Manage, monitor and report on their risk management activities undertaken in accordance with either the council's Enterprise Risk Management Policy and Framework, or the CCO's own risk management framework.
- Actively report on the effectiveness of their risk management processes and outcomes.
- Proactively report on all significant risks and issues and their management to ensure no surprises, transparency and that the significant risks are being appropriately managed.

⁴ The group policies on insurance and procurement were approved by the Finance and Performance Committee on 19 September 2017 (Resolution FIN/2017/121). The same committee approved the policy on treasury management subject to receipt of a signed service level agreement between Watercare Services Limited and Auckland Council on 21 November 2017 (Resolution FIN/2017/161).

Section 2.5 contains specific reporting requirements relating to these provisions, including quarterly reporting and appearing before the Audit and Risk Committee for the purpose of addressing risk management and risks.

1.1.7 Understanding and giving effect to Auckland's shared governance

Both the governing body and the local boards are responsible and democratically accountable for the decision making of Auckland Council.

The governing body has, among other decision-making roles, decision-making in relation to the governance of the council's CCOs. Therefore the substantive CCOs are directly accountable to Auckland Council through the governing body, and the board of each CCO has a direct governance relationship with the governing body. The substantive CCOs should:

- Understand the role of the governing body.
- Proactively build and maintain good relationships with members of the governing body.
- Actively engage with the relevant ward councillors on projects and issues within their ward.

Local boards make decisions on local activities and services, and play an important role in representing local communities. The activities of CCOs are very important in local communities, and each CCO must ensure that it works effectively with local boards. The substantive CCOs should:

- Understand the role of local boards, both their role as local decision-makers and their responsibility to identify and communicate the views and preferences of the communities in its local board area.
- Proactively build and maintain good relationships with each local board.
- Consult with local boards genuinely and early in a way that allows them to influence decisions that may:
 - affect a local board's governance role.
 - have a significant local impact (taking into account any mitigation measures).
 - require a CCO to undertake local or regional community consultation.

Substantive CCOs will need to recognise local interests while ensuring that regional priorities and strategies are achieved.

1.1.8 Climate change and reducing carbon emissions

Each substantive CCO is to contribute towards reducing carbon emissions and contributing towards a climate resilient future. This is to be achieved by:

- Working with the council in the review and update of Low Carbon Auckland to deliver an integrated approach to climate change, addressing both emissions reduction and climate resilience.
- Implementing actions identified in the current and future iterations of the plan as appropriate for each CCO.
- Embedding climate change considerations into decision-making, planning and policies regarding both emissions reduction and addressing the impacts of current and on-going climate change.

1.2 Auckland Tourism, Events and Economic Development

A. Objectives of Auckland Tourism, Events and Economic Development

The objectives of Auckland Tourism, Events and Economic Development (ATEED) are⁵:

- To lift Auckland's economic wellbeing.
- To support and enhance Auckland's performance as a key contributor to the New Zealand economy.
- To support and enhance Auckland's ability to compete internationally as a desirable place to visit, live, work, invest and do business.

B. The council's expectations of ATEED in relation to its objectives and priorities

ATEED is to give effect to the objectives and priorities of the council in the Auckland Plan, and the Auckland Economic Development Strategy, and in particular by:

Opportunities and prosperity

- Creating the conditions for a resilient economy, innovation, and employment growth, and raising productivity
- Attracting and retaining skills, talent and investment
- Developing skills and talent for the changing nature of work and life-long achievement

Māori identity and wellbeing

- Promoting Māori success, innovation and enterprise
- Showcasing Auckland's Māori identity and vibrant Māori culture

ATEED is to contribute to other relevant outcomes in the Auckland Plan, including:

- Belonging and Participation

In doing so, ATEED is to:

- Advance Māori employment and create the environment for Māori business and iwi organisations to be a powerhouse in Auckland's economy
- Leverage Auckland's position to support growth in exports and a competitive New Zealand economy
- Increase ongoing learning and training in new and emerging areas, with a focus on those most in need

C. Methods

ATEED is to meet these expectations by:

- Ensuring that its funding, policies and activities are directed towards achieving the council's objectives and priorities.
- Collaborating with the council, council-controlled organisations and the relevant central government agencies to maximise benefits for Aucklanders and ensure value for money.

⁵ ATEED company constitution

1.3 Auckland Transport

A. Purpose of Auckland Transport

The purpose of Auckland Transport is to contribute to an effective, efficient, and safe Auckland land transport system in the public interest⁶.

B. The council's expectations of Auckland Transport in relation to its objectives and priorities

Auckland Transport is to give effect to the objectives and priorities of the council in the Auckland Plan, and in particular by:

- Better connecting people, places, goods and services
- Increasing genuine travel choices for a healthy, vibrant and equitable Auckland
- Maximising safety and environment protection

In doing so, Auckland Transport is to:

- Make better use of existing transport networks.
- Target new transport investment to the most significant challenges.
- Maximise the benefits from transport technology.
- Make walking, cycling and public transport preferred choices for many more Aucklanders.
- Better integrate land-use and transport.
- Move to a safe transport network, free from death and serious injury.
- Develop a sustainable and resilient transport system.

Auckland Transport is to contribute to other relevant outcomes in the Auckland Plan, including:

- Māori Identity and Wellbeing
- Belonging and Participation
- Homes and Places
- Environment and Cultural Heritage

C. Methods:

Auckland Transport is to meet these expectations by:

- Ensuring that its capital and operating expenditure, policies and plans are directed towards achieving these objectives and priorities.
- Implementing, through its role as a provider of infrastructure critical to urban development, the Development Strategy set out in the Auckland Plan. The Development Strategy sets out how Auckland will change and grow over the next 30 years, through a quality compact approach.
- Engaging early with the council to ensure any proposed major investment decisions, city-shaping projects or significant policies align with the council's objectives and priorities, in accordance with the policy on Strategic Assets in Section 5.
- Working with the council, other council-controlled organisations and infrastructure providers to achieve the council's objectives and priorities in an efficient and effective way, including in particular the integration of transport infrastructure with land use.
- Aiming to secure co-funding from the New Zealand Transport Agency for all eligible investments which are aligned with the council's priorities to maximise value for money for Aucklanders.

⁶ Section 39, Local Government (Auckland Council) Act 2009.

1.4 Panuku Development Auckland

A. Purpose⁷

The purpose of Panuku Development Auckland (Panuku) is to contribute to the implementation of the Auckland Plan and encourage economic development by facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities.

Panuku will manage council's non-service⁸ property portfolio and provide strategic advice on council's other property portfolios. It will recycle or redevelop sub-optimal or underutilised council assets and aim to achieve an overall balance of commercial and strategic outcomes.

B. The council's expectations of Panuku in relation to its objectives and priorities

Panuku is to give effect to the objectives and priorities of the council in the Auckland Plan, and in particular by:

1. Facilitating redevelopment of urban locations

Panuku is to facilitate private sector, third sector⁹, iwi and government investment and collaboration into the sustainable redevelopment of brownfield urban locations consistent with the Development Strategy in the Auckland Plan. It will also co-ordinate the provision of the council's infrastructure and other investment in these locations.

2. Accommodating urban growth through redevelopment

Panuku is to contribute to accommodating residential and commercial growth through facilitating the quality redevelopment of urban locations with excellent public infrastructure and services. Redevelopment of the overall portfolio should offer a range of residential choices and price points to cater for diverse households.

3. Facilitating vibrant places

Panuku is to facilitate the creation of adaptable and resilient places that contribute to wellbeing, promote health and safety and are fully accessible to people with disabilities and older people. It will harness and incorporate the local community's unique identity, attributes and potential to create vibrant communities.

4. Developing the Auckland waterfront

Panuku is to continue to lead the development of the Auckland waterfront in a way that is consistent with the Waterfront Plan 2012, and which balances commercial and public good objectives, including high quality urban design.

5. Strategically create value from assets

In partnership with the council group, Panuku is to use its commercial expertise and knowledge of land and property markets to:

- Facilitate quality redevelopment of underutilised council landholdings within current urban boundaries.
- Manage the council group's non-service properties in a way that optimises the returns to the council group.
- Acquire land consistent with the council's specifications.
- Optimise returns from the disposal and development of land in a commercially robust way¹⁰.

6. Promoting Māori identity and wellbeing

Panuku is to promote Māori identity and wellbeing by:

- Showcasing Auckland's Māori identity and vibrant Māori culture.

⁷ Panuku Development Auckland company constitution

⁸ Non service properties are defined in the Local Government (Tamaki Makaurau Reorganisation) Council-controlled Organisations Vesting Order 2010 as property that is not infrastructure or used to deliver services.

⁹ The third sector refers to organisations that are not for profit or non-government organisations.

¹⁰ The council has set targets for the return from disposals of assets and land in the Long-term Plan.

- Recognising te Tiriti o Waitangi and supporting mana whenua in their unique role as kaitiaki of Tāmaki Makaurau.

C. Methods

Panuku is to meet these expectations by:

- Ensuring that its capital and operating expenditure, policies and plans (including locally-specific development plans) are directed towards achieving these objectives and priorities.
- Working with the council, other council-controlled organisations and infrastructure providers to facilitate urban redevelopment.

1.5 Regional Facilities Auckland Limited

A. Purpose

The purpose of Regional Facilities Auckland Limited (RFA) is to engage the communities of Auckland through cultural, heritage, and lifestyle opportunities. This will be done primarily by operating, administering and developing various regional facilities on a prudent, commercial basis¹¹.

B. The council's expectations of RFA in relation to its objectives and priorities

Through its activities and the facilities and venues it operates, Regional Facilities Auckland is to contribute to several of the outcome areas in the Auckland Plan. These include:

- Belonging and participation, and specifically to recognise the value of arts, culture, sport and recreation to quality of life, and providing opportunities and spaces for people to meet, connect, participate in and enjoy community and civic life.
- Environment and cultural heritage, and specifically ensuring Auckland's cultural heritage is valued and cared for.
- Showcasing Auckland's Māori identity and talent, and specifically celebrating Māori culture and supporting te reo Māori to flourish.

In addition, Regional Facilities Auckland is to give effect to the relevant objectives and priorities set out in council strategies including:

- Toi Whitiki: Arts and Culture Strategic Action Plan.
- The Auckland Sport & Recreation Strategic Action Plan.

C. Methods

Regional Facilities Auckland is to meet these expectations by:

- Ensuring that its planning and investment in, and management of, regional venues and facilities is aligned to these objectives and priorities.
- Taking a regional perspective to the provision of facilities for Aucklanders, including working closely with the council to ensure that plans for regional venues and facilities and plans affecting national-level venues and facilities are aligned with the network of local and community facilities.
- Ensuring that the development of significant plans and strategies to achieve its aims are carried out in collaboration with the council.
- Recognising central government as a strategic partner, and aligning, where appropriate, with its policy for and investment in facilities providing cultural, heritage, and lifestyle opportunities.

¹¹ Regional Facilities Auckland deed of trust

1.6 Watercare Services Limited

A. Purpose of Watercare Services Limited

The purpose of Watercare Services Limited (Watercare) is to provide Auckland's integrated water supply and wastewater services.¹²

B. The council's expectations of Watercare in relation to its objectives and priorities

Watercare is to give effect to the objectives and priorities of the council in the Auckland Plan, and in particular by:¹³

Environment and cultural heritage:

- Ensuring Auckland's natural environment and cultural heritage is valued and cared for
- Applying a Māori world view to treasure and protect our natural environment (taonga tuku iho)
- Using growth and development to protect and enhance Auckland's natural environment
- Ensuring Auckland's infrastructure is future-proofed

Homes and places:

- Developing a quality, compact urban form to accommodate Auckland's growth

Māori identity and wellbeing:

- Advance mana whenua rangatiratanga in leadership and decision-making and provide for customary rights.

C. Methods:

Watercare is to meet these expectations by:

- Ensuring that its capital and operating expenditure, policies and plans are directed towards achieving these objectives and priorities.
- Implementing, through its role as a provider of infrastructure critical to urban development, the Development Strategy set out in the Auckland Plan. The Development Strategy sets out how Auckland will change and grow over the next 30 years through a quality compact approach.
- Working with the council, other council-controlled organisations and infrastructure providers to achieve the council's objectives and priorities in an efficient and effective way, including in particular the optimisation and integration of water, wastewater and stormwater (the three waters) outcomes for the benefit of current and future Aucklanders.
- Actively facilitating the participation of Māori in the management of natural resources.

¹² Constitution of Watercare Services Limited

¹³ Watercare also has specific statutory obligations as the 'Auckland water organisation', which are set out in sections 57 and 58 of the LGACA.

2. Additional reporting requirements

Section 90(2) of the LGACA states that:

“(2) *The policy must—*

- c) specify any reporting requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act.”*

2.1 Statutory requirements

Sections 66 to 68 of the Local Government Act 2002 (LGA) set out requirements for CCOs to provide half-yearly and annual reports on their operations to the council.

The half-yearly report must be provided within two months after the end of the first half of each financial year. The annual report must be delivered to the council no later than three months after the end of the financial year, and must be publicly available on the CCO’s website, with a hard copy available to any member of the public upon request. The release of the half-yearly and annual reports are required to be managed in accordance with the New Zealand Stock Exchange (NZX) continuous disclosure requirements as noted under Section 2.4.

In addition to the statutory requirements, each substantive CCO is to provide additional reporting as set out below.

2.2 Quarterly reporting

In addition to the statutory requirements for half-yearly and annual reports, the council requires all substantive CCOs to provide a quarterly report on their performance to the council, no later than 1 month after the end of the first and third quarter of each financial year¹⁴ or as per the instructions of the Group Financial Controller.

The quarterly report must report against the performance targets set out in its SOI, and must be in the format required by the council.

2.3 Attendance at council committee meetings

The chair and chief executive of each substantive CCO are expected to appear before the relevant council committee when it meets to consider the CCO’s performance against its SOI.

The board of each substantive CCO may be required to appear before the relevant council committee when it meets to consider its annual report and/or fourth quarter report.

2.4 New Zealand Stock Exchange requirements

Substantive CCOs must adhere to the New Zealand Stock Exchange (NZX) requirements and work with the council on the timing of public release of financial information. In particular, CCO and group information must remain confidential until the group interim report and full Auckland Council annual report have been adopted by the council and released to the NZX at the end of February and September, respectively.

Substantive CCOs must also comply with the requirements of the continuous disclosure policy.

¹⁴ As provided for in s91(1)(b) of the LGACA.

2.5 Audit and risk reporting requirements

Each substantive CCO is to:

- Provide a risk report and top risks register (as presented to its own audit and risk committee, board or equivalent) to council staff on a quarterly basis. This information will be reported to the council's Audit and Risk Committee as a confidential item.
- Ensure relevant board members (or their delegates) attend the meeting of the council's Audit and Risk Committee as requested by the council. This will be every six months or as the Committee requires.
- As part of end of financial year processes, report all Audit New Zealand findings through council staff to the council's Audit and Risk Committee.

2.6 Provide information as required

Each substantive CCO is required to provide information on any aspect of a CCO's performance against its statement of intent if required to by a resolution of the relevant council committee.

3. Additional planning requirements

Section 90(2) of the LGACA states that:

“(2) The policy must—

- d) specify any planning requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act.”*

3.1 Inputs to Long-term Plan and Annual Plan

Each substantive CCO is to have asset management plans, activity plans, performance frameworks and supporting financial information as inputs to the council's Long-term Plan and Annual Plan in accordance with the timeframes and other requirements specified by the council.

3.2 Further requirements

Each substantive CCO must:

- Use the council's asset management framework, or obtain the council's approval for an alternative framework.
- Use accounting policies and standards that are consistent with the council group's accounting policies and standards.
- Comply with council tax initiatives and policies.
- Follow any other planning requirements specified by the council and notified to CCOs.
- Prepare a Māori Responsiveness Plan, and work with the council to monitor and report against it.
- Prepare a local board engagement plan in accordance with the framework set out in the Governance Manual for Substantive CCOs.

4. Management of strategic assets by council-controlled organisations

Section 90(2) of the LGACA states that:

“(2) The policy must—

...

- e) *identify or define any strategic assets in relation to each substantive council-controlled organisation and set out any requirements in relation to the organisation’s management of those assets, including the process by which the organisation may approve major transactions in relation to them.*”

4.1 Definition and identification of strategic assets

Strategic assets are defined in section 5 of the LGA as assets that a local authority needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community. This includes:

- a) any asset or group of assets listed in the local authority’s Significance and Engagement Policy; and
- b) any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in—
 - a) a port company;
 - b) an airport company.

For the purposes of this policy, the council considers that the “current or future well-being of the community” means the economic, social, environmental and cultural well-being, and the health and safety of communities.

The strategic assets owned and/or managed by the council’s CCOs are any scheduled heritage buildings or structures and the assets set out in table 1.

Table 1 – Strategic assets owned or managed by substantive CCOs

Council-controlled organisation	Strategic assets owned and managed by the CCO	Strategic assets owned by the council and managed by the CCO
Auckland Tourism, Events and Economic Development Limited	none	none
Auckland Transport	The public transport network including Britomart	The roading network
Regional Facilities Auckland	Auckland Art Gallery (including the arts collections owned by Regional Facilities Auckland) Auckland Zoo Aotea Centre Civic Theatre Viaduct Events Centre North Harbour Stadium (known as QBE Stadium) The council’s contractual rights and interest in Auckland City Arena (known as Spark Arena) Mt Smart Stadium	

Council-controlled organisation	Strategic assets owned and managed by the CCO	Strategic assets owned by the council and managed by the CCO
Panuku Development Auckland Limited	The freehold interests in central Auckland waterfront land	none
Watercare Services Limited	The wastewater network The water supply network	none

4.2 Requirements in relation to the management of strategic assets by CCOs

4.2.1 Principles for the management of strategic assets

Each substantive CCO must manage the strategic assets set out in Table 1 in a way that:

- maximises the long-term benefit of the strategic assets to Auckland.
- gives effect to the expectations set out in Part 1 of this policy and the performance measures set out in this long-term plan.
- enables the CCO to achieve the objectives and performance measures set out in its statement of intent.

In making a decision about a strategic asset that may affect the council's long-term interest in that asset or the associated service delivery to Aucklanders, each substantive CCO must consider the following factors in relation to the proposal, in addition to any of its own considerations:

- the contribution of the issue or proposal to meeting the expectations set out in this policy and in the statement of intent.
- any impacts on the council's other objectives or priorities (both positive and negative).
- its consistency with the council's other plans and strategies, including area-specific plans.
- the likely financial impacts of the proposal, noting the opportunity cost of any investment or expenditure.

4.2.2 Shareholder oversight of strategic assets and major transactions

The table below sets out the approach to shareholder oversight of decisions about strategic assets and major transactions. Even if a decision does not require shareholder approval, CCOs must ensure that they comply with the no surprises policy, and engage with ward councillors and local boards on issues of local significance (as set out in Section 1.1.7).

Table 2 – Shareholder oversight of strategic assets and major transactions

Where a CCO proposes to	Examples	The shareholder must be involved in the following way
<ul style="list-style-type: none"> • Carry out a <i>major transaction</i> (defined below) • Undertake an action or make a decision which may affect the council's long-term interest in a strategic asset or the associated service delivery to Aucklanders and: <ul style="list-style-type: none"> ○ which represents or may represent a departure from an agreed strategy of the council; or 	<ul style="list-style-type: none"> • The sale of any part of Britomart • A 20-year lease on waterfront land 	Approval of the governing body of Auckland Council is required except where it is already provided for in the Long-term Plan. Note that some major transactions must be set out in the Long-term Plan. ¹⁵

¹⁵ Some decisions must be included in the long-term plan: section 97 of the Local Government Act 2002 requires that (a) a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity and (b) a decision to transfer the ownership or control of a strategic asset to or from the local authority must be explicitly provided for in the long-term plan, and must have been consulted on during the development of the long-term plan.

Where a CCO proposes to	Examples	The shareholder must be involved in the following way
<ul style="list-style-type: none"> ○ where there is no agreed strategy of the council 		
<ul style="list-style-type: none"> • Undertake an action or make a decision which may affect the council's long-term interest in a strategic asset or the associated service delivery to Aucklanders which is consistent with an agreed strategy of the council 	<ul style="list-style-type: none"> • Feasibility studies of a significant activity or investment • The development of a water efficiency strategy 	<p>Provide information to the governing body through a workshop or memorandum.</p> <p>Engage with relevant local boards in accordance with Section 1 of this policy and the Governance Manual for Substantive CCOs.</p>
<ul style="list-style-type: none"> • Undertake any operational actions that are part of day-to-day business, or which implement agreed decisions 	<ul style="list-style-type: none"> • Entering into a contract for the provision of food and beverage services at Mt Smart Stadium 	<p>No governing body oversight is required.</p>

Where it is not clear if the proposed action or decision is consistent with an agreed strategy of the council, a CCO should engage with council staff.

4.2.3 Definition of major transaction

For the purposes of this accountability policy, a “major transaction¹⁶” is:

- a) Any acquisition, disposal or replacement of a strategic asset, other than ongoing asset renewal in accordance with a CCO’s asset management plan
- b) Any transaction or dealing in relation to a strategic asset:
 - Reducing control over the asset (whether directly or indirectly)
 - Reducing or materially affecting the asset’s value
 - Granting any legal interest in the asset to a third party
 - Affecting the CCO’s or council’s ownership of the asset
- c) Any long-term contracts for the development or operation of a strategic asset (being a contract binding the CCO to a term exceeding fifteen (15) years, including any renewals at the contractor’s option)
- d) Any matters covered by Section 3.4 (rights and securities issues) or Section 3.5 (takeover offers, mergers and capital restructuring) of the Auckland Airport Shareholding Policy.

In relation to network infrastructure, a transaction only qualifies as a major transaction if it relates to any part of a network which:

- is integral to the functioning of the network as a whole, or
- substantially affects the level of service provided to the community.

A lease granted by a CCO on a strategic asset is not a major transaction if the lease:

- i. is granted in the ordinary course of the CCO’s business on arms-length terms; and
- ii. does not exceed fifteen (15) years in duration (including any renewals at the lessee’s option); and
- iii. does not exceed \$500,000 in rent per annum.

¹⁶ Note that this is a different definition of “major transaction” to that provided for in the Companies Act 1993, which has different requirements associated with it.

4.2.4 Situations where the council's approval may not be required

Where a proposal requires the approval of the shareholder according to Table 2 above, but is not material to the council's long-term interest in the strategic asset and the associated service delivery to Aucklanders, approval from the council may not be required. This can be granted at the discretion of the Mayor, Chair of the Finance and Performance Committee and the council's Chief Executive, according to the criteria in the council's Significance and Engagement Policy.

4.2.5 Process where the council's approval is required

Where approval of the council is required, it will be assessed against the following criteria:

- The contribution of the proposal to meeting the expectations set out in this policy and in the statement of intent, and other plans and strategies of council.
- The financial impacts of the decision.
- Whether the relevant CCO's Board has considered all of the relevant information which would influence the decision, including the risks and mitigations; and
- Any other factor that the council considers to be relevant.

CO-GOVERNANCE OF THE TŪPUNA MAUNGA/VOLCANIC CONES

SUMMARY OF THE TŪPUNA MAUNGA OPERATIONAL PLAN 2018/19

The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 (the Act) requires the Tūpuna Maunga o Tāmaki Makaurau Authority (Tūpuna Maunga Authority) and Auckland Council to prepare an Annual Operational Plan and a summary of that plan for inclusion in the Auckland Council's 10 Year Budget (Long Term Plan) 2018-28 process.

The Tūpuna Maunga Authority and Auckland Council are required to approve the Annual Operational Plan. The Tūpuna Maunga Operational Plan 2018/19 must be considered and adopted concurrently with the Long Term Plan 2018-28. A summary of the Tūpuna Maunga Authority's indicative funding requirements are outlined in this Section.

NGĀ MANA WHENUA O TĀMAKI MAKĀURAU

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

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

THE NGĀ MANA WHENUA O TĀMAKI MAKĀURAU COLLECTIVE REDRESS ACT 2014

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

The 14 Tūpuna Maunga covered by the Act include:

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

CO-GOVERNANCE

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

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

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

Maungauika / North Head is administered by the Crown (Department of Conservation). Maungauika / North Head may be included under the administration of the Tūpuna Maunga Authority in the future if the council, in consultation with the Maunga Authority, agrees to assume responsibility for its future maintenance.

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

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

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

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

STRATEGIC FRAMEWORK: TŪPUNA MAUNGA VALUES

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

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

The values provide a strategic framework to guide the Tūpuna Maunga Authority in making any decision about the Tūpuna Maunga. The values are the key driver of the Tūpuna Maunga 10 year work programme.

The values are as follows:

Values	What this means for the Tūpuna Maunga
Waituatanga/ Spiritual	<ul style="list-style-type: none"> - restore and recognise the relationship between the Maunga and its people - tread gently - recognise the tihi is sacred - treat the Maunga as taonga tuku iho – treasures handed down the generations
Mana Aotūroa/ Cultural and Heritage	<ul style="list-style-type: none"> - enable Mana Whenua role as kaitiaki over the Tūpuna Maunga - encourage culturally safe access - restoring customary practices and associated knowledge - recognise European and other histories and interaction with the Maunga
Takotoranga /Landscape	<ul style="list-style-type: none"> - protect the integrity of the Tūpuna Maunga - encourage design that reflects Tūpuna Maunga Values - promote a connected network of Maunga - preserve the visual and physical integrity of the maunga as landmarks of Tāmaki - active restoration and enhancement of the natural features of the Maunga - encourage activities that are in keeping with the natural and indigenous landscape
Mauri Pūnaha Hauropi/Ecology and Biodiversity	<ul style="list-style-type: none"> - strengthen ecological linkages between the Maunga - Maunga tū mauri ora, maunga tū Makaurau ora /if the Maunga are well, Auckland is well - restore the biodiversity of the Tūpuna Maunga
Mana Hononga Tangata /Living Connection	<ul style="list-style-type: none"> - a place to host people - actively nurture positive relationships - give expression to the history and cultural values of the Maunga - rekindle the sense of living connection between the Maunga and the people
Whai Rawa Whakauka/ Economic and Commercial	<ul style="list-style-type: none"> - focus on commercial activities that create value and enhance experience - explore alternative and self-sustaining funding opportunities - foster partnerships and collaboration - alignment with the Tūpuna Maunga Values
Mana Whai a Rēhia/Recreational	<ul style="list-style-type: none"> - promote health and wellbeing - encourage informal inclusive recreation activities - balance informal and formal recreation - recreational activities consistent with tikanga Māori - Maunga are special places and treasures handed down

TŪPUNA MAUNGA OPERATIONAL PLAN 2018/19

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

The Tūpuna Maunga Operational Plan 2018/19 identifies a number of projects to be delivered or commenced in the coming financial year. In addition to identifying projects to be delivered or commenced in the coming financial year, the Tūpuna Maunga Operational Plan 2018/19 also sets out a 10 year work programme.

A copy of the Operational Plan can be found at <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/kaupapa-maori/comangement-authorities-boards/tupuna-maunga-tamaki-makaurau-authority/Pages/management-of-the-tupuna-maunga.aspx>

Priority programmes and projects include:

Policy and Management

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

Healing

- Protection and restoration of the tihi (summits) through restriction of vehicle access to the tihi and significant track and viewing platform developments
- Protection and restoration of historic kumara pits, pā sites and wāhi tapu
- Restoration of indigenous native ecosystems; reintroducing native plants and attracting native animal species; removing inappropriate exotic trees and weeds
- Pest control on all maunga in line with Auckland's plan to be pest free by 2050

Development

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

Connection

- Mana whenua living connection programme focusing on their role as kaitiaki (guardians), restoring customary practices and associated knowledge and enabling cultural activities

- On-site staff to protect and enhance the Tūpuna Maunga and the visitor experience
- Volunteer programmes to connect communities to the Tūpuna Maunga
- Education programmes, community events and a bespoke website that celebrates the living connection that all communities have with the Tūpuna Maunga.

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

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

SUMMARY OF INDICATIVE FUNDING REQUIREMENTS

The funding for Tūpuna Maunga is set at a regional level. The proposed 10 Year budget to enable the priority projects and programmes is:

Long Term Plan 2018-2028 funding requirement Tūpuna Maunga Authority

Funding Envelope	2018/19 \$000's	2019/20 \$000's	2020/21 \$000's	2021/22 \$000's	2022/23 \$000's	2023/24 \$000's	2024/25 \$000's	2025/26 \$000's	2026/27 \$000's	2027/28 \$000's
Net Operating expenditure:										
Net Operating expenditure 2018-2028	3,578	3,615	3,696	3,766	3,867	4,090	4,464	4,577	4,668	4,762
Capital expenditure:										
Capital expenditure 2018-2028	5,093	7,008	7,110	6,925	8,875	9,086	9,395	9,820	12,780	12,800
Total LTP Funding requirement 2018-2028	8,671	10,623	10,806	10,691	12,742	13,176	13,859	14,397	17,448	17,562

Notes:

* Net operating expenditure excludes depreciation

* Net operating expenditure has been inflated using Council agreed inflation rates

5.1 Overview of Auckland Council's CCOs

A council-controlled organisation (CCO) is a company or organisation in which the council controls 50 per cent or more of the votes or the right to appoint 50 per cent or more of the directors or trustees.

The council uses CCOs to apply commercial disciplines and specialist expertise in the management of key regional council assets and efficient service delivery.

CCOs are accountable to the council, which agrees the objectives and targets for each CCO and also monitors their performance. The council, in turn, is accountable to ratepayers and residents for the performance of the CCOs. The council is required to have a policy on the accountability of its substantive CCOs. The policy establishes the council's enduring expectations for each CCO. The council's CCO Accountability Policy can be found as part 3.7 of this document.

To find out more about each of the CCOs, refer to their Statements of Intent, which can be found on the council's website. Go to Home>About Auckland Council> How Auckland Council works>Council-controlled organisations.

The substantive CCOs

A substantive CCO¹ 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.

The council's substantive CCOs² are:

- **Auckland Tourism, Events and Economic Development Limited (ATEED)** – promotes economic performance and growth in the region, including managing tourism and major events that are exciting, successful and which attract visitors and revenue. In doing so, it helps towards the goal of transforming Auckland into a world class city.
- **Auckland Transport (AT)** – responsible for managing the region's transport system. AT provides Auckland's transport requirements (except state highways and Auckland motorways) which include roads, footpaths, cycleways, the public transport network and parking and enforcement.
- **Panuku Development Auckland (Panuku)** – Panuku partners with the development sector, iwi and central government to facilitate redevelopment of selected areas across Auckland to promote quality built environments and residential and commercial growth. Panuku will actively review the council group property portfolio for sites that are surplus to service requirements, require renewal or are underutilised and make land available for redevelopment. Panuku will continue to redevelop the city waterfront area and manage non-service properties on behalf of the Auckland Council Group. Panuku's subsidiaries are: Downtown Marinas (98.37%) and Westhaven Marina Limited.
- **Regional Facilities Auckland (RFA)** – supports the council's vision for Auckland as a vibrant and dynamic international destination city by providing a regional approach to running and developing Auckland's arts, culture and heritage, sport and leisure sector. RFA manages major regional facilities and landmark venues across the city, including: ANZ Viaduct Events Centre, Aotea Centre, Auckland Art Gallery Toi o Tāmaki, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, The Civic, Mt Smart Stadium, QBE Stadium and Western Springs Stadium, New Zealand Maritime Museum
- **Watercare Services Limited (Watercare)** – provides high quality drinking water supply and wastewater treatment and disposal for the Auckland region. Watercare's subsidiaries are: Watercare Harbour Clean-up Trust, Auckland City Water Limited and Hunua Forests Limited. Watercare also has control of Water Utility Consumer Assistance Trust.

¹ The meaning of CCO includes subsidiaries of CCOs, For the purpose of this document any reference to a substantive CCO means the substantive CCO and its subsidiaries.

² The Governing Body resolved on 31 May 2018 to disestablish council-controlled organisation Auckland Council Investments Limited and transfer all of its assets, liabilities and obligations to Auckland Council on 1 July 2018.

Contribution to council strategies and activities

As this plan is prepared on a group basis, each of the substantive CCOs' financial and performance information is embedded with the group of activity information contained in this plan. The group of activities information can be found in Part 2 of this document. The groups of activities that each CCO contributes to are listed below.

CCO	Group of activities
AT	Public transport and travel demand management
	Roads and footpaths
ATEED	Council controlled services
Panuku	Council controlled services
RFA	Council controlled services
Watercare	Water supply
	Wastewater treatment and disposal

Legacy CCOs

In addition to its substantive CCOs, Auckland Council has several CCOs which were established before amalgamation. These are commonly referred to as legacy CCOs.

While legacy CCOs are smaller in size and scale, they provide a valuable service to a wide range of stakeholders and are key contributors to delivering council programmes and services.

The following two CCOs are required to meet CCO governance requirements such as half-year and annual reports and Statements of Intent:

- Community Education Trust Auckland (COMET Auckland) – promotes and supports better education and training opportunities, especially for communities of high educational needs across Auckland
- Contemporary Art Foundation (Te Tuhi) – promotes the arts through ownership and management of the Te Tuhi Centre for the Arts, a public gallery in Pakuranga which hosts local, national and international art exhibitions

The following six CCOs are exempt from the above requirement:

- Arts Regional Trust (ARTS) – ART aims to grow entrepreneurship in the Auckland's arts, culture and creative sectors to generate cultural, creative and economic outcomes that benefit the region through the provision of unique and innovative programmes
- Highbrook Park Trust – the Trust manages Highbrook Estate, which includes 40 hectares of parkland open to the public
- Mangere Mountain Education Trust – the Trust administers the Māngere Mountain Education Centre (MMEC) which provides educational opportunities for Aucklanders of all ages to learn about Māngere mountain and its people
- Manukau Beautification Charitable Trust – the Trust promotes, supports and undertakes programmes, actions and initiatives to beautify Auckland
- Mount Albert Grammar School Community Swimming Pool Trust – supports the Mt Albert Aquatic Centre, which is a local community pool
- Te Puru Community Charitable Trust – manages the community centre at Te Puru Park and supports sports, leisure, community and cultural groups in the Beachlands, Maraetai and Whitford communities.

6.1 Glossary of terms

Term	Definition
Activity	The goods or services the council provides
Annual Plan (Also known as Annual Budget)	The plan that sets out what the council will be working to achieve in a financial year, how it will spend its money, the level of service to be provided, and the level of rates and other revenue required to fund that spending
Asset	An item of value, usually of a physical nature, that has a useful life of more than 12 months and has future economic benefits over a period of time. Infrastructural assets provide the basic facilities, services and installations needed for a community or society to function, such as stormwater drainage pipes. Non-infrastructural assets are the organisation's other assets that provide either administrative or operational functions, such as computer software
AT	Auckland Transport
ATAP	The Auckland Transport Alignment Project, a collaborative project between Auckland Council and Central Government to align strategic transport priorities for the Auckland region.
ATEED	Auckland Tourism, Events and Economic Development
Auckland Council or the council	The local government of Auckland established on 1 November 2010. The council is made up of the governing body, 21 local boards, and the council organisation (operational staff)
BID	Business improvement district
Centres	Localities identified as urban centres which include the city centre and fringe, metropolitan centres, town centres and local centres. Centres are typically higher density, compact mixed-use environments with high quality public transport links and provide a wide range of community, recreational, social and other activities
CRL	The City Rail Link project
CRL Limited	The separate legal entity that will deliver the CRL
COMET	COMET Auckland (Community and Education Trust)
Commercial activities	Retail, information and communication, finance and insurance, and other service sectors. These sectors typically can afford relatively higher land prices/rents, and locate well in town centres
Council-controlled organisation (CCO)	A company or other entity under the control of local authorities through their shareholding of 50 per cent or more, voting rights of 50 per cent or more, or right to appoint 50 per cent or more of the directors. Some organisations may meet this definition but are exempted as council-controlled organisations
Depreciation	The charge representing consumption or use of an asset, assessed by spreading the asset's value over its estimated economic life. Depreciation includes amortisation of intangible assets unless otherwise stated
FULSS	The Future Urban Land Supply Strategy
Development contributions	Contributions from developers, collected to help fund new infrastructure required by growth, as set out in the Local Government Act 2002. This can be a financial contribution or provision of services or an asset of the same value
Governing Body	The governing body is made up of the mayor and 20 councillors. It shares its responsibility for decision-making with the local boards. The governing body focuses on the big picture and on Auckland-wide strategic decisions. Because each ward may vary in population, some wards have more than one councillor
Grants and subsidies	Revenue received from an external agency to help fund an activity or service that the council provides
Gross operating expenditure	Total without deductions of depreciation and finance costs
Hapū	Kinship group, clan, tribe, sub tribe - section of a large kinship group

Term	Definition
Household	One or more people usually resident in the same dwelling, who share living facilities. A household can contain one or more families or no families at all. A household that does not contain a family nucleus could contain unrelated people, related people, or could simply be a person living alone
Infrastructure	The fixed, long-lived structures that facilitate the production of goods and services and underpin many aspects of quality of life. Infrastructure refers to physical networks, principally transport, water, energy, and communications
Iwi	Groups of whānau or hapū related through a common ancestor
Kaitiaki	Guardians of the environment
Kaitiakitanga	Guardianship including stewardship; processes and practices for looking after the environment, guardianship that is rooted in tradition
Local boards	There are 21 local boards which share responsibility for decision-making with the governing body. They represent their local communities and make decisions on local issues, activities and facilities
Local Board Agreement	An annual agreement between the governing body and each local board, setting out how the council will, in that year, reflect the priorities and preferences in its local board plan for the year in respect of various things, including the local activities to be provided in the local board area
Local Board Plan	A plan that reflects the priorities and preferences of the communities within the local board area in respect of the level and nature of local activities to be provided by the council over the next three years
Local Government Act 2002 (LGA 2002)	Legislation that defines the powers and responsibilities of territorial local authorities such as Auckland Council
Local Government (Rating) Act 2002 (LGRA)	Defines how territorial local authorities such as Auckland Council can set, assess and collect rates
Long-term Plan or the LTP (Also known as the 10-year budget)	This document sets out the council's vision, activities, projects, policies, and budgets for a 10-year period. Also commonly referred to as the LTP, the 10-year budget
Mana whenua	Iwi, the people of the land who have mana or customary authority. Their historical, cultural and genealogical heritage are attached to the land and sea
Mataawaka	Māori who live in Auckland but do not whakapapa to mana whenua
Mātauranga Māori	Māori wisdom. In a traditional context, this means the knowledge, comprehension or understanding of everything visible or invisible that exists across the universe
Maunga	Mountain, mount, peak; Auckland's volcanic cones
Mauri	Mauri is the pure state of an object or substance. Sometimes referred to as the 'life force', mauri is contingent upon all things being in balance or in harmony
New Zealand Transport Agency (NZTA)	Plans and delivers sustainable transport networks across New Zealand, In Auckland and has responsibility for maintaining the state highway network roads
One Local Initiative	As part of the 10-year Budget, each of our 21 Local Boards has identified a project that they believe to be the most important for their local community
Pā	Fortified Māori settlements, villages and towns
Papakāinga	A location including meeting facilities, homes, vegetable gardens, a cemetery and other things required to sustain a whānau, hapū or iwi. Known previously as unfortified Māori settlements, villages and towns
Papakāinga housing	Housing development within a papakāinga framework
Penlink	Penlink is a proposed alternative route between the Whangaparaoa Peninsula and State Highway 1 (SH1) at Redvale
Rangatahi	Younger generation, youth
Rangatira	Chief
Rangatiratanga	Chiefly authority. A state of being. It is expressed in who we are, and how we do things; ability to make decisions for the benefit of their people and the community in general; confers not only status but also responsibility to ensure that the natural

Term	Definition
	world and its resources are maintained into the future; recognises iwi and hapū right to manage resources or kaitiakitanga over the ancestral lands and waters. The Māori version of article 2 of the Treaty uses the word 'rangātiratanga' in promising to uphold the authority that tribes had always had over their lands and taonga
Rates	A charge against the property to help fund services and assets that the council provides
Rūnanga	Assembly or council in an iwi context
RLTP	The Regional Land Transport Plan provides the blue print for Transport in Auckland over the next decade.
RFT	Regional Fuel Tax
RPMP	Regional Pest Management Plan
Taonga	A treasured item, which may be tangible or intangible
Tāmaki Makaurau	The Māori name for Auckland
Tangata Whenua	Indigenous peoples of the land
Targeted rates	A targeted rate is a rate set to fund activities where greater transparency in funding is desired or where the council considers the cost should be met by particular groups of ratepayers, as they will be the prime beneficiaries of the activity
Te Tiriti o Waitangi / The Treaty of Waitangi	The written principles on which the British and Māori agreed to found a nation state and build a government
Te Toa Takitini	A top-down council group approach to better enable the council group to identify, invest, and track progress on activities that deliver on the Auckland Plan, transform the organisation and deliver Aucklanders great value for money. It derives from the whakatauki (proverb): Ehara taku toa i te toa takitahi, engari he toa takitini, Success is not determined by me alone, it is the sum of the contribution of many
The Auckland Plan 2050	Our long-term spatial plan for Auckland looks ahead to 2050. It considers how we will address our key challenges of high population growth, shared prosperity, and environmental degradation
Tikanga	Customary lore and practice
UAGC	Uniform Annual General Charge – a fixed rate set uniformly across all properties regardless of property value or category, applied to every separately used or inhabited part of a rating unit (e.g. a dwelling on a section, a shop in a mall, or a granny flat)
Unitary Plan	The Auckland Unitary Plan is the planning rule book that sets out what can be built and where. It is essential for protecting what makes our city special, while unlocking housing and economic growth and strengthening our community.
Waka	Canoe, vehicle, conveyance
Waste	Any matter, whether liquid, gas or solid, which is discharged, unwanted or discarded by the current generator or owner as having little or no economic value, and which may include materials that can be reused, recycled or recovered
Watercare	Watercare Services Limited
WMMP	Waste Management and Minimisation Plan, the first Auckland-wide plan, aiming at an aspirational goal of Zero Waste, helping people to minimise their waste and create economic opportunities in doing so

6.2 Key word index

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