Auckland City Council's 10-year Plan 2009-2019

Volume 1: Our vision and strategic direction

Find out more: phone 09 379 2020 or visit www.aucklandcity.govt.nz

AUCKLAND
City Council

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About this plan

This 10-year plan prioritises projects that will help achieve future goals for the city.

Under the Local Government Act 2002, Auckland City Council, like all other councils, must produce a 10-year plan every three years showing what the council does and how it will work towards achieving what the community wants for the future. These are called community outcomes (see the appendices in volume 1 for more information).

Auckland City Council's 10-year Plan 2009-2019 is our third 10-year plan and it is published in three volumes.

What's in each volume

There are three volumes:

- Volume 1: Our vision and strategic direction
- Volume 2: Our strategies and activities
- Volume 3: Policies and statements.

The 10-year plan is available at www.aucklandcity.govt.nz/tenyearplan or see page 83 of volume 1 for how to obtain a printed copy.

As a requirement of the Local Government Act 2002, this document has been audited. Audit New Zealand's audit report can be found in the appendices to volume 1. The financial figures found in the text of volumes 1, 2 and 3 and any projections included in the document have been inflated using the inflation indicators as detailed under the Significant assumptions section in volume 3.

Volume 1: Our vision and strategic direction

This volume outlines our vision and strategic direction for the city. It explains where we are heading and the key initiatives we could undertake in the next 10 years to help us achieve our vision. It describes how we are keeping our promise on balancing the importance of affordable rates with delivering the essential progress needed for the city to grow and prosper. This plan has been put together in very uncertain economic times with a deepening global recession and a change in Auckland's governance structure. It will be revised over time as economic conditions alter and regional governance is implemented.

Volume 2: Our strategies and activities

In volume 2 you'll find detailed information on what Auckland City Council does and how it plans to contribute to achieving community outcomes. These details are given under each of the council's seven strategies. Here you can read about our plans for the next 10 years, how much we expect them to cost and how we'll measure our progress. This volume includes information on how we'll finance planned capital and operating expenditure.

Volume 3: Policies and statements

Volume 3 includes assumptions, financial statements and financial and funding policies. These policies are required for us to run an efficient organisation that is prudent in its financial management and transparent in what it does. The Local Government Act 2002 also requires us to have them. We have amended some of these policies, such as revenue and finance, treasury management, development contributions, and our policy on significance to bring them up-to-date.

Contents

Part 1: Executive summary **3**
Mayor's message 4
Chief executive's message 5
Having your say 6
Auckland Transition Agency 7
Auckland: a global city 7
A city that works 7
Affordable progress in challenging economic times 8
How affordable progress will affect your rates 8
The effects of the uniform annual general charge 8
Rates adjustment between residential and non-residential ratepayers 9
Metro Water Ltd charitable receipts 9
Auckland's global and local context 9
Auckland's future governance arrangements 9
Strategic approach 10
Economic development strategy 10
Lifestyle choices strategy 11
Quality built environment strategy 11
Quality natural environment strategy 11
Strong and healthy communities strategy 11
Transport choices strategy 11
Efficient, capable and user-friendly council strategy 11
Investment in the city – reviewing our spending 11
Meeting our obligations and taking care of assets 12
Setting priorities for discretionary investment 12
Key projects and initiatives 12
Other initiatives 13
What's happening in your area 14
Citywide 14
Hobson 14
Eastern Bays 15
Western Bays 15
Avondale/Roskill 16
Tamaki/Maungakiekie 16
Eden/Albert 17
Hauraki Gulf Islands 18
Projects happening across the city 19
Changes from the council's 2006-2016 long-term plan 20
Summary of key rates-related policy changes for 2009/2010 28
Summary of other policy changes 29
Financials at a glance 31

Part 2: Our vision and strategic direction **35**
Our vision 36
First City of the Pacific 36
What is important to Auckland and Aucklanders 36
Strategic approach 37
Working with others 38
The seven strategies 39
Economic development strategy 39
Where we will focus our resources 40
Key projects 41
Lifestyle choices strategy 42
Where we will focus our resources 43
Key projects 44
Quality built environment strategy 45
Where we will focus our resources 46
Key projects 48
Quality natural environment strategy 49
Where we will focus our resources 50
Key projects 52
Strong and healthy communities strategy 53
Where we will focus our resources 54
Key projects 55
Transport choices strategy 56
Where we will focus our resources 57
Key projects 59
Efficient, capable and user-friendly council strategy 60
Where we will focus our resources 61
Key projects 62
Strategic measures 63
Part 3: Your council your say **65**
How the council is structured 66
Listening to what you have to say 69
Our elected representatives 70
Mayor's and councillors' contact details 71
Community board members' contact details 72
Appendices **73**
Auckland's community outcomes 74
Community outcomes and measures tables 75
Our progress in achieving the outcomes 80
Rates examples 82
Where to find more information 83
Consultation report 85
Significant changes from the draft 10-year plan 86
Audit report 88
Index of key words 92

Part 1

Executive summary

Mayor’s message	4
Chief executive’s message	5
Having your say	6
What’s happening in your area	14
Changes from the council’s 2006-2016 long-term plan	20
Summary of policy changes	28
Financials at a glance	31

Mayor's message

The citizens of Auckland gave this council the opportunity to lead on the commitment of affordable progress.

Our promise was to keep the average increase in rates to the council's level of inflation. Our focus is on giving people value for money.

There is no time more important to keep this promise than now. These are difficult times with an uncertain future. In plain language, this means that families are reconsidering their budgets, and businesses are laying off staff and are fixated on costs.

At Auckland City Council, we are clearly going to take a value for money approach to all of our expenditure, so that we can deliver affordable progress across the city. Of course, this means that some projects will be delayed and others may be shelved. But it is about ordering priorities and balancing best benefits and value for the city.

While we are making substantial savings, resulting in a reduction of capital spend over the next 10 years from $5.3 billion to $3.4 billion, we are also spending our biggest ever amount on capital projects in a single year– about $480 million next year – and building and acquiring $1.9 billion of new assets for the city over the next 10 years.

A key project will be the redevelopment of Queens Wharf. It has long been the wish of our citizens to have greater access to the waterfront. We now have the opportunity to develop this historic location, creating a venue for activities to celebrate the Rugby World Cup in 2011, and also to ensure a legacy benefit for the people of Auckland and the many visitors to our city.

We are also committed to being an efficient organisation and have reviewed all our operating costs. We have an established record of achieving one-off and ongoing savings and have included total savings of more than $202 million in operating costs. These savings have been achieved by setting efficiency targets in our 10-year plan. In the 2009/2010 year we will save $4.6 million, with savings rising to about $28 million in 2018/2019.

We will also have a reduced level of borrowings compared with the levels projected in the 2006-2016 plan. This is a result of the pared back capital programme. The council's borrowings will peak at $1.4 billion (2017/2018) compared with a peak of $1.7 billion projected in the previous amended plan.

We have had to take a hard look at all of our activities over the next decade and what was promised by the last council. It is a priority for this council to do the right things, and to do things right for the city. We have had to make some difficult decisions, but that is what is required at this time.

The next 18 months will see significant change in Auckland's governance as the unitary Auckland Council is established. During this period of change we will continue providing value-for-money services each day and our capital programme will continue to deliver affordable progress for the people of Auckland city.

Our 10-year plan will provide Auckland City Council's input into the new council and their 10-year plan. I am confident that as we move into the transition, our facilities, assets and services will be well positioned to ensure that the new council serves the people of Auckland well as we enter a period of unprecedented change.

Hon. John Banks
Mayor – Auckland city

Chief executive's message

During the next 10 years, the council will continue to improve Auckland city as a great place to live, visit, work and do business.

We want to invest in the future of our communities and maintain the standards of our day-to-day services. But in the current financial climate the challenge we face is stark: how do we find the money to do everything we want to do?

The council's last 10-year plan (2006-2016) doubled the rate of historic capital investment, funding it through rates increases above the council's rate of inflation. The council remains committed to achieving its vision of Auckland as First City of the Pacific. To keep rates increases at the council's rate of inflation, the funding for some capital projects needs to be reduced, deferred or not proceed during this 10-year plan.

Despite this, capital investment remains high by historical standards. Next year the organisation plans to invest about $480 million in capital works, our largest programme ever. During the 10-year plan, investment will average about $340 million each year. We will continue to maintain the many assets we already have, and are reviewing operating expenditure and seeking more value when purchasing goods and services.

Some of the key projects planned for the next 10 years include:

- completing the Auckland Art Gallery and Aotea Square, and completing the Central Connector to give quicker and more reliable bus travel between the CBD and Newmarket
- continuing opening up the waterfront for all Aucklanders to enjoy by providing public spaces on Wynyard Point in partnership with Auckland Regional Holdings and contributing to the costs of redeveloping Queens Wharf for public space, developing the Marine Events Precinct centre, and Te Wero bridge.
- improving the transport network and helping to revitalise the Tamaki area. Some of these initiatives include diverting traffic away from the Panmure roundabout by creating a new two-lane road connecting Mt Wellington Highway to Merton Road, providing additional bus lanes on Lagoon Drive and Ellerslie Panmure Highway, walking and cycling facilities, and developing land around the existing Panmure railway station
- installing new stormwater pipes, replacing old footpaths and improving the local road network
- investing in a range of projects for Rugby World Cup 2011 to make it an event that all Aucklanders can be proud of, be involved in and leave a legacy for Aucklanders to enjoy for many years to come

The Government's decision to establish a single unitary council for the region in November 2010 is a positive step for Auckland and one that the council advocated in its submission to the Royal Commission.

Our focus over the next 16 months is to work in partnership with the Auckland Transition Agency to successfully transfer the council's services and assets into the Auckland Council. We will continue to lift our customer service in providing these services to you on a daily basis and ensure we provide value for money by continuing to generate savings from efficiencies.

In November 2010, our 10-year plan, and the budgets within it, will be handed over to the new Auckland Council. The council wishes to hand over to those elected representatives a plan that balances the desire to make Auckland a great place, while keeping rates affordable. I am confident it will greatly assist the new council in forming a single 10-year plan for the region in 2012.

David Rankin
Chief executive – Auckland City Council

Having your say

Auckland City Council's 10-year plan 2009-2019 provides details of the investment we will make in day-to-day services and projects across the city, and the context in which we developed this plan. You have previously told us what is important to you through the community outcomes process, and through a range of research and consultation we have carried out over the last three years. Over the month in which we encouraged you to have your say on this plan, you responded with a total of 428 submissions. During this time we also held 14 community and stakeholder forums and conducted an online survey to assist us in the decision-making process.

In developing the draft plan, we considered the key issues facing the city such as the need to improve productivity, population growth and the increasing pressure on infrastructure. The rapidly deteriorating economic situation and deepening global recession were the overriding factors. The council has promised to balance the importance of keeping rates affordable with delivering the essential progress needed for the city to grow and prosper. The focus is on giving people value for money.

Since releasing the draft plan for consultation, we have reviewed our financial forecasts in light of more up-to-date information and assumptions in the changing economic and business climate. We have made good progress on identifying where we can make the specific savings needed to achieve the targets included in the draft plan. We plan to identify further potential savings which would help us to deliver projects and services to you in a more efficient manner. This has resulted in a change to the timing and cost of some projects and also to changes to some operating costs. The net impact of the changes is neutral and has no impact on the average rate increase of 2 per cent that was proposed in the draft plan for 2009/2010. See the appendices for more detail.

Immediately before the council adopted this 10-year plan, central government and the Auckland Regional Council reached an agreement to purchase Queens Wharf from Ports of Auckland for $20 million each. This presented the council with a significant opportunity to bring forward the plans for the development of the wharf and a cruise-ship terminal. The draft plan provided for the development of the wharf at the end of the 10-year planning period. It is anticipated that the wharf will now be open for public use in time for Rugby World Cup 2011.

Development of Auckland's CBD waterfront is a key aspect of the council's long-term strategic planning, and the location of Queens Wharf between Queen Street and the harbour makes this wharf a key part of this planning. Locating a cruise-ship terminal in the CBD brings huge economic benefits to the region as passengers embark and disembark and the ships are reprovisioned. Queens Wharf provides a unique opportunity to develop a high-quality public facility, leverage the benefits of Rugby World Cup 2011, and provide a legacy for future generations.

The project budget is currently $84 million (in today's dollars) $35 million of which is already budgeted for in the plan. It is anticipated there will also be a contribution of around $30 million from external sources. Affordable progress is defined as keeping rates at or below the council's rate of inflation. Developing Queens Wharf as public open space and as a terminal provides assets that will benefit the city for decades to come. The council's share of the development cost will be funded from debt enabling the cost to be borne by future generations, not just current ratepayers.

The once-in-a-lifetime opportunity we have to develop Queens Wharf and contribute to Rugby World Cup 2011 means the rate increase in 2011/2012 will be greater than the council's inflation. The increase in 2012/2013 is forecast to be below inflation as the Rugby World Cup funding is required for one year only. Over the full 10 years, our rate increase is in line with inflation (an average inflation rate of 2.62 per cent and an average annual rate increase of 2.68 per cent).

Your feedback, the work we have undertaken to update our assumptions and forecasts to reflect the changed economic climate, the opportunity that has recently arisen with respect to Queens Wharf, and the start of the transition to the new Auckland local governance structure as described below, have all been considerations in this final 10-year plan. We believe this is a plan that will take Auckland forward positively into the future.

For more detail on how we consulted with you see the consultation report in the appendices of this volume.

Auckland Transition Agency

While we were consulting you on this 10-year plan, the government made its initial decisions on the recommendations of the Royal Commission on Auckland's governance. As a result, this plan must now be confirmed by the Auckland Transition Agency before it comes into effect. The plan will be important information and a starting framework for the new Auckland Council and will help it develop a single 10-year plan for the region. During the transition to the new governance arrangements which include the establishment of local boards and a new Auckland Council, we remain committed to delivering our strategic objectives and to focusing on providing day-to-day services and improving customer service. We will also assist the Auckland Transition Agency to make the change on 1 November 2010 as smooth as possible. This includes advising and seeking approval on significant decisions, and approving the adoption of this 10-year plan. It is essential that we continue to plan for the coming year and set the rates accordingly. Working with the transition agency may incur additional costs for Auckland City Council. There is no provision for these costs in this plan.

Auckland: a global city

Auckland city's enviable lifestyle, and its place as New Zealand's economic centre and gateway to the world, positions it as a global city. It consistently ranks among the top five cities in international lifestyle surveys. The natural landscape gives the city its unique identity and contributes to our pride in Auckland and sense of belonging. Our neighbourhoods and centres have their own special characteristics that make us feel at home and contribute to the strength of our communities.

The waterfront is a superb asset near New Zealand's main business centre, the Auckland CBD. Auckland's city centre offers career, business, investment, education, living and leisure opportunities unique in New Zealand. Our profile as an international city attracts tourists, migrants and businesses, and enables us to experience world-class events. We have an enormous range of arts, culture and sporting experiences available to us.

We want to build on these strengths to achieve our vision of being First City of the Pacific where people choose to live, do business in or visit.

Over the next 10 years, we will invest $3.4 billion in the city, about half of which will be allocated to building and acquiring new assets and the other half to renewing existing assets. Through this investment, we will continue to focus on major projects that take us closer to our vision, such as opening up access to the waterfront, redeveloping Auckland Art Gallery, preparing the city to successfully host Rugby World Cup 2011, revitalising our network of streets and open spaces – including a new civic square for the city centre, and an internationally recognised science and technology park at Tamaki that will encourage business innovation.

We will continue to provide day-to-day services for Aucklanders, such as recycling, footpath upgrades, street cleaning, community facilities and maintaining parks and open spaces.

A city that works

Auckland city's population continues to grow rapidly; faster than the rest of New Zealand. This growth requires long-term planning for the continued delivery of critical day-to-day services that make your lives easier, as well as planning for infrastructure and land use.

When planning for future population and economic growth, we need to ensure that the actions we take result in a high-quality city in all respects. We must ensure that we have significant land available for businesses, parks and open spaces. There needs to be a variety of housing styles for residents to choose from and transport choices for residents and businesses alike. The increasing diversity of our communities means we must support community activities in ways that best meet the community's needs and builds on their strengths. Good urban design ensures that we create a city that not only looks good but works for people who use it and live here.

For Auckland to become a great city, we must be proactive and plan for future development and land use. We are working on our Future Planning Framework, which will set the right context for providing quality long-term sustainable development of the city and for developing the reviewed isthmus district plan rules. The district plan is our main regulatory tool for managing land use.

Affordable progress in challenging economic times

The council has promised to balance the importance of keeping rates affordable with delivering the essential progress needed for the city to grow and prosper. The focus is on giving people value for money.

We have put together a budget with priorities for the next 10 years at a time when the world is experiencing its most severe economic crisis in decades and New Zealand has entered a recession of uncertain depth and duration. This economic climate makes a commitment to affordability more relevant than ever.

How affordable progress will affect your rates

We have defined “affordable” as keeping the average increase in rates at or below the council’s rate of inflation. This rate of inflation refers to the increase in costs that the council faces to fund the current activities it provides at existing levels of service, projected at 2.5 per cent for 2009/2010. For 2009/2010, we have set an average increase in rates of 2 per cent. This excludes the impact of the CBD and Mainstreet targeted rates and is possible as there is no budget set for staff salary increases. Note that the council’s rate of inflation may differ from inflation calculated under the Consumer Price Index and by other councils with different ranges of goods and services purchased.

It is important to note that this is an average rates increase of 2 per cent and not a 2 per cent rates increase for all ratepayers. Your rates increase may be greater or less than 2 per cent, depending on the recent property revaluations, the increase in the uniform annual general charge (UAGC), the application of the next step in the rates adjustment between residential and non-residential ratepayers (known as the long-term general rate differential strategy), and the council’s targeted rates.

In the draft consultation plan, we disclosed contributing $6.9 million to Rugby World Cup 2011 activities in the city. Since then an opportunity has arisen to open up Queens Wharf for public use in time for Rugby World Cup 2011, and to construct a cruise-ship terminal. These significant projects will require a rate increase greater than the council’s rate of inflation for 2011/2012. From 2012/2013, rates increases are projected to be lower than the council’s cost of inflation.

The effects of the uniform annual general charge and value-based rates

The total rates revenue required for the council to fund its services is separated into general rates (the UAGC and value-based rates) and targeted rates (refuse collection, Mainstreet organisations, CBD for residential and non-residential properties, and the recycling targeted rate for additional services).

This year, the council has increased the UAGC from $162 to $250 per household. As this is a fixed charge per household, the UAGC increase will have a higher percentage impact on lower value properties than on higher value properties. The UAGC provides a more equitable distribution of some costs as it reflects the fact that services received by individual households may be similar, irrespective of the value of the property.

Uniform charges include the UAGC, refuse collection targeted rate and the CBD targeted rate for residential units in the CBD. The Local Government (Rating) Act 2002 allows local authorities to set up to 30 per cent of a council's rates take as uniform charges. The change means about 16.8 per cent of the council's rates revenue will be collected from uniform charges. Auckland City Council’s uniform charges are lower than those of other councils within the Auckland region.

The balance of the general rates collection after the UAGC is made up from rates based on the value of your property. See the appendices to this volume for the impact of rates-related changes on sample properties.

All Auckland city properties received new annual, land and capital values in October 2008 as part of a three-yearly revaluation cycle. The new values will be used to calculate the rates from 2009/2010 to 2012/2013.

The council does not generate any additional revenue through the property revaluation process. Instead, the revaluations shift the distribution of rates between ratepayers, depending on how the value of their property changes relative to the city-wide average.

Rates adjustment between residential and non-residential ratepayers

Auckland City Council has a long-standing policy of gradually reducing the imbalance in general rates paid by residential and non-residential ratepayers. Historically, non-residential ratepayers have paid a significantly higher proportion than residential ratepayers. This transfer will have an impact on the rates you pay. See the long-term differential strategy in the funding impact statement in volume 3.

Metro Water Ltd charitable receipts

Under the arrangement by which charitable receipts are received from Metro Water Ltd, the council is restricted to applying these funds to stormwater capital expenditure and other charitable purposes. With the reduction in the council's rate of inflation we have revisited our assumptions around the levels of payment and final dates for the charitable receipts programme. We are assuming there will be one final charitable receipt in the 2009/2010 year and then nothing for the rest of the plan period (Metro Water Ltd makes the payment to the council the year after profit to fund it is earned).

Auckland's global and local context

Planning for the city's future takes place in the context of a constantly changing external environment. We need to be able to respond to issues such as increasing global competition and the worldwide economic turmoil as a result of the recession. Major economies around the world are now entering recession. Despite significant attempts by governments to support their banking systems and stimulate their economies, there is significant uncertainty about the depth and duration of the recession.

The impacts of the global economic crisis are now clearly being felt in Auckland city. As credit has become more constrained, confidence and investment intentions have dropped to record low levels among businesses in the city and unemployment levels have continued to rise. Demand for goods and services is contracting at both a global and local level which is having an impact on a broad range of economic sectors in which Auckland city has strengths.

In addition to these change to the external environment, we must still be able to respond to the ongoing pressures of urban growth, government initiatives with respect to climate change, and the changes planned for Auckland's governance structures.

Without doubt Auckland city is a great place to live, and we consistently score highly on international quality of life surveys. Our economic performance, however, has not been as good, with our GDP per capita (or income levels) slipping well below that of other international cities. Lifting productivity is key to residents achieving per capita incomes comparable to those living in competitor cities. This requires investment in skills, technology, research and infrastructure.

Our economic challenge is compounded by ever increasing global competition for talent. As the baby boomer generation ages and the growth in working-age populations in the developed world slows, cities will increasingly compete for educated, skilled and younger workers.

Auckland city continues to face the opportunities and challenges associated with a rapidly growing population characterised by high turnover and increasing diversity. A growing population is placing more pressure on our transport system, housing affordability and social services. Auckland's future development needs to be sustainable, based on long-term economic growth, social inclusion and an environment that is valued and protected.

What happens in Auckland city is very much influenced by central government policy, whether this is taxation, migration, social policy or spending on transport infrastructure. Since the government was elected in November 2008, it has proposed reforms of some major pieces of legislation affecting local government. These include the Resource Management Act 2002, the Local Government Act 2002, the Building Act 2004 and the Affordable Housing: Enabling Territorial Authorities Act 2008. It has signalled a greater role for central government in infrastructure planning and funding.

Auckland's future governance arrangements

In October 2007, a Royal Commission was established by the government to make recommendations on Auckland's governance arrangements. Following receipt of the Royal Commission report, the government released its decisions on Auckland's governance arrangements in April 2009.

The key decisions include one unitary Auckland Council since implemented by legislation, and propose approximately 20 to 30 local boards across the region, one mayor for Auckland elected at large by the region's residents and ratepayers, and 20 councillors to sit on the Auckland Council (eight elected at large and 12 elected from wards). The new structure will be in place for the 2010 local government elections.

Central government has asked the Local Government Commission to determine the final number of local boards, and the boundaries of the Auckland Council wards and local boards. Central government has already decided that the communities of Great Barrier and Waiheke islands will have local board representation.

The government's decision to establish a single unitary council for the region is a positive step for Auckland, making for stronger regional leadership and direction than our current governance arrangements. Auckland City Council advocated for this in its submission to the Royal Commission. As part of our submission process, we conducted research with ratepayers and businesses which reaffirmed the importance you place on being able to access local government decision-makers at a community and neighbourhood level. The second tier of governance in the new governance model comprising local boards needs to allow for local decision-making and accountability.

The governance change is on a scale never seen before in local government in New Zealand and has an ambitious implementation timeframe. On 1 November 2010, the new Auckland Council will be in place and the Auckland Regional Council and the seven territorial authorities (including Auckland City Council) will be dissolved. The change presents many opportunities for the region.

In May, the government introduced two bills to enable the transition to the new governance arrangements. The first bill has already passed into law as the Local Government (Tamaki Makaurau Reorganisation) Act 2009. It has established the Auckland Transition Agency which will be responsible for rationalisation and transition to the new governance arrangements. The act constrains the decision-making powers of existing Auckland councils and their subsidiaries during this transition period. The second bill, Local Government (Auckland Council) Bill, when enacted will provide for the high level framework for the structure of the Auckland Council and local boards, including their high level functions. It will empower the Local Government Commission to determine the boundaries of the wards of the Auckland Council and the local boards, and the boards and their membership; and provide for the integration of Auckland's water infrastructure. The bill will proceed through a select committee process ending in September this year. The third bill will provide for the ongoing governance structure, functions, roles and powers of Auckland Council and local boards, and detailed legislative framework for governance arrangements.

The Auckland Transition Agency will pave the way for establishing the new council. Our priority over the next 16 months is to remain focused on providing day-to-day services and to continue to improve our customer service. Another priority is to deliver on projects contained in this plan that we said we would do in 2009/2010. Preparing a 10-year plan every three years is essential as it enables us to plan for the coming year and the longer term, and set the rates accordingly. It is also a statutory requirement. Our 10-year plan, and the budgets and financial information within it, will be invaluable information for the new Auckland Council and help it form a single 10-year plan for the region.

For more information on the governance changes, see www.auckland.govt.nz

Strategic approach

The budget and priorities for the council and city over the next 10 years have been developed within the framework of our seven strategic areas as described below. These strategic areas are designed to guide us towards achieving our vision of Auckland as First City of the Pacific. They have been influenced by the outcomes that you have told us are important to you, and by our understanding of the issues and challenges facing the city. The strategies provide the overall direction for the council and are underpinned by our urban design-led approach. This approach to planning and landscape engineering recognises the importance of our built environment in retaining Auckland's international reputation for quality of life.

Economic development strategy

We will continue to make sure we create an environment and infrastructure that enables economic growth, and delivers jobs and an improved standard of living.

Lifestyle choices strategy

We will continue to ensure that Auckland is a dynamic, exciting and distinctive city, and encourage and provide recreational, arts, sports and cultural activities including world-class programmes and events.

Quality built environment strategy

We will continue to manage our city's growth, ensure high-quality urban development design that retains our city's character and heritage, create vibrant neighbourhoods and invest in a world-class central business district and waterfront.

Quality natural environment strategy

We will continue to work to protect and improve the quality of our unique landscape, ecology and biodiversity, so we can enjoy a clean, healthy and sustainable city with world-class beaches and parks.

Strong and healthy communities strategy

We will continue to provide safe communities, places and events for Aucklanders to have fun and learn.

Transport choices strategy

We will continue to provide transport choices that result in a connected city, in particular a sustainable transport network that makes it convenient for business, enables people to get around safely and efficiently, and minimises negative effects on the environment.

Efficient, capable and user-friendly council strategy

We will work to ensure that you have confidence in our leadership, experience quality customer service, and appreciate the value for money that the council delivers to Auckland.

Investment in the city – reviewing our spending

The previous 10-year plan (2006-2016), amended through the 2008/2009 annual plan, includes significant investment in projects and initiatives aimed at making progress towards our vision for the city and delivering a range of benefits for you. This investment is a key driver of increases in rates. In the 2006-2016 10-year plan, rates were projected to increase by more than the council's forecasted rate of inflation. The 2008/2009 annual plan signalled rate increases that were on average 6 per cent more than the council's forecasted rate of inflation for 2009/2010 to 2011/2012.

Capital projects (which involve either buying or building assets for the city) have many related and ongoing costs on top of the initial project costs. These include interest, depreciation and operating costs, all of which must be taken into account and funded by rates. Deferring capital projects provides the greatest savings overall, enabling us to deliver affordable progress.

In order to meet our commitment to affordable progress, we carried out a review of all our planned capital investment and changed the level of investment in some projects and/or the speed at which they will be delivered in our 2009-2019 plan.

This plan still represents an extensive capital works programme, with spending of $3.4 billion on capital works over the next 10 years, including building and acquiring $1.9 billion of new assets for the city. Next year alone we will spend about $480 million – the biggest single-year expenditure in the council's history.

While capital investment is the main driver of rates increases, we have reviewed, and will continue to review, all our operating costs. We have identified total savings targets of over $202 million in this area. The targets start at $4.6 million for the 2009/2010 year, increasing gradually over the 10-year period to about $28 million in the 2018/2019 year. We are making good progress in identifying specific savings needed to achieve these targets.

Meeting our obligations and taking care of assets

The role of the council is to promote the social, economic, environmental and cultural wellbeing of our communities. Since it is not possible to do everything, we have focused on those projects and initiatives that will provide the greatest benefit to you.

We must ensure that we meet our statutory and contractual obligations. We will take appropriate care of our assets, and make sensible business decisions on those things that may require some investment up front, but will save money in the longer term.

Setting priorities for discretionary investment

In developing this plan, we ensured that we first met our obligations, as described above. All other investment was considered to be discretionary. This means that, while the city may have benefited from the investment, it was necessary to reconsider whether or not the project or initiative was still a priority for the next 10 years. If a priority, we considered whether we needed to either slow down the speed at which we initially planned to deliver the project or initiative, or to decrease the level of investment in the project overall.

While the seven strategies describe how we will achieve the council's vision and aspirations for the city, the council also identified a set of strategic goals that were used to provide further guidance in prioritising this discretionary expenditure.

Our plan includes projects or initiatives that meet the following strategic goals.

- Facilitate the economic development of Auckland city by promoting town centres as places to live and work, providing infrastructure that supports economic growth, and supporting events and tourism.
- Care for what makes us special and distinctive as a city, including volcanoes, beaches, heritage, parks, harbours, and waterfronts.
- Keep our city clean, safe and well maintained so that people are proud of their local neighbourhood and town centres.
- Be a lively city, offering a variety of lifestyles and a vibrant arts, entertainment, events and sports sector.
- Support and encourage an inclusive, healthy and involved community by developing effective relationships with government, business and voluntary agencies.
- Ensure it is easy to do business with the council by having processes that are fast and simple.

Key projects and initiatives

We will invest $3.4 billion in capital projects in the city over the next 10 years. Around half of this will be spent on maintaining existing assets and half on acquiring new assets.

Major projects include:

- redevelopment of libraries on Waiheke Island (combined with service centre), Otahuhu and Mt Roskill for about $15 million, and an investment of $42 million in refreshing library collections across the city
- residents and visitors will be able to visit, play in and enjoy $77 million of new and developed parks and reserves including Grey Lynn Park and walkways on Great Barrier Island, and a further $70 million will be invested in upgrading existing parks and playgrounds
- visitors will be able to see New Zealand land and sea creatures with $15 million invested in the Te Wao Nui precinct at Auckland Zoo
- investment of about $31 million (around $22 million over the period of this plan) in transport and infrastructure upgrades around Eden Park and other citywide projects in preparation for hosting Rugby World Cup 2011 making it an event that all Aucklanders can be proud of, be involved in and benefit from long-term, and that will demonstrate to the world our ability to stage successful, safe and spectacular major global events
- a $381 million investment during the next 10 years that continues our portion of the Auckland-Manukau Eastern Transport Initiative to help support business and residential growth planned for Glen Innes, Panmure, Mt Wellington and Sylvia Park, by improving roads, bus lanes, walking and cycling facilities and enabling freight and business vehicles to move more easily with good connections to ports, airports and motorways

- the waterfront will continue to be opened up for all Aucklanders to enjoy with an investment of about $275 million, which includes development of the marine events precinct and Te Wero Bridge; and development of an international cruise-ship terminal and open Queens Wharf to the public currently budgeted at $84 million
- people in Auckland will be able to enjoy more of the nation's biggest art collection and dedicated education, child and family spaces at the Auckland Art Gallery after a multi-million dollar restoration and expansion. The council is committing $121 million towards the development, about $69 million will be incurred over the period of this plan
- Aotea Square is being developed as a modern venue for major public events and everyday activity, driven by the essential repairs required to the Civic car park roof underneath the square. The total project investment, including the car park roof and alterations to the front of the Aotea Centre is $82 million ($61 million within the period of this plan)
- Auckland will have a new performing arts venue, with the council contributing over $8.7 million towards Q Theatre
- the city's unique volcanic landscape will continue to be protected and conserved with $6 million to improve the management and facilities of the cones
- the Onehunga foreshore will be developed into a high-quality open space and coastal environment with a $10 million investment, and a further $10 million will go towards city beach restoration projects which will provide better and easier access in coastal areas
- we will spend $253 million to continue developing our stormwater infrastructure, which aims to alleviate flooding and improve the quality of stormwater that drains into the sea.

Auckland City Council has significant existing assets that must be managed to achieve the best value for ratepayers. The investment over the next 10 years will ensure that we both add to the value of our assets and take appropriate care of them for future generations.

Asset renewals represent around half of the capital investment budget. Investing in asset renewal during the next 10 years will ensure that:

- walking will be safer and easier with $240 million invested to maintain the safety and standards of footpaths across Auckland. This continues the renewal programme that has been carried out for the past three years
- there will be $46 million invested in works to improve the safety of the city's roads and a further $33 million for school safety initiatives; this is in addition to the $458 million in ongoing renewals and improvements to the city's road network
- community centres, halls and other facilities are tailored to the local community's needs through $13 million of renewals and redevelopments across the city
- public conveniences are accessible and of high quality with $17 million of improvements, in particular at Blockhouse Bay and Captain Springs Reserve
- the Auckland Town Hall and the Aotea Centre will be refurbished, with $89 million allocated to preserve them as the region's premier convention, performing arts and entertainment facilities.

Other initiatives

The council plays a key role in enabling and regulating development in the city. The organisation's urban design group reviews and recommends capital investment to ensure that any development contributes to a high-quality urban environment. Significant resource consents are also reviewed by the Urban Design Panel.

Improving our customer service so that you have consistently high-quality experiences when you deal with the council is a high priority for the organisation. One of the specific ways we are doing this is through improvements to our consenting, licensing, and property information services.

What's happening in your area

Citywide

As well as day-to-day services already provided by the council (eg, rubbish and recycling collections, stormwater provision, road maintenance, library services and cleaning streets and public toilets), over the next few years we will be creating many new assets and renewing existing assets across the city. The services provided by these assets will benefit all Auckland residents no matter where they live, as well as people living in other parts of the region.

Key projects over the next 10 years are discussed in more detail elsewhere in this document and include the Wynyard Quarter and Queens Wharf developments, the Marine Events Centre, the development of Auckland Art Gallery, Q Theatre and the redevelopment of Aotea Square, the city's civic and cultural heart.

The council owns, maintains and upgrades a range of citywide and regional facilities such as Auckland Zoo, Central City Library and Westhaven Marina. It also contributes to the development of regional facilities which it does not own such as Auckland War Memorial Museum and Motat. Many of these facilities are discussed elsewhere in this plan.

To ensure that we continue to meet the city's needs, a large portion of our budget is also allocated to taking care of our buildings (halls, libraries, and community and recreation centres), facilities (swimming pools, sports fields and library collections) and heritage sites such as the volcanic cones. Auckland City Council owns or supports 19 community centres, runs 29 community halls, owns two community offices, and has 17 public libraries and one mobile library.

Each ward is allocated funding for small local area improvements, where the community can apply for funding for projects which will improve their local area.

Hobson

All Auckland residents gain benefits from the council's many citywide initiatives, services and assets (see Citywide). Specific initiatives for Hobson residents are described below.

In 2006, the central Hobson ward was home to 18 per cent (74,400) of the city's residents and Hobson has experienced the strongest population growth (24 per cent) of all wards in the preceding five years.

The ward is made up of the CBD, Parnell, Newmarket and Remuera business and shopping centres. The council works with the Mainstreet organisations in these areas to help promote events and create dynamic town centres that support their local communities. The council is in partnership with The University of Auckland and AUT University to build on opportunities arising from having two of the country's most important universities in the economic heart of the city. The Learning Quarter plan aims to establish a distinctive urban hub of learning, teaching and research in Auckland city and raise the profile of the area in the city, region, country and the world.

The council also supports a range of large and small community events throughout the year in this ward, including the Farmers Santa Parade, Diwali Festival of Lights, and Coca-Cola Christmas in the Park held in the Auckland Domain.

The council will continue to maintain and upgrade the ward's community centres and halls, as well as the Parnell Baths and Tepid Baths. The council will also continue with its street and lane upgrade programme. Upgrades to the central area's open spaces will include St Patrick's Square, Aotea Square, improving the paving in Albert Park and developing open spaces in Wynyard Quarter.

We will be looking at ways to improve access into the CBD, as well as implementing cycling and pedestrian improvements as part of the university travel plan. We are also working with large businesses in the CBD on travel planning for their staff. Another key transport project is improving the CBD airport link along Manukau Road.

In recent times, both Queen Street and Broadway at Newmarket have undergone significant facelifts, and we have started upgrading Britomart and the surrounding precinct. Construction of the Central Connector is well under way. The Central Connector is a dedicated bus route that will improve travel between the CBD and Newmarket and link to the Northern Busway at Britomart.

Visit http://www.aucklandcity.govt.nz/tenyearplan for further details of what is happening in your ward.

Eastern Bays

All Auckland residents gain benefits from the council's many citywide initiatives, services and assets (see Citywide). Specific initiatives for Eastern Bays residents are described below.

In 2006, Eastern Bays was home to 11 per cent (45,800) of the city's residents and has grown by 8 per cent over the preceding five years. Significant population growth is expected in the ward over the next 10 years with the development of the Stonefields residential area. The council will be working to provide both open space and heritage improvements on the Stonefields site. Improvements to Churchill Park including fencing, tree planting and pedestrian access are scheduled over the next three years.

The council is working with the Ministry of Economic Development and The University of Auckland to develop a new science and research park in the Tamaki Innovation Precinct (see part 2 of this volume for more detail). This will help to attract businesses into the area and provide opportunities for Eastern Bays residents.

Along the waterfront we will continue to support the Round the Bays fun run, improve access to the Waitemata Harbour and provide recreational opportunities through improvements to The Landing, at Okahu Bay. With the assistance of Ngati Whatua, improvements to Bastion Point including upgrades to the car park and road will occur.

We will continue to work with the St Heliers Mainstreet programme to improve the business area. Asset renewals are planned for the Meadowbank and Orakei community centres.

In recent times we have completed work to stabilise the cliff on Cliff Road and Achilles Point in St Heliers – making it safer for motorists, cyclists, and pedestrians who use the area, as well as for residents. A boardwalk along St Heliers Bay was completed in 2008, incorporating heritage seats, memorial picnic tables and new rubbish bins. The park-and-ride facility at Orakei rail station has been completed.

Visit http://www.aucklandcity.govt.nz/tenyearplan for further details of what is happening in your ward.

Western Bays

All Auckland residents gain benefits from the council's many citywide initiatives, services and assets (see Citywide). Specific initiatives for Western Bays residents are described below.

Western Bays is the smallest of the isthmus wards, with 9 per cent (37,700) of the city's population in 2006. It is the slowest growing ward with just over 2 per cent growth in the preceding five years.

The Western Bays ward is home to Auckland Zoo, Motat, Western Springs Stadium, the Grey Lynn Community Library and the Leys Institute (Ponsonby) Community Library. We will continue to support these activities and maintain the community centres and halls.

A significant upgrade to the Grey Lynn Park recreation precinct is scheduled, including improvements to the Elgin Street and Williamson Avenue entrances, upgrades to the playgrounds and installation of a fitness zone. The Western Springs park grounds will be enhanced with improved lighting and field maintenance.

We will continue to support the annual Pasifika Festival, which celebrates Auckland's unique identity and Pacific culture, as well as the Grey Lynn Festival, which contributes to promoting a strong sense of place and community in the ward.

Construction of the Arch Hill scenic mountain bike trail will provide a much longed for inner-city recreational facility for residents and visitors. We will be undertaking pedestrian safety and access improvements as part of the Grey Lynn neighbourhood accessibility plan.

Residents can now enjoy more recreational space at some of the city's Western Bay beaches thanks to resanding projects completed at the Pt Chevalier, Hamilton, Sentinel and Herne Bay beaches. Around 1700 trees were planted on Meola Reef Reserve as part of the council's commitment to sustainability. The council is currently improving the number one playing field in Cox's Bay Reserve to provide greater recreational opportunities.

Visit http://www.aucklandcity.govt.nz/tenyearplan for further details of what is happening in your ward.

Avondale/Roskill

All Auckland residents gain benefits from the council's many citywide initiatives, services and assets (see Citywide). Specific initiatives for Avondale/Roskill residents are described below.

The Avondale/Roskill ward had the largest share of Auckland's population with more than 22 per cent (90,500) of the city's residents in 2006. The ward is experiencing strong population growth with a rise of 10 per cent over the 2001-2006 census period.

Over the next 10 years, the council will be focusing on refurbishing and protecting the Wesley, Blockhouse Bay and Avondale community centres and the Mt Roskill War Memorial Hall. Expansion is planned for our community centres and halls in this area to cater for expected population growth and we will be refurbishing the Pah Homestead. We will be redeveloping the Mt Roskill library and renewing the changing rooms at the Cameron Pool facility.

Young people will have a new, safe space to meet, participate in programmes and access a range of services with the development of a new youth space at the Wesley Community Centre.

The council will keep working in partnership with Avondale College, renting their indoor sports stadium for public and community use outside school hours and commitments. We will work with local schools to provide the Akozone after-school learning programme at the Mt Roskill and Avondale libraries.

We will continue to work with the Rosebank Business Association to help implement the Rosebank Business Precinct plan, which aims to retain and grow businesses and employment in the area, and the Rosebank neighbourhood access plan, which looks at local transport improvement initiatives to improve safety and access.

Another major transport initiative in the ward is the extension of State Highway 20. The council will be working with other agencies such as the NZ Transport Agency to ensure that the city's and ward's best interests are taken into account in planning for this extension.

We will support the Blockhouse Bay business association with new initiatives such as the local farmers' market. Our work with the Blockhouse Bay and Avondale business associations is aimed at helping to achieve vibrant, distinctive and local town centres that reflect their community and their needs.

In recent times, the council completed a new 1.3km cycle and walkway through Walmsley and Underwood parks in Mt Roskill. The pathway creates a safe walking and cycling route between Sandringham Road Extension and Richardson Road and allows people to walk through the park to get to the Wesley Community Centre or the Owairaka shops. We have completed the master plans for Monte Cecilia Park, Auckland city's newest premier park and upgraded streetscapes in Avondale and started construction of a new youth space at the Lynfield Recreation Centre. We upgraded the sports field training lights at Blockhouse Bay Recreation Reserve and completed resanding projects at Blockhouse Bay and Taylors Bay beaches.

Visit http://www.aucklandcity.govt.nz/tenyearplan for further details of what is happening in your ward.

Tamaki/Maungakiekie

All Auckland residents gain benefits from the council's many citywide initiatives, services and assets (see Citywide). Specific initiatives for Tamaki/Maungakiekie residents are described below.

Tamaki/Maungakiekie is the second most populous ward with just under 22 per cent (88,000) of the city's population in 2006. The ward grew by 7 per cent over the preceding census period. This is one of the city's more diverse wards, with higher numbers of Maori and Pacific peoples living there.

A key project in this ward is the Auckland-Manukau Eastern Transport Initiative. A number of smaller safety and access improvements for pedestrians and cyclists will be undertaken in the Glen Innes area.

As part of its programme to open up access to the city's harbours, the council will work with others to develop the Onehunga Bay foreshore into a high-quality open space and coastal environment. Cycle improvements will be carried out around the Onehunga town centre and on Queenstown Road as part of the Manukau Harbour crossing link.

The Tamaki/Maungakiekie ward has some fantastic parks and reserves, such as One Tree Hill and Pt England Reserve, which the city maintains and preserves. To improve access to these facilities, a new car park will be built in Pt England reserve and we will develop the sports field at Michaels Avenue reserve.

Over the next 10 years, the council will continue to run and upgrade the five community centres and six halls in this ward, with plans to redevelop the Riverside Community Centre and the Jordan Recreation Centre in Onehunga. We will refurbish the Onehunga and Lagoon swimming pools and carry out renewals for the Ellerslie Recreation Sports Club.

We will redevelop Otahuhu Community Library and continue to support the popular te reo Maori story time programmes and Akozone learning centre programmes at the Glen Innes, Panmure and Onehunga community libraries.

In recent times, we have improved stormwater management in Glen Innes and Panmure to reduce the risk of flooding and environmental damage. The new Materials Recovery Facility in Onehunga has been key in helping us reduce waste and the planned Galway recycling facility will build on our goal to improve environmental standards within our city. Project Greenlane has been completed improving traffic flow and making the local roads safer for pedestrians and cyclists and we have undertaken safety initiatives in Otahuhu. Children can now enjoy using the newly upgraded playground in Ellerslie's Celtic Reserve Park.

Visit http://www.aucklandcity.govt.nz/tenyearplan for further details of what is happening in your ward.

Eden/Albert

All Auckland residents gain benefits from the council's many citywide initiatives, services and assets (see Citywide). Specific initiatives for Eden/Albert residents are described below.

In 2006, the Eden/Albert ward was home to 15 per cent (59,500) of the city's residents, and the ward grew by 7.5 per cent over the preceding five years. This ward has the highest share of employed people who use public transport to go to work. Over the next 10 years, the council will continue its Dominion Road improvements by purchasing land and finalising the design for a rapid transit corridor. We will enhance cycle access with improvement to Ian McKinnon Drive.

Rugby World Cup 2011 is a key event for the city and this ward in particular. Along with others, the council will invest in Eden Park transport and infrastructure projects in and around the area to upgrade and improve access to the park. This includes work to realign Sandringham Road.

We have increased our budget for improving the standard and value of Mt Albert town centre.

The council also owns and maintains the Chamberlain Park Public Golf Course in the ward.

Our volcanic cones programme seeks to improve visitor experiences to Maungawhau-Mt Eden, while protecting the integrity of the volcanic cone. In more recent times the community has worked with the council to develop the Mt Albert Mural outside the Mt Albert Community and Recreation centre. A new park in Owairaka Avenue has been created as a place for the community to gather and recreate. The Clear Harbour Alliance project which will separate wastewater and stormwater from the combined drainage system of 936 properties in Kingsland, Eden Terrace, Mt Eden and Morningside started in January 2008. This work which is scheduled for completion in mid 2010 will close 30 overflow points that contaminate the Waitemata Harbour around Westmere.

Visit http://www.aucklandcity.govt.nz/tenyearplan for further details of what is happening in your ward.

Hauraki Gulf Islands

All Auckland residents gain benefits from the council's many citywide initiatives, services and assets (see Citywide). Specific initiatives for Hauraki Gulf islands residents are described below,

This Hauraki Gulf Islands ward has a considerably smaller population than the other wards in Auckland city, with 2 per cent (8,600) of the city's population in 2006. The Hauraki Gulf Islands ward grew by 4 per cent between 2001 and 2006.

On Waiheke Island, we will redevelop and enlarge the community library along with the service centre on combined premises at Oneroa. We will improve traffic in Matiatia with the development of a Matiatia traffic improvement plan.

Initiatives to improve waste minimisation and management such as reviewing waste and recycling collection methods will enhance the island's environment.

On Great Barrier and Waiheke islands, we will improve the safety, quality and accessibility of roading by carrying out road seal extensions. On Great Barrier Island we will be developing the wharf at Tryphena and continuing to develop coastal walkways.

We will continue to support the popular biennial Sculpture on the Gulf.

In recent times, the Park Point coastal track through prime Waiheke coastline was opened, freeing up what was previously inaccessible coastline to recreational walkers. The council worked successfully with the Onetangi Coast Care Group to protect the Waiheke coastline with work on sand dunes along the Onetangi coast. On Great Barrier Island we have widened the ramp at Whangaparapara Wharf.

Visit http://www.aucklandcity.govt.nz/tenyearplan for further details of what is happening in your ward.

Projects happening across the city

Aotea Square

Q Theatre

Wynyard Quarter

Marine Events Centre

Great Barrier Island walkway

Learning Quarter

Waiheke library and service centre

Auckland Art Gallery

Central Connector

New Zealand innovation precinct

Auckland Zoo, Te Wao Nui

Rugby World Cup 2011

Volcanic cones

Wesley youth space

Galway recycling facility

AMETI

Mt Albert town centre

Dominion Road

Onehunga foreshore

Otahuhu library

Waitakere city

Manukau city

Key

CBD area

Note: The map is not to scale and is indicative only.

Changes from the council's 2006-2016 long-term plan

The 2006-2016 long-term plan

During the preparation of the 2006-2016 long-term plan we consulted widely to find out what type of city Aucklanders wanted to live in. There was agreement Auckland should be First City of the Pacific. To achieve this we identified our natural landscape (the twin harbours, Hauraki Gulf islands and the volcanic cones) and our diverse communities as our point of difference to be a world leader.

Leveraging our advantages (lifestyle, the waterfront and CBD, creativity and innovation, pride in the city, being a smart sustainable economy and vibrant local centres) would make us world class.

These would be achieved without sacrificing the basic needs expected of a big city (protecting the natural and built environment, infrastructure that works for people and business, access to community and social facilities and a good transport system).

The plan set out operating initiatives and a capital programme to achieve this vision. Operating costs totalled $7 billion over the 10 years of the plan. The capital programme $5.2 billion.

Funding this required a 10-year compound rate increase of 6.2 per cent per annum, a real rate increase above council's rate of inflation.

Auckland City Council operates in a dynamic economic, social and political environment. During the preparation of the 2007/2008 and 2008/2009 annual plans, changes in the economic environment necessitated amendments to the 2006-2016 10-year plan. To help understand the changes between the 2006-2016 and 2009-2019 plans we have used the original Auckland City Council's Long-term Plan 2006-2016 (published in July 2006) as the starting point. This means some of the changes highlighted in this document were subject to public consultation and adoption by the council during the past two years.

Reviewing the plan

The council remains committed to achieving its vision of Auckland as First City of the Pacific. What has changed is the speed with which we will make progress.

Public feedback on the 2006-2016 plan told us continued rate increases beyond the rate of inflation were not acceptable and were making home ownership a financial hardship for low and fixed income households.

Recent turmoil in the international economy and the inevitable flow-on to New Zealand has accentuated the issue of rates affordability.

What has changed?

For the reasons above, the council has introduced a policy of affordable progress which it has defined as average rate increases no greater than the council's rate of inflation. This excludes the impact of the CBD rates and Mainstreet rates. The targeted rate for the one-off Rugby World Cup 2011 and re-development of Queens Wharf are on top of council's rate of inflation, but add only 0.06 per cent to the average rate increase, (average inflation 2.62 per cent, average rate increase 2.68 per cent). To achieve lower rate increases than forecast in the 2006-2016 plan means that some capital projects or operating initiatives planned in the 2006-2016 plan have been reduced, deferred or will not proceed.

These steps have:

- limited the capital spend to $3.4 billion
- reduced the 10-year compound rate increase to 2.7 per cent per annum.

The investment in replacing and building new assets remains high by historical standards. We will continue to look after the assets we have, but some projects to build new assets required for growth and service improvement will not be done as quickly as previously intended.

Targeted rates

The 2006-2016 plan built on the four targeted rates that existed at that time: transport, open space and volcanic cones; heritage and urban design; and community development. It introduced a fifth rate: city development. These five targeted rates funded the new projects adopted in the 10-year plan to progress the city towards its long-term vision.

With the review of the projects the need for the targeted rates has diminished and they are now all discontinued after public consultation in 2008/2009. Funds collected under each targeted rate were ring fenced and applied towards the projects for which they were levied.

New projects introduced in the 2006-2016 plan

The plan introduced and funded 16 new projects. These were summarised in volume 1 of Auckland City Council's Long-term Plan 2006-2016, pages 29 to 38.

There have been changes to the timing and scope of many of these projects.

Table of changes from the 2006-2016 plan

Project name and description from 2006-2016 plan	Projected cost in 2006-2016 plan $ million	2009-2019 status
AMETI Buying land and carrying out construction work to develop a better road network between Auckland and Manukau.	**800**	The council will invest $381 million over the next 10 years. The project has been re-scoped and broken into three stages. Stage 1 (Panmure phase) will be largely completed during the term of this plan. The remaining budget is deferred beyond 2019.
Stormwater initiatives • Carrying out stormwater work to cater for growth and reduce flood risk: We will invest an additional $44 million in our stormwater system to reduce flooding and cater for expected population growth. • Improving water quality through additional stormwater works $18 million: Metrowater and Watercare have expanded their programmes to reduce sewer overflows into the city's harbours and waterways by separating wastewater and stormwater pipes, and trapping contaminants at or near their source. This much smaller programme of stormwater works will complement that work and help ensure the best possible environmental outcome for Auckland's harbours and waterways.	**62**	The additional budget for the two specific stormwater projects has been removed from 2009/2010 and beyond. The council will continue with the flood alleviation programme, but at a slower rate, and will work with Metrowater to improve the quality of water discharges into watercourses and harbours. The work will now be funded from the overall stormwater network budget, where the council is planning to invest $253 million over the next 10 years.
Upgrading footpaths Replace all condition 4 and 5 footpaths and vehicle crossings over the next 10 years at a cost of $50 million over and above current budgets. Replace a quarter of the condition 3 footpaths at an additional cost of $33 million.	**83**	Of the $83 million, the council spent $35 million and cleared approximately 50 per cent of the backlog. The rest of the additional budget has since been removed from the 2009-2019 budget. The council will continue to spend approximately $24 million each year on the footpaths programme, albeit at a slower rate than indicated in the 2006-2016 plan.
Building new swimming pools in Otahuhu and Avondale	**20**	These projects have been deferred beyond 10 years.

Project name and description from 2006-2016 plan	Projected cost in 2006-2016 plan $ million	2009-2019 status
Hauraki Gulf islands: developing ecotourism infrastructure and upgrading the transport network.	**12**	The council has increased investment to $35 million over the next 10 years on various Hauraki Gulf islands infrastructure projects. • New wharves: The council improved the Orapui and Matiatia wharves on Waiheke Island, and widened the ramp at Whangaparapara wharf. Options and prices have been obtained for Browns and Motuihe islands. • Great Barrier Island: – Seal extensions are ongoing. The council sealed 2km of Aotea Road in 2008/2009. – Claris Airfield works are currently being procured with construction due to start in May 2009. • Waiheke Island: – Road upgrades are ongoing with 0.5km of road upgrades completed in 2008/2009. – Seal extensions are ongoing with 0.5km of seal extensions delivered on Lannan Road in 2008/2009. – The Strand/Esplanade protection works will be completed this year.
Making our land safer The additional capital works funding will be spent on improving high-priority sites.	**5**	• The additional $5 million budget was allocated for "safer land initiatives", specifically to improve high-priority sites. • The closed landfill/contaminated land budgets have been reallocated for the 2009-2019 plan. The $440,000 average per annum urban soils budget has been retained, but the $150,000 per annum for closed landfills deleted. • In addition: – $11 million has been added for targeted remediation of three high-priority closed landfill sites from 2009-2019. These are: Newmarket Park ($5 million), Waikowhai Park ($4 million) and Meola Reef ($2 million). – $5.5 million has been allowed. This is primarily targeted towards consents acquisition/consultation for the major earthworks required for the three high-priority sites, as well as any capital works required for the 44 other closed landfills owned by the council.

Project name and description from 2006-2016 plan	Projected cost in 2006-2016 plan $ million	2009-2019 status
Promoting diversity and migrant settlement	**1.5 per year**	The community development and housing targeted rate was split into a number of streams. In 2008 the community development projects were reviewed and reduced. Funding for the remaining projects will be phased out by 2010/2011. The housing targeted rate was allocated to the assisted home ownership programme to be provided by the New Zealand Housing Foundation.
Developing the CBD waterfront (including the Wynyard Point tank farm) Developing public spaces at Westhaven Marina	**358**	The scheme for the redevelopment of the CBD waterfront has been reviewed along with timing of individual projects. We have spent approximately $80 million on land acquisitions, design work and infrastructure construction. We plan to spend over $358 million over the next 10 years on Wynyard Quarter public spaces, governance and land acquisition; Te Wero Bridge; Westhaven premier park; the Marine Events Centre; and the Queens Wharf development. Remaining land acquisitions, Fanshawe Street work and other pedestrian bridge work has been deferred beyond 2019.
Facilitating high-quality urban developments (Development with Vision)	**425**	$52 million was invested in years 2006/2007-2007/2008. The 10-year budget has been reduced to $121 million. Funding has been retained for developments at Avondale, Panmure and Otahuhu, and the Britomart heritage precinct.
Restoring Pah Homestead	**5**	The 10-year budget has been increased to $7.9 million to provide for the full restoration of Pah Homestead. The council invested $200,000 during 2008/2009.
Contributing to regional, national and international facilities (such as a redeveloped Eden Park and/or a convention centre)	**100**	The council is not budgeting for any contribution to the redevelopment of Eden Park or to the construction of a convention centre.

Project name and description from 2006-2016 plan	Projected cost in 2006-2016 plan $ million	2009-2019 status
Improving access to the harbours and waterfront • Land purchases and development to create new parks around the harbours. • Extending existing parks on the Manukau Harbour waterfront. • Developing harbour walkways, such as a new walkway from Blockhouse Bay to Onehunga. • Continuing development of the Whenua Rangatira (Bastion Point) reserve in conjunction with Ngati Whatua o Orakei.	**56**	During 2006-2009 the council spent $400,000 on planning, planting and providing new car park and toilet facilities at Whenua Rangatira. During 2009/2010-2010/2011 the council will spend: • $3.7 million on Whenua Rangatira management plan implementation. • $10 million on the Onehunga waterfront. The timing of the Onehunga foreshore development project is being brought forward by two years to coincide with the NZ Transport Agency programme of work on SH20. • $10 million for citywide beach upgrades – Judges Bay, Orakei Basin walkway, Blockhouse Bay to Onehunga walkway, Herne Bay reserve, Achilles Point and Pt England beach re-sanding. The remainder of the fund has been deferred beyond 2019.
Making community facilities more accessible The project provided a $2 million annual budget to be allocated to a range of projects that improved our network of community facilities. This budget funded a number of operational projects in addition to capital projects such as the Lynfield Recreation Centre and Onehunga Pool upgrades, and the new Wesley Youth Space.	**20**	The 2008/2009 budget was reviewed and $1.5 million retained. This is being used to part-fund the Wesley Youth Space project. Free internet access at public libraries has been retained. There is no budget beyond 2008/2009 for other projects.
Undertaking additional transport initiatives	**142**	
• Upgrade transport infrastructure around Eden Park.	50	The budget for Eden Park precinct and Rugby World Cup 2011 capital projects has been reduced to about $31 million, of which about $23 million is for infrastructure around the Eden Park precinct (Link Lane connector, Sandringham Road realignment and Eden Park precinct).
• Develop dedicated cycling and walking facilities.	3	This budget provided additional funding for the cycling and walking programme. The 2009-2019 budget for the whole programme has been reduced and some cycling and walking projects planned in the 2006-2016 10-year plan have been deferred beyond the current 10-year plan.
• Upgrade Neilson Street between Gloucester Park Road SH20 interchange and Church Street.	10	Budget deferred beyond 10 years.

Project name and description from 2006-2016 plan	Projected cost in 2006-2016 plan $ million	2009-2019 status
• Upgrade Richardson Road and Woodward Avenue corridor to better cope with traffic from SH20 extension.	15	Budget deferred beyond 10 years.
• Add new lanes to section of St Lukes Road between Great North and New North roads.	6	Budget deferred beyond 10 years.
• Provide grade-separated intersections on south-eastern arterial with Great South Road and Carbine Road.	40	Carbine Road section will be delivered as a part of the AMETI project in the 2009-2019 plan. The Great South Road section has been deferred beyond 10 years.
• Intersection safety programme.	15	Intersection safety is an ongoing programme; however the specific budget has been deleted and will be funded through reprioritisation of other road safety programme budgets.
• Complete a western bypass of Otahuhu commercial area.	3	Budget deferred beyond 10 years.
Improving school transport safety	**10**	
• $400,000 per annum on initiatives such as the Walking School Bus programme, developing Travelwise for school programmes and introducing safer routes to school. • Apply the capital works portion of $6 million to improving infrastructure associated with school zones and pedestrian crossings.		The two projects for school safety initiatives and school travel plans have been combined into the main school safety programme. We plan to spend $33 million over the next 10 years on the school safety programme. School speed zones and infrastructure for walking school buses will be prioritised within this budget.
Further developing Tamaki Edge	**30**	
• Developing newly acquired reserves alongside the housing developments happening in the Lunn Avenue Quarry subdivision. • Design and project management work to ensure the highest quality development takes place, particularly in Lunn Avenue Quarry.	10	The timing and scope of the Tamaki Edge project has been revised. The council is investing $7.5 million in the Stonefields (Lunn Avenue) open spaces over the next 10-year period and $800,000 for the Lunn Avenue project. The remaining planned works have been deferred beyond the 10 years of the plan.
• Stage 2 of the Glen Innes town centre work, to support overall revitalisation of the business areas with residential areas.	5	The project has been deferred beyond 10 years.

Project name and description from 2006-2016 plan	Projected cost in 2006-2016 plan $ million	2009-2019 status
• Upgrading the public areas of the business precinct next to the University of Auckland's Tamaki campus and Lunn Avenue Quarry.	6	The Tamaki Transformation project will determine the extent of the work required and what work has been deferred outside the 10-year planning period.
• Developing a local music and arts centre in Glen Innes.	5	This project has been deferred beyond 10 years. The council is working with the community and considering programmes that could be run in existing facilities to meet the previously identified demand.
• Enhancing the streetscape and amenities in the Sylvia Park surrounds.	4	The project has been deferred beyond 10 years.
Protecting and enhancing local centres • $100,000 per annum on working with local centres to protect their unique character and heritage. • $16 million on capital works to enhance local centres, specifically streetscape works.	**17**	The council has upgraded Panmure, Newmarket and Avondale streetscapes and introduced additional cleaning and maintenance services. In the 2009-2019 plan there is budget for a $4.1 million upgrade of the Mt Albert town centre. Kingsland town centre will also be refreshed as part of the Rugby World Cup 2011 project. The remaining projects have been deferred beyond 2019.
Building a new library in Otahuhu	**11**	The scope and timing has been revised. We are planning to invest $15 million in library redevelopments for Waiheke Island, Otahuhu and Mt Roskill over the next 10 years.
First stages of a New Zealand precinct for Auckland Zoo	**7.5**	The scope of Te Wao Nui project has been revised, increasing the cost to $15 million over 2009-2012. Of this investment, nearly $7 million is expected from third-party grants and assistance.

Summary of key rates-related policy changes for 2009/2010

The council is increasing rates by an average of 2 per cent (excluding the impacts of the CBD, Mainstreet and additional recycling targeted rates, as they only apply to some ratepayers) to reflect the tough economic conditions facing ratepayers.

The 2 per cent increase will be implemented by increasing the uniform annual general charge from $162 per each separately used or inhabited part of a property to $250, and reducing the refuse collection targeted rate from $210 per service to $183.

The council will also:

- continue with its long-term differential strategy which reduces the imbalance of general rates paid by residential and non-residential ratepayers
- increase the CBD targeted rate for CBD non-residential ratepayers in line with the reduction in their general rates from the differential strategy
- increase the CBD targeted rate in line with inflation from $55 to $57 for each residential unit in the CBD
- introduce a new targeted rate for people who want additional recycling services above what is already provided through the council's refuse services
- change the rating differential names for rural 1, rural 2, and rural 3 to "farming and open space", "limited access", and "remote islands" respectively
- extend the "farming and open space" rating differential to include vacant land and bush blocks (including those with a residence) greater than 4ha
- change the residential differential definition to include all vacant land on Waiheke, Great Barrier and Rakino islands, as this reflects the most likely development under the Hauraki Gulf islands section of the district plan.

The council intends to introduce two new targeted rates in 2011/2012 to fund around $6.9 million of the operating costs for Rugby World Cup 2011.

The council has kept its current rates assistance schemes (remission, postponement, rebate and discount schemes) for 2009/2010, although it extended the 100 per cent remission for privately covenanted land under the Queen Elizabeth II National Trust Act 1977 to include privately covenanted land under the Reserves Act 1977, provided property owners have a management plan that meets the council's criteria.

The following table shows the council's projected inflation rate and the projected rates increases from 2009/2010 to 2018/2019.

Projected inflation rates and average rates increases 2009-2019

Year	Projected rate of inflation	Projected average rates increase[1]
2009/2010	2.5	2.0
2010/2011	2.5	2.5
2011/2012	2.5	6.1[2,3,4]
2012/2013	2.6	1.0[3,4]
2013/2014	2.6	2.5[4]
2014/2015	2.6	2.5[4]
2015/2016	2.7	2.6[4]
2016/2017	2.7	2.6[4]
2017/2018	2.7	2.4[4]
2018/2019	2.8	2.6[4]
Average	2.62	2.68

Notes to table

1 Excludes the impact of the growth in rating base, and CBD, Mainstreet, additional recycling service targeted rates.

2 The impact of new targeted rates in 2011/2012 is a 3.6 per cent increase in rates.

3 The council intends to introduce two new targeted rates to help fund council's operating costs for Rugby World Cup 2011. This will result in a rates increase in 2011/2012 that is 1.6 per cent higher than council's projected rate of inflation. However, in 2012/2013 the rates increase will be 1.6 per cent lower than the council's projected rate of inflation.

4 The council will develop the Queens Wharf to provide public open space, international cruise-ship terminal, as well as a number of other new activities and attractions. The cost of this development is currently budgeted at around $84 million dollars, which requires a rate increase of 2 per cent on top of the council's rate of inflation and the 1.6 per cent increase for the Rugby World Cup 2011. However, from 2012/2013 rate increases will be lower than council's rate of inflation.

Summary of other policy changes

As part of the 2009-2019 10-year plan, the council consulted on the following policies:

- Establishing a holding company and subsidiaries
- Establishing a council-controlled organisation to manage Auckland City Council's marina assets
- Auckland Airport shares policy
- development contributions policy
- fees and charges
- partnerships with the private sector
- revenue and financing policy
- significance policy
- Treasury management policy (also outlines the council's sustainable debt policy).

The council is changing some of these policies and a summary of the key changes are outlined below.

For more information on these changes, including the new charges, see volume 3.

Establishing a holding company and subsidiaries

Auckland City Council has decided to establish a holding company (and subsidiaries) to govern some of its assets and activities that have commercial objectives. This holding company (and any subsidiaries established) will be a council-controlled organisation. Implementing this decision will be deferred to allow the council and the Auckland Transition Authority to maintain flexibility during transition to the new Auckland Council.

Establishing a council-controlled organisation to manage Auckland City Council's marina assets

Auckland City Council has decided that Westhaven Marina will be operated as a council-controlled organisation, owned by a council holding company. However, implementing this decision will be deferred to allow the council and the Auckland Transition Authority to maintain flexibility during transition to the new Auckland Council. This will ensure that the establishment of a council-controlled organisation for the marina operations will be done in a way that is consistent with other council-controlled organisations in the region – allowing smooth integration into the new Auckland Council or one of its subsidiaries.

Auckland Airport shares policy

The council has changed the policy to allow it greater flexibility to buy additional shares in Auckland International Airport Ltd (AIAL) where it may enhance the council's strategic position through increasing its voting power or mitigate threats, such as reducing its shareholding if AIAL issues more shares. All decisions to purchase additional shares would require council approval.

Development contributions policy

We have updated the charges on all of our development contribution activities to take into account the capital programme included in the 10-year plan and current information on the level of development activity across the city. The policy has been updated to reflect recent case law. The policy provides that the transport charge will now apply to residential and non-residential developments right across the city, including on the Hauraki Gulf islands.

Fees and charges

From 1 July 2009, we will increase fees to enable full cost recovery in light of increases in operating costs. Auckland City Council has a policy of full cost recovery for services with a private benefit. Services are assessed on a private benefit and public good basis with the private benefit being funded through fees and charges and the public good component funded through general rates. As examples, the full cost of property information reports is recovered through fees and charges as this service is assessed as being 100 per cent private benefit. However, 80 per cent of the cost of building consents is recovered through fees and charges, with the remaining 20 per cent deemed as a public good.

Partnerships with the private sector policy

There are no changes as the current policy still remains relevant and appropriate.

Revenue and financing policy

The revenue and financing policy has been updated to reflect the council's new operating and capital expenditure (including deferred or cancelled projects), sources of funding (such as the changes to the level of rates and the council's charges), and its level of debt. Full details of the policy changes are in volume 3.

Significance policy

The policy sets out the council's approach to determining significance of proposals and decisions. It includes the assets that the council considers are strategic to ratepayers. The intent of the policy remains unchanged. However, the council made some changes to improve its relevance, readability and conciseness by:

- having clearer criteria to determine significance
- outlining the level of consultation required when a decision is significant
- removing redundant sections.

Treasury management policy

The Treasury management policy includes the council's sustainable debt policy as well as policies on how the council will manage its investments, borrowings and other liabilities. The council made the following key changes to the policy.

- Allowing the council to borrow to fund the renewal of commercial assets, such as car parking buildings or the marina berths. The borrowings would be repaid from the revenue from the asset (that is by the users of the asset), rather than being funded by ratepayers through their rates.
- Allowing the council to borrow to meet the operational costs associated with discovered liabilities such as payments for weathertightness claims, remediation of closed landfills or other contaminated sites. Debt is an appropriate tool to fund this expenditure and promote intergenerational equity, as funding this type of expenditure directly from rates would impose a significant and inappropriate burden on current ratepayers.
- Removing the "interest expense to total income" prudent limit as it is very similar to the prudent limit "operating cash flow (before interest) to interest expense". The prudent limit "operating cash flow (before interest) to interest expense" is more appropriate as it better reflects the council's ability to service the borrowings.
- Transferring the detailed liquidity management risk limits from the Treasury management policy to the Treasury operating manual as these limits are operational risk limits rather than strategic limits that should be in this policy.

Financials at a glance

Affordable progress

We committed to affordable progress and limiting the average increase in rates to the council's rate of inflation. Where significant opportunities arise such as the Queens Wharf development, rates increases above the council's rate of inflation will be required. In order to meet this commitment we reviewed our planned capital expenditure and made changes to the level of investment in some projects and deferred the spend on others. We have reviewed our operating expenditure and have achieved savings targets of approximately 1 per cent for the first three years.

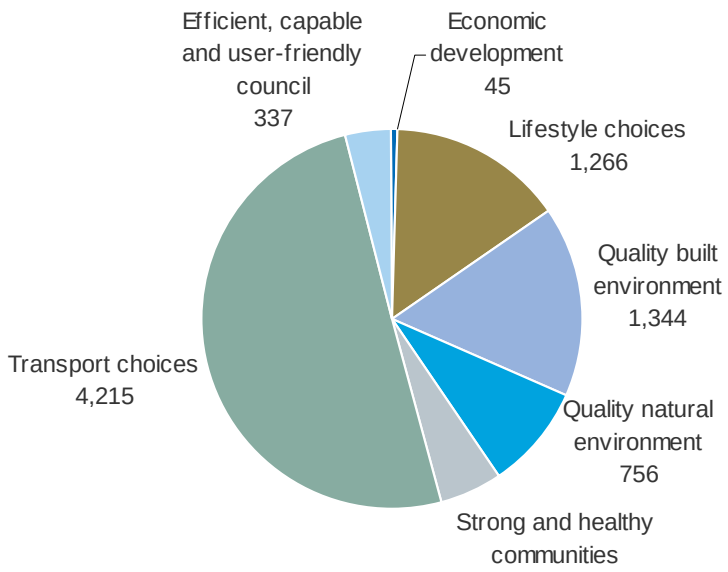
In these challenging economic times, it is important for large public bodies to show leadership. Central government has announced it will not fund increased labour costs for government departments in the 2009/2010 year. This budget has been prepared with no overall budget provision for staff wage or salary increases in 2009/2010. In subsequent years, staff costs are increased at the council's rate of inflation.

This enables the council to limit the increase in average rates in 2009/2010 to only 2.0 per cent, which is below the council's forecast rate of inflation of 2.5 per cent. This excludes the impact of the CBD and Mainstreet targeted rates.

Current investment in your city

Aucklanders have invested more than $8.4 billion in their city from art collections to buildings, roads and the zoo. Our first priority is the maintenance of these assets to meet the needs of future generations.

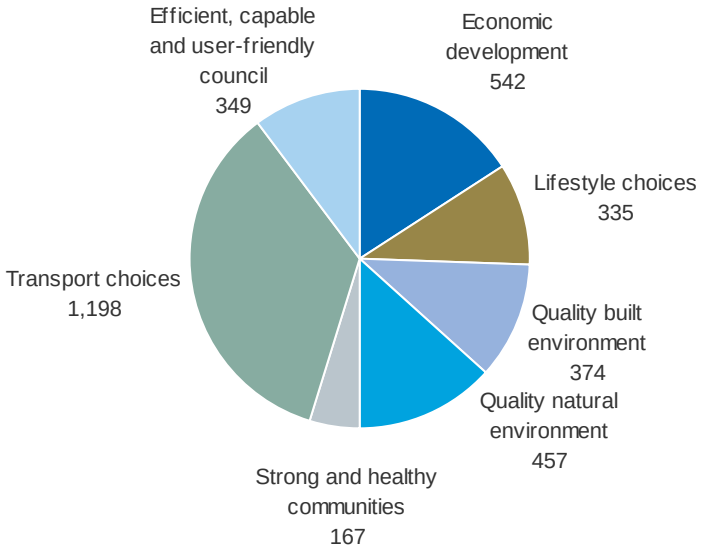
Capital investment in assets at 30 June 2008
$8.4 billion (in $ millions)



Planned investment in assets

Over the next 10 years we will invest more than $3.4 billion replacing assets and acquiring new ones to meet Auckland's growing population and residents demand for improved services.

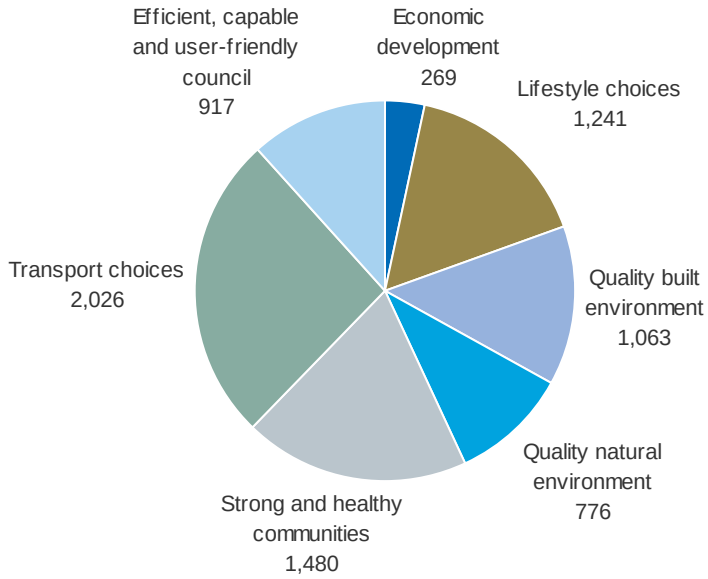
Planned capital investment in assets over10 years $3.4 billion (in $ millions)



Total gross operating expenditure

During the 10 years to 2019, we plan to spend $7.7 billion on operations to provide the levels of services required of an international city.

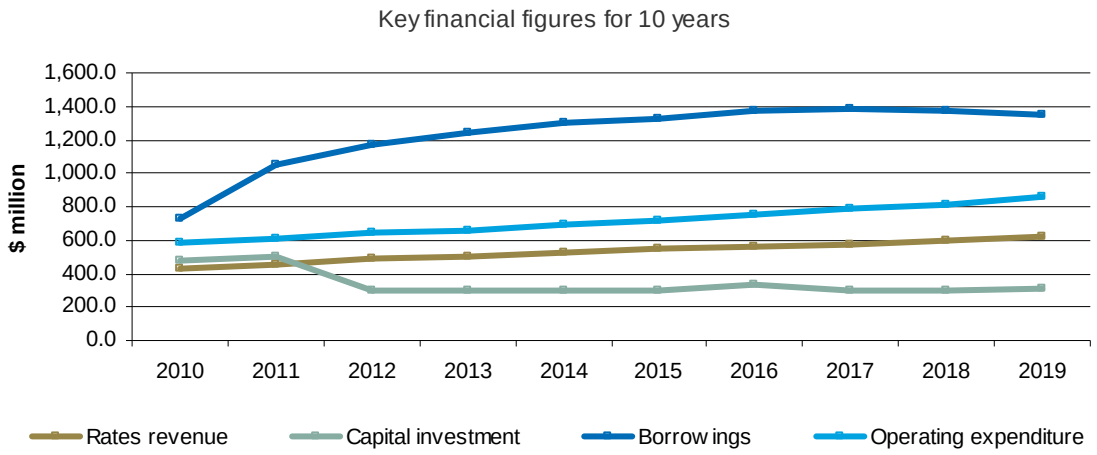
Split of planned total gross operating expenditure over10 years $7.7 billion (in $ millions)



Key financial figures

Over the 10-year plan period our forecasts show:

- planned capital investment will range between $294 million and $505 million each year
- total borrowings will increase from $727 million to $1.4 billion
- total rates revenue will increase from $435 million to $624 million
- operating expenditure will increase from $590 million to $854 million.



Summary of key financial figures

For year ended 30 June

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Rates revenue	419,098	434,520	454,072	489,686	503,743	523,639	544,345	566,731	576,788	599,368	624,050
Other operating revenue	185,365	179,498	191,516	209,013	213,334	231,548	238,380	246,506	256,182	264,893	276,343
Total operating revenue	**604,463**	**614,018**	**645,588**	**698,699**	**717,077**	**755,187**	**782,725**	**813,237**	**832,970**	**864,261**	**900,393**
Total operating expenses	**590,259**	**590,225**	**608,915**	**647,375**	**658,837**	**688,350**	**714,579**	**748,116**	**792,961**	**816,549**	**854,272**
Operating surplus	**5,210**	**13,769**	**9,524**	**10,165**	**15,061**	**25,278**	**27,613**	**28,233**	**4,237**	**13,085**	**14,463**
Total assets	**9,846,901**	**10,727,829**	**11,323,309**	**11,693,977**	**12,034,661**	**12,360,789**	**12,643,333**	**12,964,031**	**13,235,164**	**13,513,624**	**13,788,649**
Total borrowings	**499,868**	**726,625**	**1,045,154**	**1,168,980**	**1,244,206**	**1,298,537**	**1,330,862**	**1,374,691**	**1,386,021**	**1,374,348**	**1,353,678**
Capital investment	**409,352**	**481,183**	**505,062**	**298,534**	**301,212**	**297,942**	**296,834**	**337,107**	**294,176**	**303,620**	**306,844**
Total ratepayers' equity	**8,861,567**	**9,482,397**	**9,776,432**	**10,060,533**	**10,348,423**	**10,649,587**	**10,943,914**	**11,241,173**	**11,518,955**	**11,814,550**	**12,134,340**
Council rate of inflation	**5.1%**	**2.5%**	**2.5%**	**2.5%**	**2.6%**	**2.6%**	**2.6%**	**2.7%**	**2.7%**	**2.7%**	**2.8%**
Average rate increases [1]	**5.1%**	**2.0%**	**2.5%**	**6.1%[2,3,4]**	**1.0%[3,4]**	**2.5%[4]**	**2.5%[4]**	**2.6%[4]**	**2.6%[4]**	**2.4%[4]**	**2.6%[4]**

Notes to table

1 Excludes the impact of the growth in rating base, and CBD, Mainstreet and additional recycling services targeted rates.

2 The impact of new targeted rates in 2011/2012 is a 3.6 per cent increase in rates.

3 The council intends to introduce two new targeted rates to help fund the council's operating costs for Rugby World Cup 2011. This will result in a rates increase in 2011/2012 that is 1.6 per cent higher than the council's projected rate of inflation. However, in 2012/2013 the rates increase will be 1.6 per cent lower than the council's projected rate of inflation.

4 The council will develop Queens Wharf to provide open spaces, an international cruise-ship terminal as well as a number of other new activities and attractions. This development requires a rate increase of 2 per cent on top of the council's rate of inflation and the 1.6 per cent increase for Rugby World Cup 2011. However, from 2012/2013 rate increases will be lower than the council's rate of inflation.

Part 2

Our vision and strategic direction

Our vision 36

The seven strategies 39

Our vision

First City of the Pacific

Auckland is a great city. It has 23 dramatic volcanic cones, picturesque harbours, stunning beaches, more than 50 islands and a superb waterfront. Our strong Maori heritage and blend of Maori, Pacific, Asian and European cultures, adds to Auckland's vibrant and unique identity. As New Zealand's main retail and commercial centre, the city offers career, business and investment opportunities not found elsewhere in the country. It is the gateway to New Zealand for tourism and immigration.

Our climate, access to beaches, and wealth of leisure and recreational activities, contribute to Auckland consistently ranking among the top five cities in international lifestyle surveys.

The vision for Auckland city, developed by the council and Aucklanders, is to be First City of the Pacific – a city where people choose to live, work and visit.

Under this vision, Auckland will compete for global business, investment, tourism, jobs and an improved standard of living for everyone. Aucklanders will live and work in a dynamic, exciting city with access to a diverse range of recreational, arts, sports and cultural activities. Our city will be clean, healthy and beautiful, and offer a superior quality of life. We will have access to world-class parks and beaches.

Auckland will celebrate its distinctive character and heritage. It will be an easy city to get around in, with a variety of transport options, balancing the needs of a growing population with efficient resource use. Our neighbourhoods will be safe, welcoming places and we will share a sense of pride in our city.

Our vision is the council's ultimate goal and provides a framework for all the council's strategic decisions. The council has developed seven strategies which set out the direction for achieving the vision. Sustainability and urban design principles underpin all of these.

What is important to Auckland and Aucklanders

Our strategic direction is based on our understanding of the city and on what you tell us is important to you. Through our consultation and research on specific projects and issues, we commonly hear that both private and public space, convenient and affordable transport, safety, a diverse range of events and activities, and a clean environment are all important to you.

Auckland City Council has also worked with Aucklanders to identify outcomes that are important to the community. Twenty-one community outcomes were identified (refer to the appendices for more detail on the full set of community outcomes and how we will monitor them and report on progress). The six highest ranking outcomes are that:

- Auckland is safe
- Aucklanders have real transport choices
- Auckland is interesting and enjoyable
- Aucklanders are healthy
- Auckland is beautiful and clean
- Aucklanders have the right work skills.

The process to identify these outcomes provides an opportunity for communities to define their desired outcomes in terms of their present and future social, economic, environmental, and cultural well-being. These outcomes help to shape our vision and strategic direction. They belong to and are the responsibility of the whole community. Successful collaboration between all community groups and organisations is key to realising Auckland city's collective aspirations.

Strategic approach

Our vision, the outcomes you have told us are important to you, our understanding of Auckland's strengths and the issues affecting the city have all influenced our strategic approach. The council has identified seven strategic areas that encapsulate the qualities and characteristics the council seeks for the city. They are used to establish our priorities and allocate resources. All planned investment in the city will need to contribute to one or more of these seven strategic areas.

The strategies are listed below. See the following pages for more detail.

Economic development

We will continue to make sure we create an environment and infrastructure that enables economic growth, and delivers jobs and an improved standard of living.

Lifestyle choices

We will continue to ensure that Auckland is a dynamic, exciting and distinctive city, and encourage and provide recreational, arts, sports and cultural activities, including world-class programmes and events.

Quality built environment

We will continue to manage our city's growth, ensure high-quality urban development design that retains our city's character and heritage, create vibrant neighbourhoods and invest in a world-class central business district and waterfront.

Quality natural environment

We will continue to work to protect and improve the quality of our unique landscape, ecology and biodiversity, so we can enjoy a clean, healthy and sustainable city with world-class beaches and parks.

Strong and healthy communities

We will continue to provide safe communities, places and events for Aucklanders to have fun and learn.

Transport choices

We will continue to provide transport choices that result in a connected city, in particular a sustainable transport network that makes it convenient for business, enables people to get around safely and efficiently, and minimises negative effects on the environment.

Efficient, capable and user-friendly council

We will work to ensure that you have confidence in our leadership, experience quality customer service and receive value for money in the services that the council delivers to Auckland.

Reviewing progress

Each strategy contains objectives and priorities that build on our current strengths and create a city that will stand us in good stead for the future.

The council will review these strategies each year and monitor our success against the identified measures to make sure that we are on track and making good progress. See page 63 for more detail on these measures.

Working with others

We cannot achieve our vision of becoming First City of the Pacific on our own. We are working together with a wide cross-section of people, community groups, organisations and agencies.

The council actively seeks input from experts through its advisory groups, which include the CBD Board, Property Enterprise Board, Urban Design Panel, the Tangata Whenua Consultative Committee, and the Pacific Islands Board Auckland City.

We advocate for Auckland city at a national level by actively working with government agencies, members of parliament and government ministers, and by making submissions to central government.

The council is committed to working collaboratively with other councils in the Auckland region on regional issues and priorities.

We are participating in the Regional Sustainable Development Forum (RSDF), which brings councils, central government and tangata whenua together. The RSDF partners have being working on a plan for the Auckland region. One Plan for Auckland (One Plan), is a joint vision and plan of action for regional priorities designed to make sure that Auckland develops in a more coordinated and sustainable way. Working together has allowed us to function more efficiently as a region, share knowledge and experiences, avoid duplicating services and plan large-scale programmes and projects to benefit the Auckland region.

The seven programmes of action included in the first version of One Plan are:

- improving public transport, which aims to implement a world-class public transport system
- completing the roading network, which focuses on enhancing access throughout the region to make it easier for people and freight to move between centres along the Western Ring Route and beyond
- Digital Auckland, which aims to accelerate the delivery of high speed open access fibre infrastructure, and affordable unconstrained broadband content and services
- Destination Auckland, which aims to develop the region as a global destination and major events location
- CBD/waterfront, which is about creating a world-class CBD and waterfront worthy of the Auckland region
- Building communities, which focuses on improving well-being for people living in communities of need where people are supported to achieve their full potential
- Growth through skills, which supports the national skills strategy and the evolving regional skills action plan.

Projects within these programmes of action include Rugby World Cup 2011, the development of the New Zealand Innovation Centre and the Auckland-Manukau Eastern Transport Initiative (AMETI).

These programmes are all important to Auckland's future and will continue to be developed in the context of Auckland's new governance arrangements.

Visit the One Plan for the Auckland Region website at http://www.aucklandoneplan.org.nz/ for further information on these programmes and projects.

The seven strategies

The following pages provide more information on each of the council's seven strategies. This includes an overview of the strategy, a statement of the objectives and priorities within each strategy, and a profile of a couple of key projects that we are planning under each strategy.

It is important to note that each of the seven strategies work together to achieve the desired outcomes for the city. The strategies are not aligned to specific Auckland City Council functions. Instead, they help us to ensure that we work across the organisation to achieve our desired results.

Economic development strategy

Globally competitive cities are successful in attracting business, investment, tourism and skilled people. These cities have high levels of employment, greater productivity and higher wages, which improve the standard of living for residents and, in turn, improve the quality of life the city offers and its ability to attract and retain skilled people.

Auckland City Council plays a leading role in facilitating growing an economy that delivers jobs, higher incomes and an improved standard of living for Aucklanders. The council is focused on fostering growth in our key economic sectors. This involves a variety of initiatives, including working in partnerships with industry organisations and sponsoring business events. These initiatives attract further investment in the sectors and create more sustainable business growth.

To help raise our international profile, we will continue to develop economic initiatives with our international partnerships around the world.

The council influences the development of key business locations by planning appropriate infrastructure and amenities to attract new businesses, resulting in greater concentrations of businesses in those areas. Growth in business activity is important for our economic future. As part of the Rosebank 2030 business precinct plan, the council will invest in infrastructure and work with businesses to improve the attractiveness of the Rosebank area for business development. We are investing $74 million in various parts of the CBD to upgrade streets and retail areas to create a more exciting and dynamic city centre, including the redevelopment of Aotea and St Patrick's squares.

Opening Queens Wharf for public use and the construction of a cruise-ship terminal will leverage the economic benefits to the city from tourism. A high-quality facility and Auckland's status as a cruise-ship hub will result in visitors staying longer in the region, the raising of our international profile, and the flow-on effects to our tourism, retail and business sectors. Completing this development before Rugby World Cup 2011 leverages further benefits from the thousands of visitors expected. The council expects external sources to contribute around $30 million towards the currently budgeted $84 million wharf development.

The council is actively involved in working with other parties on projects to improve the city's infrastructure, such as the Auckland-Manukau Eastern Transport Initiative. See key projects and initiatives on the following pages for more detail. Our planned capital investment for this project ($381 million for the period of the 10-year plan) will support the substantial investment that the council has already made in Panmure town centre and catalyse revitalising the Tamaki area.

This revitalisation includes development work the council has already started on the New Zealand Innovation Centre (NZIC), a science and technology park located near The University of Auckland's Tamaki campus. We have identified land valued worth more than $20 million that may be contributed to this joint facility being developed by the council, the university and the Ministry of Economic Development. The NZIC will provide greater job opportunities in industries requiring high skill levels and will foster a more innovative environment that attracts business and investment.

Auckland city's tertiary institutions are part of our competitive edge and play a fundamental role in the city's economic future. The council works with these institutions in a number of ways including the Learning Quarter project which aims to maximise the benefits of New Zealand's leading tertiary institutes being located in Auckland's CBD. Our capital investment of around $0.8 million in the Learning Quarter will, among other things, enable the city to benefit from opportunities for the commercialisation of research.

Where we will focus our resources

The economic development strategy has three main objectives. We will focus on key priority areas under each of these objectives to achieve our vision for Auckland to be First City of the Pacific.

A globally and nationally connected economy (ED1)*

Our priorities are to influence, regulate and invest to:

- attract and grow globally competitive business, investment and tourism
- deliver infrastructure that enables economic growth.

Productive, dedicated business areas linked to a strong CBD hub (ED3)

Our priorities are to influence, regulate and invest to:

- enhance Auckland's CBD as New Zealand's commercial hub
- grow productive business areas with high employment
- support productive and vibrant town centres.

Skilled, adaptable and educated people (ED2)

Our priorities are to influence, regulate and invest to:

- ensure the city's labour force meets the economy's needs
- attract and retain skilled people through our quality of life.

* These abbreviated references are used in the tables under each activity in volume 2.

Key projects

Tamaki

Tamaki will be a significant focus point over the next 10 years as Auckland City Council and central government agencies drive transformational change in the area. In particular, Glen Innes, Point England and Panmure have been identified as key areas of growth where the council is working with others to bring together a range of social and economic development initiatives. These initiatives include providing quality housing options to give families and individuals a choice of living arrangements, and matching skills and training to business requirements to assist in raising participation levels in the labour force.

Transport initiatives will provide greater linkages between Tamaki and key locations across Auckland, and enable more convenient movement of people and freight. (See below for details of the Auckland-Manukau Eastern Transport Initiative.) This will not only increase productivity but will encourage more businesses to locate in the area.

The New Zealand Innovation Centre (NZIC) is located in the Tamaki Innovation Precinct along with The University of Auckland's Tamaki campus. The NZIC will provide a facility where innovative companies can cluster and benefit from concentrated access to research providers, technical equipment and business development services. The precinct supports the council's aspiration for Auckland to be an innovative, internationally competitive city. By 2030 it is planned to generate at least 10,000 jobs. This project is subject to funding, but its scale anticipates public and private sector investment over the duration of the 10-year plan.

Auckland-Manukau Eastern Transport Initiative

The Auckland-Manukau Eastern Transport Initiative (AMETI) is a joint project between Manukau and Auckland city councils and the Auckland Regional Transport Authority. By improving passenger transport infrastructure, the project will create economic growth resulting in more jobs and an improved standard of living. The first stage of AMETI will support population and economic growth in Panmure and help to revitalise the Tamaki area, including the Panmure town centre through changes to the roundabout. Over the next 10 years, the council will invest $381 million to advance the plan in the area located between Merton Road (in the north), Triangle Road (in the south), Panmure Bridge (in the east) and Mt Wellington Highway (in the west). It will provide 13km of new bus lanes that will help ARTA to deliver its passenger transport network plan.

Attracting business and tourism

Through the economic development strategy, the council encourages growth in the city by working with key economic sectors such as the creative and biotechnology sectors. The council provides support and sponsorship to business events and innovative organisations in these sectors, including ART Venture, an accelerator programme for creative entrepreneurs; NZBio Auckland, the biotechnology industry body; and The Icehouse (International Centre for Entrepreneurship) programme, a not-for-profit business growth initiative. Support and sponsorship of these programmes and organisations provides long-term economic benefits to the city from increased investment and an increase in the numbers of skilled and adaptable people attracted to the city, as well as an increase in productivity and sustainable business growth.

To raise Auckland's profile around the world, the council has established formal international partnerships with many other cities: Busan, Brisbane, Fukuoka, Guangzhou, Hamburg, Los Angeles, Shinagawa and Tomioka. The council will invest $5 million over the next 10 years in these partnerships which provide a vehicle for attracting migrants, investment and tourists to the city.

Auckland City Council is the main funder of Tourism Auckland, the region's tourism promotion agency. The council provides funding to help build a greater international profile for the city.

Lifestyle choices strategy

Lifestyle choices available in Auckland enable residents and visitors to make the most of our exciting, sophisticated and vibrant city. Whether living in Auckland, working here or just visiting, we all have opportunities to experience its unique character, liveliness and the huge range of recreation and leisure choices that are available to us.

The council provides a number of activities and facilities that attract visitors to the city and enhance lifestyle choices for residents and visitors. These include the Auckland Art Gallery, Auckland Zoo, marinas and recreation facilities. The council organises more than 60 free community events and sponsors or invests in up to 30 more. These events attract close to 1.5 million Aucklanders each year. Such events include Pasifika Festival, Air NZ Fashion Week and Coca-Cola Christmas in the Park. The council led the development of the Vector Arena by providing the principal funding. This venue helps to attract major international events to Auckland.

Our focus over the next 10 years will be to ensure that we make Auckland an even more attractive place to live, visit and work. We have placed a high priority on projects and initiatives that will help create a city and lifestyle Aucklanders can be proud of, that will attract more people to the city and that will contribute to the city's economic prosperity. Development and expansion of our art gallery is a good example of our priority projects, as is the new Q Theatre which will fill a gap in the city's current performing arts venues. Te Wao Nui, a major new exhibit at the zoo, will enable visitors to experience New Zealand's animals, landscapes and taonga in a unique way. The council also wishes to maintain a herd of elephants at Auckland Zoo in the future and provision has been made in 2009/2010 to work on the best way to attract the required external funding from public and private sources.

We will have more opportunity to celebrate and value who we are as Aucklanders, by participating in a wide range of arts, cultural, recreation, sporting and leisure activities, and by attending world-class events hosted in Auckland such as Rugby World Cup 2011. Our investment in Rugby World Cup 2011 will result in long-term lifestyle benefits from upgrades to public space and related infrastructure. Auckland will be better positioned to host more rugby and other events on this scale and of this calibre.

We will renew and refurbish the Auckland Town Hall and the Aotea Centre, preserving their status as the region's premier convention, performing arts and entertainment facilities. The Aotea Square redevelopment (see Economic development strategy) will restore the square to its former status as the city's leading public open space and events venue. There will be room for everyday activity such as busking, family picnics and various forms of recreation.

Our planned upgrades to public space and support of both major and community events mean that the city will be a more enjoyable and inspiring place to spend time in. The CBD and waterfront area will come together as the centre of street life, arts, culture and entertainment, acting as a key attraction for locals and visitors alike.

Auckland's continued population growth, increasing cultural diversity and changing lifestyles provide challenges for existing services and facilities. The amount of leisure time people have, and the way they choose to use it, may affect the types of facilities we provide, the range of recreation and leisure options we offer, and the events we support. In some cases we will need to provide additional facilities to meet growing demand. The council currently owns and operates nine swimming pools and 11 recreation centres, and makes many other buildings available for sports clubs to lease. In addition we are investing $21 million over the next 10 years to partner with and/or give grants to organisations to provide recreation facilities. This will not only increase the number and range of facilities available but also provide a more diverse range of activities for our changing communities.

Where we will focus our resources

The lifestyle choices strategy has four main objectives. We will be focusing on key priority areas under each of these objectives to achieve our vision for Auckland to be First City of the Pacific.

Celebrate and value who we are (LSC1)*

Our priorities are to:

- reflect Auckland's character through public buildings, exhibitions and events
- develop and deliver a world-class public arts programme.

A wide range of recreation and leisure opportunities (LSC2)

Our priorities are to:

- increase the supply of sports fields
- work in partnership with others to invest in sports, recreation, and arts groups and facilities
- inform people about the events, facilities and opportunities that are available
- meet demands that arise from new ways in which people use their leisure time, including new types of activities, eg, mountain biking.

The CBD is the centre of street life, arts, culture and entertainment (LSC3)

Our priorities are to:

- address the performing arts venue gaps in the Aotea Quarter (our unique arts, cultural and entertainment hub covering the area around Aotea Square)
- improve the quality of the street environment in the CBD
- assist in creating a lively city with street life, cafes and restaurants, and a choice of entertainment.

Enhance Auckland as a unique arts, culture, sports and events destination in Australasia (LSC4)

Our priorities are to:

- prepare Auckland for Rugby World Cup 2011 and to host other international events
- support and attract world-class events to Auckland
- assist in providing world-class venues and spaces.

* These abbreviated references are used in the tables under each activity in volume 2.

Key projects

Auckland Art Gallery development

The Auckland Art Gallery will undergo a multi-million dollar development that will significantly expand the role it plays in building and defining Auckland's cultural and community identity. The gallery will be modernised and extended, enabling a greater number of key works to be displayed in more innovative ways.

The development will see an important and beautiful heritage building restored and earthquake-proofed. It will link the gallery to Albert Park, a heritage area, and will result in an additional modern, world-class space for collections and exhibitions. A new wing will provide an added attraction for visitors.

The project is already under way and will cost a total of $121 million, about $69 million will be incurred over the period of this plan. The main gallery is due to reopen in 2011.

Te Wao Nui

Auckland Zoo is creating a uniquely New Zealand experience in Te Wao Nui (the living realm), a purpose-built environment that will cover almost a third of the zoo's footprint.

The landmark facility will have an ecological protection and conservation focus. It will ensure the preservation of native wildlife, and plants housing more than 175 species of native flora and fauna. Visitors will be able to experience New Zealand animals, landscapes and taonga in a unique way. By providing interesting and varied experiences such as these, the zoo will attract more local and international visitors.

Auckland Zoo is working in partnership with Ngati Whatua o Orakei in the development. Maori interpretation and art works will provide a genealogical and cultural perspective, identifying the connection between land, animals and people.

The project will cost $15 million and will be completed in 2012.

Rugby World Cup 2011

Hosting Rugby World Cup 2011 will provide a unique opportunity for visitors to see the best Auckland has to offer and to recognise the region's potential as an international events destination. For this reason, we are working with key organisations from throughout the Auckland region to prepare the city for Rugby World Cup 2011.

Auckland City Council has already invested about $9 million on transport and infrastructure upgrades around Eden Park and on upgrading public spaces and sports and recreation venues. A further $22 million will be invested during the period of this plan to provide improved facilities and a legacy to the growing population of Auckland. Eight million dollars of this investment will be contributed by other parties.

We have allocated about $29 million to delivering services, events and initiatives to showcase the city, provide opportunities for residents to participate in the Rugby World Cup 2011 festival, and demonstrate our ability to stage successful major global events. This investment will be critical in realising the economic benefits of hosting the event. $4 million of operational expenditure will be from sponsors.

The development of Queens Wharf as part of the city's strategy for the waterfront, will be carried-out before 2011 to add to the quality open space available to host activities that celebrate Rugby World Cup 2011.

Quality built environment strategy

Many factors contribute to the quality of Auckland city's built environment. The council's major contribution includes planning the best way to protect the city's heritage and character sites and buildings, regulating development, and influencing the delivery of more sustainable urban development. Effective planning is the key to achieving high urban design standards. Quality urban design results in more vibrant, higher intensity mixed-use centres. These centres are a combination of businesses, shops, dwellings, schools, community facilities and open spaces. The council has a multi-disciplinary urban design panel to champion and lead best practice urban design in the city.

The quality of the built environment is affected by the security of supply of utilities, including stormwater, electricity, telecommunications, gas and water supply services. The council has a key role to play in ensuring utility providers are planning for a growing city. Through liaison with these providers, we ensure that their plans not only meet the needs of the city today, but that they are focused on the future needs of businesses and residents. The council coordinates the development of Auckland's water supply, wastewater and stormwater services. It owns and operates the stormwater system and through its wholly owned subsidiary Metro Water Ltd provides water and wastewater services.

Growth is a significant issue in Auckland city and the wider region. The council works with regional partners to manage growth in the city in a way that takes into account regional factors. This includes planning for the demands of additional social, community and physical infrastructure that will result from an expected population increase within Auckland city.

Our focus over the next 10 years will be to build on Auckland's current strengths to create a city that will function effectively in the future. This includes planning for more housing choice, and locating retail, employment and recreation activities closer to our residential areas, which will reduce our need to travel and lead to a healthier and more varied lifestyle. A key challenge for the city will be providing the right mix of regulations to achieve the desired change.

We are currently working on our Future Planning Framework which will set the context for the review of the isthmus district plan rules. The district plan is our main regulatory tool for managing the long-term growth and development of the city in an appropriate way. It enables land, which is a limited resource in Auckland city, to be used more efficiently. It ensures that developments are considered within the social, environmental, cultural, and economic context, and that any potential adverse effects of developments are avoided or mitigated.

The council has established a property enterprise board through our Development with Vision programme. This enables the council to take a proactive leadership role in shaping the city's future development. Over the next 10 years, we will be investing $121 million in acquiring, planning and developing strategic sites across the city, including the Britomart heritage precinct. We will also be purchasing land for high-quality development in Avondale, Panmure and Otahuhu. These initiatives are designed to attract people and investment to the communities.

Our waterfront programme covering the coastal areas fronting and adjacent to the CBD will benefit from our investment of about $275 million over the next 10 years. This will result in more quality open space for Aucklanders and visitors to enjoy as well as significant economic benefits for the city. In addition there will be investment in a high-quality public facility and international cruise-ship terminal at Queens Wharf, currently budgeted at $84 million. This is a unique opportunity for a pre-eminent waterfront development adjacent to the central business and retail district. We will carry out the development in time for the Rugby World Cup 2011.

Improving the city's stormwater networks is a priority over the next 10 years. We are planning to invest $253 million to reduce sewage overflows during periods of heavy rainfall, and to protect flood-prone areas and buildings. This investment will reduce the discharge of pollutants into the city's waterways, protecting the natural environment and people's health.

Where we will focus our resources

The quality built environment strategy has five main objectives. We will be focusing on key priority areas under each of these objectives to achieve our vision for Auckland to be First City of the Pacific.

Achieve a more sustainable urban built environment (QBE1) *

Our priorities are to:

- establish a planning framework for the city that provides areas for growth and employment and protects the character of our neighbourhoods
- work together with central government on the Tamaki Transformation project which seeks to develop a safe and environmentally sustainable urban community that will provide good access to employment and community facilities
- provide a stormwater network which increases capacity and efficiency. Ensure that the appropriate infrastructure is in place to meet the requirements of a growing city.

Raise the design quality of buildings, spaces and developments (QBE2)

Our priorities are to:

- show leadership by ensuring that all the council capital works projects meet urban design principles
- work in partnership with private and public agencies to undertake projects that demonstrate quality urban design
- celebrate good urban design through sponsorship of awards, eg, Mayoral Urban Design Awards and National Property Council Awards
- increase awareness of high-quality urban design by publishing clear guidelines.

Support a built environment that is responsive to the Auckland character (QBE3)

Our priorities are to:

- ensure a robust and integrated approach to natural and cultural heritage and character protection across the city
- build an understanding of the city's heritage through education programmes
- celebrate Auckland's heritage and character through events and public art.

Develop a world-class mixed-use CBD and waterfront (QBE4)

Our priorities are to:

- improve and enhance public access to and along the CBD and waterfront
- ensure urban design principles influence future planning outcomes for the CBD
- encourage the development of world-class buildings in the CBD
- build on the strategic relationship with AUT University and The University of Auckland to provide a high-quality environment. This will support the universities' needs and showcase Auckland as a great city for education
- ensure that the council's regulatory framework facilitates investment.

Foster the further development of vibrant centres and successful neighbourhoods (QB5)

Our priorities are to:

- encourage mixed-use centres (areas with a combination of businesses, shops, dwellings, schools, community facilities and open spaces) and apartment living, in and around existing town centres, to support and enhance the vitality of these centres
- ensure there is a choice in the types of housing available across the city by identifying areas where growth will be encouraged – some areas will have more stand-alone housing and others more townhouses and apartments
- incorporate provisions in the district plan to recognise and enhance a neighbourhood's character and sense of place
- develop plans for key town centres, underpinned by urban design principles, that identify the streetscape, transport and development improvements required to enhance the centres' viability and vitality.

* These abbreviated references are used in the tables under each activity in volume 2.

Key projects

Waterfront

Auckland's CBD waterfront which covers the coastal areas fronting and adjacent to the CBD is one of Auckland's greatest assets.

The waterfront plays a major role in the region's economy. The port and the marine and fishing industries have helped to shape the economic success of Auckland. They will continue to be vital to the region's economy in the future. The waterfront is the region's gateway to the Waitemata Harbour, the Hauraki Gulf and its islands.

We need an integrated approach to future development of the area to realise the potential of the waterfront. To achieve this, we formed a partnership with the Auckland Regional Council, and have worked closely with Ports of Auckland Ltd.

The vision for the waterfront is of a world-class destination that celebrates our Pacific culture and maritime history. It supports commercially successful and innovative businesses and is a place rich in character and activities that link people to the city and sea.

Over the next 10 years we will be investing over $358 million in a range of projects to create more public and open space, including redevelopment of the Wynyard Quarter. We will be developing the Harbour Bridge Park and building the Marine Events Centre on Halsey Street wharf. This will form part of a marine precinct that will help attract major international events to Auckland and showcase our marine capabilities. The project, currently budgeted at $84 million, will open up Queens Wharf for public use and to construct a cruise-ship terminal will provide long-term economic and social benefits.

The benefits of this investment in the waterfront include ensuring that the city’s key waterfront assets are secured and developed in a sustainable way.

Future Planning Framework

Auckland City Council is currently developing the Future Planning Framework which seeks to provide a blueprint for managing existing community values and achieving sustainable urban development. Integral to this framework is reviewing the district plan which is the main regulatory tool for managing land use within the city and achieving improvements in the quality of the urban environment.

Area plans for each part of the Auckland isthmus (excluding the CBD and the Hauraki Gulf islands) are at the core of the framework. These plans will define the best possible outcomes for each area and provide a link between local and citywide outcomes. Area plans provide a means for integrating on-the-ground projects and outcomes that are being led by the council or other agencies.

Area plans and the Future Planning Framework will be given effect through further local planning and the reviewed district plan, and through the council’s bylaws, services and capital works programmes.

Quality natural environment strategy

Our harbours, coasts, beaches, volcanic landscape, parks and islands are intrinsic to Auckland's identity. The council protects and enhances our natural environment and ecology through a range of policy initiatives. Our commitment to sustainability means that not only do we develop and implement strategies to make the natural environment more sustainable, we apply a sustainable approach to all our internal operations.

The council looks after a diverse range of parks and reserves for you to enjoy, providing the open space needed for the growing population and enhancing the city's biodiversity by providing clean habitats for native animals and plants. Over the next 10 years, we will be investing $77 million in acquiring and developing new parks and reserves. In addition we will invest $6 million to preserve the city's volcanic cones for future generations and to provide greater enjoyment for residents and visitors. Safeguarding a clean, green environment will require balancing the need to protect our unique natural features, such as the Hauraki Gulf islands, with the desire of the tourism industry, business and recreational users to have reasonable access. Over the next two years, we will be developing the Hauraki Gulf islands district plan which sets out the regulatory framework for land use development within the islands. The council also takes account of the Hauraki Gulf Marine Park Act 2000.

Continuing population growth and changing lifestyles will require new dwellings and new types of dwellings to be developed within the city, placing further pressure on our natural landscapes. The isthmus district plan review will help to ensure that we identify, protect and enhance our significant ecological areas, habitats and green corridors, while providing for urban development.

To enhance the quality of our land and water we will improve the quality of our stormwater networks. The council will continue with its programme to separate the old combined stormwater and wastewater systems. Other initiatives include reducing the levels of pollutants such as zinc that make their way into stormwater, and treating and removing sediments once they have entered the stormwater network.

Over the next few years, we will work with you to reduce the quantity of solid waste sent to landfills. The council will investigate opportunities to develop a resource recovery centre (Galway recycling facility). An investment of $5 million will result in less waste being disposed to landfill and will help the council to achieve its waste minimisation plan (see summary in volume 3).

We will invest $21 million over the next 10 years in remediation works at closed landfill sites. This investment not only reduces health risks but also rehabilitates the landfill sites so that they can be used as open space for recreation, for wildlife refuges or, in some cases, for business land.

Where we will focus our resources

The quality natural environment strategy has five main objectives. We will be focusing on key priority areas under each of these objectives to achieve our vision for Auckland to be First City of the Pacific.

Protect and celebrate our unique landscapes and features (QNE1)*

Our priorities are to:

- identify, celebrate and protect key landscapes and features, including volcanoes and the viewshafts to and from volcanoes, and the harbours, cliff lines, beaches and coastal margins
- celebrate our heritage and culture by enhancing views and access to the volcanic cones and features.

Protect, enhance and sustain our natural environment and ecology for the future (QNE2)

Our priorities are to:

- use the district plan to identify, protect and enhance significant ecological areas, habitats and corridors. Build understanding among residents with significant ecological sites on their properties to help them make informed choices about protecting the city's environment
- conserve the urban forest (trees and vegetation) in privately and publicly-owned land across Auckland city
- maintain and enhance the city's biodiversity by increasing the amount and variety of trees, plants and wildlife across the city's public open spaces.

Link people to the waterfront, coast and parks (QNE3)

Our priorities are to:

- provide continuous access around the Auckland city coastline (walking and cycling), including continuous walkways on both harbours
- provide an integrated network of green spaces across the city, including parks, reserves, coastal reserves and green corridors such as planted streams
- develop and enhance our major parks to reflect Auckland's unique environment and identity.

Enhance the quality of our land and water (QNE4)

Our priorities are to:

- gain a robust understanding of and manage the effects that climate change may have on the city
- improve the quality of our stormwater networks to achieve clean and healthy waterways
- reduce the quantity of solid waste sent to landfills through reduction, reuse and recycling
- identify and monitor any council-owned contaminated land to reduce adverse impacts on public health and the environment.

Protect and celebrate the unique natural environment of the Hauraki Gulf islands (QNE5)

Our priorities are to:

- upgrade wharves (subject to funding) and provide basic visitor facilities to improve access to the inner islands, such as Motuihe, for recreational purposes
- encourage tourism initiatives that seek to educate people about, and protect and conserve the unique natural environment of the Hauraki Gulf islands (in particular Waiheke and Great Barrier islands)
- continue to identify and protect sites of ecological significance on the islands
- develop and maintain the Great Walk on Great Barrier Island in partnership with the Department of Conservation.

* These abbreviated references are used in the tables under each activity in volume 2.

Key projects

Volcanic experience

The volcanic origin of Auckland's landscape has left a unique legacy for the council to manage and sustain for the future use and enjoyment of everyone. The volcanic features are recognised by Aucklanders, New Zealanders, and visitors, as a unique natural and cultural inheritance.

As the Auckland region grows, placing greater pressure on the city's iconic volcanic cones, protection, conservation and management will ensure their preservation for current and future users and visitors. The volcanic experience work programme will design, develop and implement improved management and facilities on the volcanic features of Auckland.

Two key initiatives are the development of improved visitor facilities on Maungawhau-Mt Eden, and research and trialling of alternative ground covers to support a reduction of grazing.

The programme of work has been allocated an overall budget of $6 million over a 10-year period.

Harbours

The NZ Transport Agency (NZTA) motorway expansion project for the State Highway 20 Manukau Harbour crossing has provided the council with the opportunity to develop the Onehunga foreshore into a high-quality open space and coastal environment. This will result in improved connectivity to and along the foreshore and, in turn, generate greater community use. Auckland City Council is working with the NZTA, Auckland Regional Council and community stakeholders to progress the foreshore development. A budget of $10 million over the next 10 years has been allocated for the development.

The council plans to enhance the city's coastal environment through an investment of $10 million. We will undertake several beach restoration projects which will provide Aucklanders with better and easier access to coastal areas.

Strong and healthy communities strategy

Aucklanders feel a sense of belonging to our neighbourhoods and pride in our city when our communities are strong and healthy. Cities with strong communities cope well with the changes that result from cities growing and evolving, and have safer neighbourhoods with less crime. Building community spirit and capability is vital to maintaining our levels of volunteers. The more people participate in community life, the more connected they feel to their city and its welfare.

The council is actively involved in providing community services and libraries, taking care of the street environment and town centres, and ensuring public and environmental health and safety. The council has statutory roles in emergency and waste management. More information on these key activities can be found in part 1 of volume 2.

We aim to provide opportunities for neighbourhoods to come together for a wide range of social and recreational events during the next 10 years. We will invest about $13 million to renew and redevelop community centres, halls and other facilities across the city.

Our libraries continue to act as important community hubs. As well as providing valued community facilities and meeting spaces, they enable people to meet, exchange ideas, and gain skills and information that are essential to them participating fully in the community. The council takes good care of its library assets and has set aside $42 million to refresh the libraries' collections and a further $18 million to renew the library buildings, furniture and fittings. Additional budget of $8.5 million is set aside for library redevelopments in Otahuhu and Mt Roskill, to be completed in 2014/2015 and 2018/2019 respectively. A further $6.6 million will see the redevelopment and enlargement of the Waiheke Island library and service centre on combined premises at Oneroa. The planned completion date is 2011/2012.

Our town centres are an important indicator of the strength of our communities. Town centres with well-cared-for streets should function as the heart of our neighbourhoods, attracting people to come together to see events, shop and meet friends. Graffiti vandalism detracts from the safe and clean street environment and welcoming centres that the council and communities work hard to achieve. The council is therefore boosting funding in this area with $22 million allocated over the next 10 years for graffiti removal and preventative public education programmes.

Auckland city's rapidly growing population has led to turnover and change in our neighbourhoods and our city. Increasing numbers of our residents are born outside New Zealand. Their different values, cultures and practices have led to some sectors of our communities feeling isolated and disadvantaged in terms of services and access to opportunities. Over the next 10 years, we will be targeting specific sectors of the community to strengthen their feeling of belonging. For example, we will invest $2.6 million in the Wesley Youth Space. This project will improve the quality of life for young people in the area.

Supporting projects that provide facilities and activities to keep young people productively occupied, such as our exercise and school holiday programmes, and that promote healthy lifestyle choices will be an important aspect of this strategy. We will partner with others to improve our coordination and response to Auckland's safety issues through activities such as the Safer Auckland City programme. Areas of the city and facilities used by the public will be safe, healthy, clean and tidy.

The council ensures the safety of the community in a range of other ways, including managing and monitoring food hygiene and liquor licences, providing a rural fire service for the Hauraki Gulf islands, and our Safe Swim Programme so that residents and visitors can be confident of safe, clean places to swim.

Critical to a community's strength are opportunities for residents to have their say. The council will continue to ensure local communities have the autonomy and funding to deliver specific initiatives that they believe will improve their own areas. We plan to invest about $38 million through community boards to fund small projects that will improve local areas. By choosing to participate in civic life and the future planning of their city, local residents will feel a more integral part of the wider community.

Where we will focus our resources

The strong and healthy communities strategy has five main objectives. We will be focusing on key priority areas under each of these objectives to achieve our vision for Auckland to be First City of the Pacific.

Foster connected communities (SHC1)*

Our priorities are to:

- encourage and motivate residents to take responsibility for and pride in the appearance and safety of their neighbourhoods
- support networking partnerships and joint programmes between council, schools, churches, government agencies and community groups
- grow the skills and participation levels of the community in volunteer work.

Foster a sense of pride and belonging (SHC2)

Our priorities are to:

- provide opportunities for communities and neighbourhoods to get together informally for celebration, social and recreational events
- provide effective responses for clean, tidy and well-cared-for public places.

Make places for people (SHC3)

Our priorities are to:

- enhance facilities and town centres to become accessible and welcoming community hubs.

Support safe communities (SHC4)

Our priorities are to:

- remove graffiti and prosecute graffiti vandals
- design features in public areas and facilities to minimise crime.

Support healthy communities (SHC5)

Our priorities are to:

- partner to provide programmes that promote physical activity and healthy lifestyle choices
- use council regulation to minimise harm from gambling, alcohol and vice, and to protect public health.

* These abbreviated references are used in the tables under each activity in volume 2.

Key projects

Graffiti programme

Graffiti vandalism or tagging is a community issue and Auckland City Council's anti-graffiti programme is based on a zero tolerance approach. Graffiti vandalism lowers property values and encourages more vandalism and other types of crime. This, in turn, can make the community feel unsafe and take less pride in their neighbourhood.

The council offers a free graffiti removal service for residential and small business property owners unable to cope with the problem themselves. We have developed a graffiti awareness education programme for primary schools which has received a positive response. More than 50 schools have become involved in the programme which aims to make children aware of the consequences of tagging. The programme rewards them for adopting areas in their neighbourhood or street to keep clean. This is designed to act as a deterrent to younger vandals by making them aware that they will be held accountable for the damage they cause.

The council plans to spend around $22 million over the next 10 years through these initiatives.

Libraries development

Aucklanders can gain skills and information, explore and exchange ideas and extend their own and other people's knowledge through our network of libraries. A thriving library network is a crucial part of building resilient and inclusive communities where people can get involved and feel they belong.

As well as the extensive range of library services that the council provides on an ongoing basis, we are planning to invest $15 million (includes Waiheke service centre budget) in library redevelopments for Waiheke Island, Otahuhu and Mt Roskill over the next 10 years.

The redeveloped and enlarged library planned for Waiheke Island will be completed in 2010/2011 and will help to accommodate the very high number of visitors to the library, and increase the opportunities to provide a greater range of services and a more extensive collection. We will develop this alongside the service centre on combined premises at Oneroa. (See Efficient, capable and user-friendly council strategy).

The plan for Otahuhu is to relocate the library to the recreation precinct to facilitate its learning centre role and enable more effective provision of services to Maori, Pacific Island and Asian communities. The relocation project will be completed in 2014/2015.

Transport choices strategy

A city that offers good transport options is more attractive to residents, businesses and visitors. Auckland city will become more appealing as a place to live, work, visit, study and get around in, due to transport improvements delivered under this strategy. Businesses will be able to move their goods around the city more efficiently and better travel options will make travel times more consistent.

Our environment will be healthier due to reduced carbon emissions as more people walk, cycle, carpool or use public transport. This healthier environment will have a positive impact on the health and well-being of Auckland residents.

Investing in transport and network planning will foster economic growth. Transport options are a key deciding factor in where businesses choose to locate their premises. The council will make it easy for people to travel across the city and between key business areas, such as the port and airport. Enabling efficient movement of freight and people will help to open up further opportunities.

In delivering improved transport choices for our residents, business and visitors, the council carries out a number of transport infrastructure projects, ranging from cycling initiatives to intersection improvements.

We carry out major roading schemes such as the Auckland-Manukau Eastern Transport Initiative and work with the NZ Transport Agency (NZTA) on the State Highway 20 extensions.

Significant population growth in Auckland continues to place pressure on our roads and public transport. The transport choices strategy aims to improve safety around schools, and an efficient and affordable transport network that provides sustainable travel choices. Upgrading existing roads and streetscapes and making it easier for people to move around using a variety of transport
.

options will result in a more connected city. We plan to invest $458 million to improve and renew the city's road network. This will ensure that the roads are of a high standard, safe, and effective. We will improve the quality of the footpaths citywide through an investment of $240 million. This will improve accessibility and encourage more people to walk. During the next three years, more than $5 million is set aside for improvements to cycleways and walkways, providing more options for getting around the city.

The council is involved in managing on- and off-street parking. This helps to ensure that the traffic on our roads keeps flowing and that residents, workers and visitors have a range of safe, affordable and convenient parking options available to them.

Auckland is faced with a range of challenges in providing an integrated and affordable transport service. We are not responsible for the delivery of all of your transport needs and must work with a number of agencies, such as the NZTA and the Auckland Regional Transport Authority, to advocate for the best possible solutions.

Our transport planning also has to take account of other factors. These include the supply and funding of transport services, reliability of fuel sources and fluctuating oil prices.

Developing and maintaining a safe and secure transport system is essential to increasing public safety and to making people feel more secure in using local transport facilities. Over the next 10 years we will improve areas of safety concern by investing approximately $46 million in the city's roads. This will lead to fewer crashes and injuries. We plan to invest approximately $33 million in school safety initiatives.

Where we will focus our resources

The transport choices strategy has five main objectives. We will be focusing on key priority areas under each of these objectives to achieve our vision for Auckland to be First City of the Pacific.

Efficient and sustainable (TC1)*

An efficient transport network that provides sustainable travel choices.

Our priorities are to:

- develop an efficient and affordable transport network that works toward balancing the needs of all users to ensure that more sustainable travel choices are available
- invest in infrastructure to support public transport use, other alternative modes of transport (such as cycling and walking) and travel demand management measures (such as travel plan and parking management)
- invest to improve the efficient operation and capacity of the existing transport network and promote changes in travel behaviour to reduce the need to build new transport infrastructure.

Safe and secure (TC2)

A safe and secure transport system.

Our priorities are to:

- design transport improvements and operate the system in a way that prevents crime and makes people feel safer and more secure in their use of local transport facilities
- undertake safety initiatives to address specific safety concerns, such as in areas with a high number of crash incidents
- provide education to schools, businesses and the community about safe cycling or walking to and from school, tertiary institutions or work.

Quality of life (TC3)

Transport provision enhances quality of life and reduces adverse impacts on the built and natural environment.

Our priorities are to:

- provide transport improvements and developments that work toward enhancing access to a complete range of lifestyle opportunities, including social, economic, educational, health, leisure and recreation
- provide innovative, comprehensive and effective transport solutions citywide to support Auckland city's aim to become a successful international city. This includes affordable and accessible public transport, and a transport safety infrastructure. It also includes cycling and pedestrian facilities, and associated services such as cycle stands and lockers, and the ability to carry cycles on public transport
- manage the negative impacts of all transport developments
- ensure town centres and other destination points have places for people to gather.

Economic growth (TC4)

Transport investment provides a catalyst for economic growth.

Our priorities are to:

- improve cross-city connections by developing transport initiatives that enable the efficient movement of freight and people between business hubs
- ensure network planning includes improving freight movement between business areas, the airport and port
- work with a wide range of road and sea carriers and rail operators (including Ontrack, the trucking industry, Auckland International Airport, Ports of Auckland and NZ Transport Agency) to develop efficient, economical and sustainable freight transport.

Integration (TC5)

An integrated approach to transport planning, delivery and operation.

Our priorities are to:

- work with regional and central agencies and neighbouring regions to deliver on strategic transport directions for Auckland city and the region
- work with other agencies to deliver projects that support and add value to their investment in motorways and public transport
- explore alternative revenue sources, including road pricing to fund transport initiatives and to influence transport behaviour.

* These abbreviated references are used in the tables under each activity in volume 2.

Key projects

A safe and secure transport system

A safe and secure transport system is a key objective of the transport choices strategy. The council will invest $79 million over the next 10 years in ongoing works to improve the safety of the city's roads, including school safety initiatives. This will lead to fewer crashes and injuries, and safer travel options for residents and visitors.

A key aspect of transport safety is appropriate maintenance of the existing infrastructure. An investment of $458 million in renewals and improvements to the city's road network will contribute to the value and effectiveness of the roads. An additional $10 million will be used to seal currently unsealed roads on the Hauraki Gulf islands. This will improve the quality, safety and accessibility of roads on the islands.

Footpaths across Auckland will be of a higher standard, safer and better maintained with an investment of $240 million over the next 10 years. This work will improve access and encourage more people to walk, and is on top of renewals completed in recent years.

An integrated approach to transport

Auckland City Council works with others, including the Auckland Regional Council and the NZ Transport Agency (NZTA), to improve access within and throughout the region to make it easier for people and freight to move to and between centres within the region. We need to work regionally to integrate plans around state highway construction, in order to maximise the economic and social benefits to surrounding communities and businesses. For example, the council has been proactive in working with NZTA on the most appropriate route for the Waterview section of State Highway 20 (western ring route). We are working with Ontrack to manage the roading and bridge impacts associated with their rail electrification works.

There are a number of major projects that we will continue to advance over the next 10 years through this integrated approach. Subject to funding approval, the western ring route, which will provide a single motorway linking Manukau, Auckland, Waitakere and North Shore cities, will be completed by 2015.

Efficient, capable and user-friendly council strategy

The efficient, capable and user-friendly council strategy is fundamental to achieving the council's vision and all our other strategies. It is critical to achieving Auckland's aspiration of being an attractive city in which people choose to live, play, visit, and conduct their business – a city where everyone feels safe and secure, and people and goods can move freely.

As we provide day-to-day services to Aucklanders and deliver significant projects for the city, we will continue to place emphasis on effective and inspirational leadership that provides clear vision and direction. A clear vision enables us to manage risks and opportunities responsibly, and make effective decisions.

Under this strategy, we will continue to improve leadership, management and technical capabilities within Auckland City Council, giving you increased confidence in the council's performance, and greater satisfaction with the way we deliver our services. Our ability to deliver a more effective service to residents and ratepayers enables a more transparent and accessible democratic process.

Over the next three years, we will focus on our Customer First programme which will make available the best tools for delivering excellent service to our customers and constituents. The programme will foster a greater customer service culture within the organisation. This will ensure that you receive a consistently high standard of service from every area of the council, which not only meets your expectations but exceeds them. By having the right systems and processes in place, we aim to make it faster and easier for you to do business with us.

Increasing our staff capability and efficiency will lead to better decision-making, resulting in ratepayers' money being spent more effectively. We have introduced a programme to improve the commercial performance of the organisation. Improvements to the efficiency and quality of our performance will increase public confidence in our leadership and staff.

The council may from time-to-time buy, sell or dispose of assets (including land and interests in land) in the normal course of business, to facilitate the activities described in this 10-year plan, including the transfer of assets to trust or similar governance arrangements. The power to do so may be delegated by the council.

The council does not operate alone. We will continue to strengthen partnerships with iwi and Pacific peoples, as well as work with regional stakeholders such as the Auckland Regional Council and Auckland Regional Transport Authority.

As Auckland's population has grown in numbers and diversity, the council has been called upon to do more to meet the new demands of this growing city. Our challenge as an organisation is to plan effectively for this change.

Where we will focus our resources

The efficient, capable and user-friendly council strategy has six main objectives. We will be focusing on key priority areas under each of these objectives to achieve our vision for Auckland to be First City of the Pacific.

Our customers and constituents (ECC1)*

We have high credibility with our customers and constituents through the value we provide, resulting in an improved reputation.

Our priorities are to:

- improve Auckland City Council's reputation through clear communication, and reflect a strong, positive and consistent identity so Aucklanders can understand and appreciate the value of what the council is providing
- develop a customer-focused service culture at the council and provide tools and technology to help staff to lift their performance.

Our partners (ECC2)

We have mutually beneficial relationships with a network of partners.

Our priorities are to:

- identify, develop and maintain relationships with key stakeholders and partners
- enhance our regional leadership role
- enhance the value of council-controlled organisations, eg Metro Water Ltd, by providing good governance for and getting better value from investing in these organisations
- continue to strengthen partnerships with iwi and Pacific peoples by providing opportunities for them to participate in Auckland City Council activities.

Our organisation (ECC3)

We have an efficient and effective structure, systems, policies and processes.

Our priorities are to:

- design systems and processes that are quick and easy for customers and constituents to access
- improve capital planning and management of capital investments and assets
- achieve operational excellence
- improve operational performance through productivity gains, system investment and competitive processes.

Our culture (ECC4)

We have a great culture, which cultivates an environment that brings out the best in our people, partners and customers.

Our priorities are to:

- foster an environment through our culture, that brings out the best in our people partners and customers
- motivate our staff to achieve the organisation's vision.

Our leadership (ECC5)

We have an inspiring leadership, which provides quality advice in the context of a clear vision and direction.

Our priorities are to:

- implement an integrated means of planning, measuring and reporting
- manage risks and opportunities responsibly and make effective decisions that reflect our vision and direction
- provide strong leadership through quality advice aligned to our vision and direction
- deliver the greatest possible value through projects and programmes of work that are strategically aligned.

Our staff (ECC6)

We have motivated, capable and high-performing staff in the right positions.

Our priorities are to:

- plan for enhancing staff capability across the organisation
- implement management development programmes to build leadership capability
- recruit and appoint the right people to the right positions and provide the right environment to retain them, ie, become an employer of choice

actively manage talented individuals and provide further development opportunities for them.

* These abbreviated references are used in the tables under each activity in volume 2.

Key projects

Customer First programme

This programme will provide the council with a framework for monitoring and improving customer service. It will identify and make available the best tools for delivering excellent service to our customers. The programme will foster a customer service culture within the council.

Our customers will receive a consistently high-quality experience, regardless of which part of the council they are dealing with. We will be viewed as easy to do business with and providing good value for money. Our aim is for customers to view us as knowledgeable and focused on finding solutions. We will be using effective systems and tools to help us to deliver this improved customer service. We will manage our customers' complaints fairly and learn from these complaints to improve our customer service.

This project has been allocated an overall budget of $24 million and will extend over a three-year period.

Strategic measures

The following strategic measures indicate how we are progressing towards achieving the objectives of each strategy.

Economic development

Measures

- GDP per capita of Auckland (region compared to other cities) as an overall measure of economic growth and living standards
- Businesses' perception of the city as a place to do business
- Employment growth in key business areas (eg, CBD, Tamaki, Rosebank, Newmarket, Penrose) relative to the rest of the city
- Employment growth in key sectors (creative, ITC, financial services, advanced business services).

Lifestyle choices

Measures

- The number of world-class events that Auckland City Council supports as an indicator of a dynamic and exciting city
- Residents' views about how Auckland celebrates its culture, history and heritage
- Residents' views about the opportunities to participate in sports, arts, recreational and leisure activities
- Number of significant public art works in the city.

Quality natural environment

Measures

- The number of days isthmus beaches are open as an indicator of our city's water quality
- Quantity of solid waste sent to landfill reduced per capita as a measure of sustainable environmental practices
- Percentage increase of Auckland city and Hauraki Gulf islands coastline accessible to the public
- Increasing levels of urban forest to enhance the city's biodiversity and indicate the value that the city places on the environment.

Quality built environment

Measures

- New dwellings in the areas earmarked for growth (compared to new dwellings outside of those growth areas) as an indicator of more efficient use of land
- Residents', businesses' and visitors' views on the overall quality of the built environment
- Percentage of residences that are within 10-minutes walk of a quality park as an indicator of appropriate open space in the city
- Amount and quality of public open space in the CBD.

Strong and healthy communities

Measures

- Number of incidences of graffiti as an indicator of the physical feel of the environment and the level of pride and belonging people experience as a result
- Level of satisfaction with Auckland City Council's community facilities (pools, parks, libraries and community services)
- Residents' views on safety
- Number of pedestrians in town centres and the CBD as an indicator of dynamic local centres that are the focal point for their community.

Transport choices

Measures

- Travel time on selected routes for cars, public transport, cycling, walking and freight
- Residents' and businesses' views on whether they have sufficient choice in moving around the city
- An increase in the number of cyclists on selected routes
- An increase in use of public transport into the CBD
- Crash statistics for vehicles, buses, pedestrians and cyclists.

Efficient, capable and user-friendly council

Measures

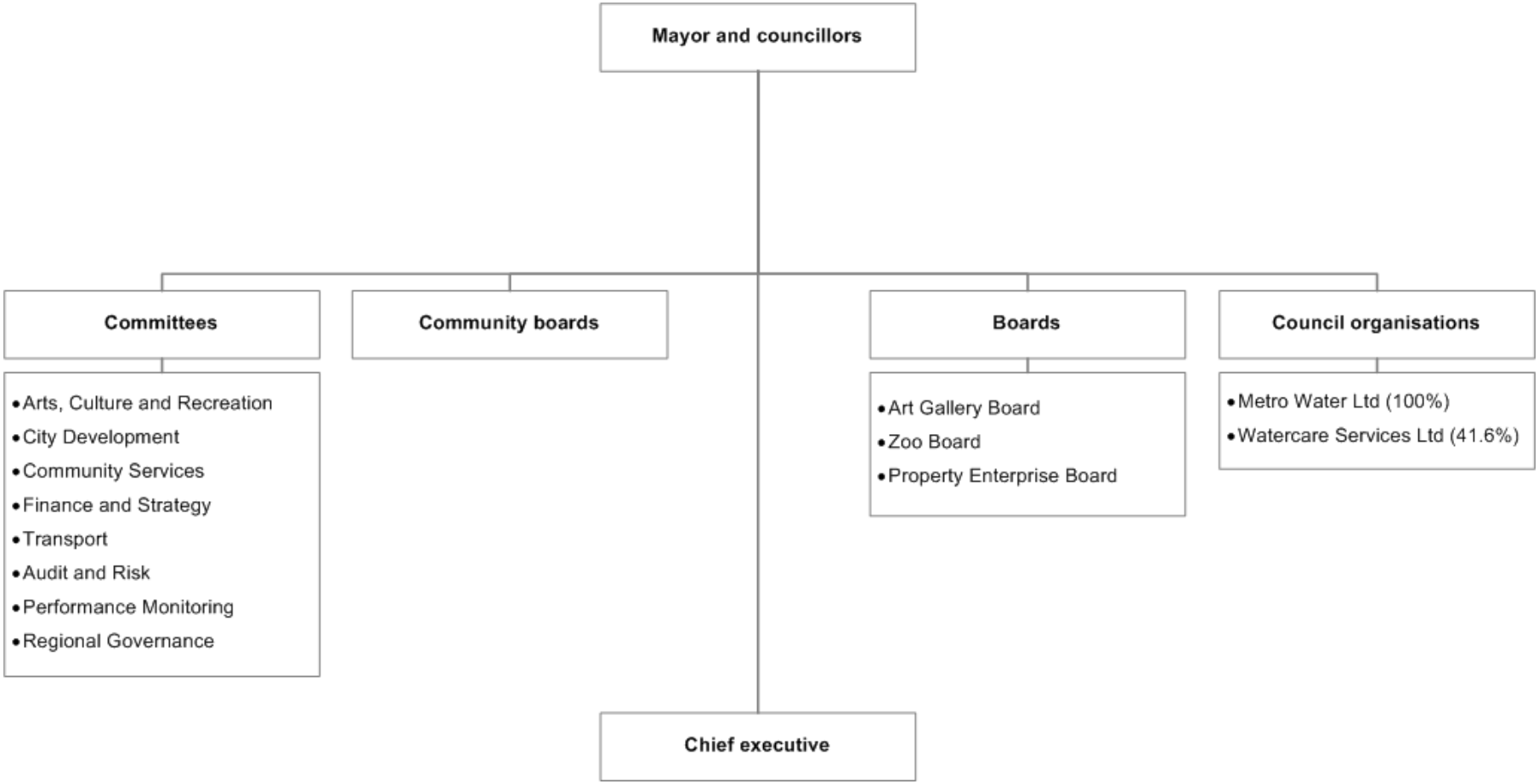
- Residents' and businesses' views on the value they receive from Auckland City Council
- Stakeholders' views on the value they receive from the council (including tangata whenua)
- Businesses' and residents' views about the non-financial cost of doing business with the council
- The percentage of results in organisation-wide customer experience surveys that are either good or excellent
- The council organisation meets the efficiency targets as outlined in the 10-year plan.

Part 3

Your council your say

How the council is structured	66
Listening to what you have to say	69
Our elected representatives	70
Mayor’s and councillors’ contact details	71
Community board members’ contact details	72

How the council is structured



Auckland City Council governs Auckland city and is a local authority as defined by the Local Government Act 2002. The council is the largest local authority in New Zealand with significant assets. The council consists of the mayor and 19 councillors. The councillors, including the deputy mayor, represent seven wards. The chief executive is the only direct employee of the elected council.

Auckland City Council is required to make decisions on a daily basis that promote the social, economic, environmental and cultural well-being of the city's communities for the present and the future. It is tasked with contributing to the good governance of its communities by:

- providing (or on behalf of central government) adequate, equitable and appropriate services to the community
- ensuring the services provided are managed efficiently and effectively
- exercising community leadership
- functioning in a manner that is consistent with and actively promoting the principles of good governance
- managing, protecting, developing, restoring, enhancing and conserving the environment
- accounting for and managing assets for which it is responsible
- facilitating the involvement of councillors, community board members, members of the public, users of facilities and services in the improvement and coordination of local government
- raising funds for local purposes by way of rates, charges, fees, investments and loans
- keeping the local community informed about its activities
- ensuring that in the exercise of its regulatory functions it acts without bias
- acting as a responsible employer.

These responsibilities and the decisions emanating from them touch many aspects of daily life in the city, including arts and recreation, transport, finance, city development and various other aspects of governance. Auckland City Council sets the bylaws and rates, as well as its long-term community plan and annual plan. It makes decisions regarding building control in the city, civil defence and environmental health, roading and transport, sewage, water and stormwater, and resource management though land planning and development control.

Auckland City Council focuses on issues from a citywide perspective. In order to deal with decision-making in local and specialised areas, the council establishes and delegates some of its functions to committees, boards and community boards.

The current council has established five committees and three minor committees with the following responsibilities.

Finance and Strategy Committee

The Finance and Strategy Committee is responsible for the overall development of financial policies for the council and for the direction of the city, balancing all strategic needs and monitoring process against the 10-year plan and annual plan. It reviews unbudgeted expenditure recommended by other committees, provides guidance for council corporate business, assets, commercial investments, and financial transactions, and monitors governance, performance of statements of intent for council-controlled organisations, including organisational robustness and the quality of boards and directors.

Arts Culture and Recreation Committee

The Arts Culture and Recreation Committee's purpose is to develop plans and policies for future recreational and leisure needs of growth at both a professional and community level in Auckland City. The committee approves plans and policies to enhance the passive and active, recreational, arts and cultural experience of living in Auckland, and determines the type of events and funding that contributes to a vibrant city.

Community Services Committee

The Community Services Committee determines policy for council involvement and/or advocacy on social issues, community development and community safety, helping the city meet the demands of growth and social change to respond appropriately to social conditions.

City Development Committee

The City Development Committee is tasked with leading and developing policy, strategy and monitoring of the council's regulatory responsibilities, business and tourism promotion, international relations, central area, business and tourism promotion, international relations, and hazard planning and response.

Transport Committee

The Transport Committee provides for the sustainable and efficient movement of people, goods and services in a modern, planned and integrated system in a manner that provides for Auckland's growth needs now and for future generations. The committee facilitates efficient and effective transport that responds to travel demand and provides for and manages multiple forms of transport, including travel by car, cycling, walking and public transport.

Minor committees

The council has three minor committees that deal specifically with the matter under their charge – Audit and Risk, Performance Monitoring and Regional Governance committees.

The council has 10 community boards. These boards play a key role in facilitating local democracy and developing the physical and social infrastructure of local communities. Community boards are the voice on local issues and provide a direct link between their community and Auckland City Council. They make decisions on local issues that are in the best interests of the community as a whole and act as a sounding board for the council on community matters. Community boards undertake responsibilities delegated to them by the council, including the allocation of funding to the community.

Listening to what you have to say

The council communicates and consults with you regularly to give you an opportunity to tell us what is important to you and get your ideas on how we might do things differently, better or more efficiently. This includes our programme of communication and engagement with those individuals and groups that we regularly work with, research on proposed council projects and initiatives, and consultation on key planning documents such as the community outcomes document and annual and district plans. We also communicate through our customer service centre, *City Scene* and Listening Post – the council's internet and email-based panel that receives regular information about matters affecting Auckland city.

The council recognises its responsibilities under the Treaty of Waitangi and has adopted a treaty-based relationship with Maori to ensure that the views of Maori communities are represented in governance, planning and decision-making. Meetings are held with iwi groups on the 10-year plan and annual planning processes to ensure there are additional opportunities for iwi to participate in these processes.

The council seeks to enhance relationships with Maori communities through the provision of specific Maori positions within the organisation. For example, in 2008, a new position – programme adviser: Maori – was established in the Arts, Community and Recreation group.

The council has reviewed processes that enable Maori to contribute to decision making. These include reviewing the Tangata Whenua Consultative Committee to ensure that it responds better to the needs of iwi and council staff. The committee comprises representatives from six of the eight local iwi groups and has been established to consider council projects that require resource consent and consultation with tangata whenua. The council has also reviewed iwi communication protocols so that they are more transparent and proactive. See volume 3 for further detail on Maori contribution to decision-making processes.

The most common way we seek and receive feedback is through elected councillors, community board members or both. Our elected representatives have many roles, one of which is to act as an advocate for the community to bring individual and community issues and concerns to the council.

Our elected representatives

The Hon.
John Banks QSO
Mayor

David Hay JP
Deputy mayor
Avondale/Roskill
Chairperson, Performance Monitoring and Regional Governance committees

Douglas Armstrong QSO
Eastern Bays
Chairperson, Finance and Strategy Committee

Ken Baguley
Hobson
Chairperson, Transport Committee

Aaron Bhatnagar
Hobson
Chairperson, City Development Committee

Leila Boyle
Tamaki/Maungakiekie

Cathy Casey
Eden/Albert

William Christian JP
Tamaki/Maungakiekie

Mark Donnelly
Eden/Albert

Graeme Easte
Western Bays

Glenda Fryer
Eden/Albert

Paul Goldsmith
Hobson
Chairperson, Community Services Committee

John Lister OBE
Avondale/Roskill

Peseta Sam Lotu-Iiga MP
Tamaki/Maungakiekie

Toni Millar JP
Eastern Bays

Greg Moyle
Western Bays
Chairperson, Arts, Culture and Recreation Committee

Graeme Mulholland JP
Avondale/Roskill
Chairperson, Zoo Board

Richard Northey ONZM
Tamaki/Maungakiekie
Chairperson, Audit and Risk Committee

Noelene Raffills
Avondale/Roskill
Chairperson, Art Gallery Board

Denise Roche
Hauraki Gulf islands

Mayor's and councillors' contact details

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Hobson

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Western Bays

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Community board members' contact details

Avondale

Cr David Hay (Deputy Mayor) JP	621 1647
Cr Noelene Raffills	828 1953
Duncan Macdonald JP (chairperson)	828 2098
Lily Ho (deputy chairperson)	828 5974
Kathryn Davie	828 9265
Paul Davie	828 9265
Catherine Farmer	828 2594

Eastern Bays

Cr Douglas Armstrong QSO	027 474 4245
Cr Toni Millar	575 6866
Colin Davis JP (chairperson)	575 5265
Helen Wallace (deputy chairperson)	575 6623
Kate Cooke	521 0357
Adriana Gunder JP	521 4851
David Roberton	521 5853

Eden/Albert

Cr Glenda Fryer	638 7712
Cr Cathy Casey	845 1952
Cr Mark Donnelly	630 8834
Christopher Dempsey (chairperson)	021 297 4078
Phillip Chase (deputy chairperson)	846 9392
Pauline Anderson	846 7402
Virginia Chong JP	630 6641
Ryan Hicks	820 9128
Simon Mitchell	623 3546

Great Barrier

Cr Denise Roche	09 372 6578
Paul Downie (chairperson)	09 429 0890
Izzy Fordham (deputy chairperson)	09 429 0145
Mickey O'Shea	09 429 0140
Richard Somerville-Ryan	09 429 0270
Christina Spence	09 429 0229

Hobson

Cr Ken Baguley	309 8811
Cr Aaron Bhatnagar	021 872 871
Cr Paul Goldsmith,	379 2020
Desley Simpson (chairperson)	522 1929
Clint Bowerman (deputy chairperson)	366 0131
Diane Gribben	523 1680
Hinu te Hau	379 2020
Tim Woolfield	630 7662
Frieda Yu	021 037 0215

Maungakiekie

Cr Peseta Sam Lotu-Iiga MP	027 209 7562
Cr Richard Northey ONZM	634 1494
Bridget Graham (chairperson) QSM	630 6205
Brett Clark (deputy chairperson)	027 252 7543
Olga Brochner	021 102 7102
Lynn Messervy	525 3217
Simon Randall	021 262 8082

Mt Roskill

Cr John Lister OBE	634 4486
Cr Graeme Mulholland JP	626 7902
Richard Barter (chairperson)	625 8807
Nicki Taylor-Raffills (deputy chairperson)	636 0355
Sue Mulrennan	021 068 0268
Joshua Taylor	636 0355
Nigel Turnbull	820 5721

Tamaki

Cr Leila Boyle	027 245 1440
Cr William Christian JP	527 8648
Kate Sutton (chairperson)	027 470 7911
Christine O'Brien (deputy chairperson)	027 276 3969
Arna Metcalfe	379 2020
Jan Welch	525 3269
Mike Murray	570 9731

Waiheke

Cr Denise Roche	09 372 6578
Tony Sears (chairperson)	372 3572
Herb Romaniuk (deputy chairperson)	021 666 541
Nobilangelo Ceramalus	372 2242
Ray Ericson	372 6174
Eileen Evans	372 2377

Western Bays

Cr Graeme Easte	815 9000
Cr Gregory Moyle	376 0866
Bruce Kilmister MNZM (chairperson)	376 8656
Leigh Kennaway (deputy chairperson)	815 7475
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Appendices

Auckland’s community outcomes	74
Rates examples	82
Where to find more information	83
Consultation report	85
Significant changes from the draft 10-year plan	86
Audit report	88
Index of key words	92

Auckland's community outcomes

Auckland city has a set of community outcomes that define what Aucklanders want to see for their city. These are collectively known as Our Future Auckland community outcomes. The community outcomes are concerned with everything from what the city is like as a place to live, work, do business and get around in, to the types of lifestyle and recreational opportunities people want to be able to enjoy. Aucklanders identified these outcomes through a process that the council facilitated from 2003 to 2005. Every six years, the council is responsible under the Local Government Act 2002 for helping residents identify the outcomes they believe to be important for Auckland city's current and future well-being. This in turn helps to shape the council's long-term vision and priorities. The next review of the community outcomes is due in 2010/2011.

The community outcomes belong to, and are the responsibility of, the whole community, not just any one organisation. Successful collaboration between all community groups and organisations is key to realising Auckland city's collective aspirations.

The 2003 to 2005 process of identifying the community outcomes used surveys, focus groups and meetings with community organisations and interest groups including Maori, central government, community groups, other local authorities, volunteer organisations and business groups.

Through that process, Aucklanders identified 21 outcomes as being important for their city's future. The outcomes can be divided broadly into five areas of well-being: leadership, social, economic, environmental and cultural. Visit http://www.aucklandcity.govt.nz/communityoutcomes for a full description of the community outcomes.
The outcomes and measures are provided in the following tables.

Community outcomes and measures tables

Leadership

Where do we want to be? (community outcome)	Measures
Aucklanders have faith in the future	Aucklanders have a shared vision of the city's development. Residents' views of Auckland as a place to live, work, and enjoy life.
Aucklanders trust in leadership	Residents' views on how Auckland is governed. Residents believe that overall the council's decisions and expenditure are having a positive impact on Auckland.
Aucklanders participate	The level of voter participation in council elections. Residents are satisfied with the way the council involves people in key decisions. Residents know how to take part in decision-making.
Aucklanders work together	Examples of shared commitment to Auckland's future success.

Social well-being

Where do we want to be? (community outcome)	Measures
Auckland is safe	The amount of crime committed and resolved. Residents' views of the safety of our communities.
Auckland has successful neighbourhoods	Residents' views on how successful neighbourhoods are.
Aucklanders have affordable housing options	The amount that people spend on rent or mortgage payments. The percentage of people who own their own home. Residents' views on housing that meets people's needs.

Where do we want to be? (community outcome)	Measures
Aucklanders are healthy	People's life expectancy.
	The number of general practitioners (full-time equivalent per 100,000 people) in Auckland city.
	The percentage of residents who wanted to visit a GP but have not done so in the past 12 months.
	Residents' views on access to social and health services.
	The percentage of children who get meningococcal disease.
	The percentage of people living in crowded houses.
	Residents' views of the health of Aucklanders.
Auckland has strong communities	Children and youth are supported and looked after.
	Disabled people are able to participate in the community.
	Older adults are able to participate in the community.
	Residents' views of the strength of communities.
Aucklanders have opportunities to learn	The percentage of children who go to preschool.
	The rate of children suspended, stood down or excluded from school.
	The percentage of people who leave school without any qualifications.
	The percentage of people with at least a secondary school qualification.
	The amount of industry training people do.

Economic well-being

Where do we want to be? (community outcome)	Measures
Aucklanders have real transport choices	The percentage of people using different types of transport.
	The level of congestion.
	Residents' views on efficient and integrated transport.
	Residents' views on the affordability, convenience, safety and accessibility of public transport.
Aucklanders have the right work skills	Personal income.
	Household income.
	The percentage of the population living in areas characterised by deprivation.
	The percentage of employment opportunities (labour force participation rate, unemployment rate).
	How well the city's economy is growing.
	The level of difficulty of finding labour.
	The percentage of people with at least a secondary school qualification.
	The amount of industry training people do.
Auckland is a great place for business	Growth in the number of businesses.
	How businesses feel about the general business situation.
	The number of New Zealand's top companies that are based in the city.
	Businesses' views on Auckland City Council encouraging businesses.
Auckland has a thriving CBD and dynamic local centres	Office vacancy and employment rates in the CBD.
	The number of visitors staying in the city.
	The amount of spending by visitors to the city.
	The number of events in the city's CBD.
	Residents' views on dynamic local centres.

Environmental well-being

Where do we want to be? (community outcome)	Measures
Auckland is well cared for	The amount of energy we use.
	The amount of rubbish we recycle or throw out.
	Residents' views on how well Aucklanders look after the natural environment.
Auckland is beautiful and clean	The amount of protected conservation land.
	The quality of the air.
	The quality of the beach water.
	Residents' views on Auckland having a beautiful natural environment.
Auckland has a distinct identity	Historically important places are managed and protected.
	Residents' views on how attractive Auckland is.
	Residents' views on Auckland having a distinctive identity.
The Hauraki Gulf and its islands have a unique identity	The quality of the beach water in the Hauraki Gulf islands.
	Residents' views on the unique identity of the gulf's environment.
	Conservation efforts in the Hauraki Gulf.

Cultural well-being

Where do we want to be? (community outcome)	Measures
Auckland is interesting and enjoyable	The percentage of people who play sport or take part in community and recreation activities.
	Residents' views on Auckland being interesting and enjoyable to live in.
Aucklanders welcome diversity	The number of Maori people who speak Maori (te Reo).
	The number of people from other ethnicities that settle in Auckland.
	Residents' views on welcoming diversity.
	The number of people who can speak more than one language including English.
Auckland is creative and vibrant	The percentage of people who actively take part in cultural activities.
	Residents' views on Auckland being creative and vibrant.
	The number of people employed in the creative sector in the city.
	The GDP contribution of Auckland city's creative sector.

Our progress in achieving the outcomes

Auckland City Council works with Maori in a number of ways to achieve the outcomes above. This includes the council's urban design framework which provides guidelines to increase visibility of Maori culture and a sense of place in the built environment.

The council is responsible for monitoring and reporting progress on the community outcomes at least once every three years. By having the progress results every three years, the community knows where Auckland is on its journey to becoming the city its people want to see. The first progress report on the community outcomes was published in 2008. Visit http://www.aucklandcity.govt.nz/communityoutcomes to view the report.

The report tells us where the city has done well and areas where we can do better. There will be a final progress report in 2012, before the community reviews the set of current outcomes to see if they still reflect Aucklanders' views on what is important to them or need to be updated.

Highlights of the report are provided below.

Leadership

Auckland residents generally have a positive view of their city's future.

Most residents consider that Auckland city has reasonably good leadership, and that when it comes to decision-making and expenditure, the council does a good job in most areas.

Community participation in elections and understanding of council processes is low, but most residents want to have more of a say in the council.

Various efforts have been made at a regional and local level to work together for Auckland's progress, including the development of One Plan (a regional vision and plan of action) which will have a significant spin-off effect on Auckland city.

Social well-being

The rate of reported crime increased slightly (by 4 per cent) to 1381 incidents per 10,000 people in 2007. The percentage of resolved crimes increased over the same period.

Auckland residents view their neighbourhoods as being reasonably strong, although their sense of neighbourhood community has declined.

The proportion of net income that Auckland residents spend on housing has risen to 24 per cent, and 42 per cent of all households own their own homes (compared to the national home ownership rate of 55 per cent).

The percentage of Auckland residents reporting their health as good has reached 90 per cent. Life expectancy has increased and the percentage of children with meningococcal disease has fallen markedly.

Auckland residents consistently rate the city moderately well as a place where help is available for people in need and where people feel they belong.

Participation in learning opportunities has increased, with the percentage of people leaving school without qualifications falling, and the percentage of people with post-secondary school qualifications rising.

Economic well-being

Use of public transport in the region, particularly trips made into the CBD, has increased significantly, with 32,000 people travelling to the city during morning peak hours on buses, trains and ferries. Auckland residents rate the efficiency of the city's transport system as slightly below average and less than half believe that public transport is affordable and convenient.

Auckland city's labour force participation rate increased in the three years to June 2008. The annual average unemployment rate to June 2008 increased to 4.6 per cent, still historically low.

Growth in the number of businesses and employees in Auckland city has slowed. General business confidence has declined, with only 34 per cent of businesses feeling that the general business situation was the same or improved compared to the previous three months.

Commercial activity in the CBD remained strong, reflected in low office vacancy rates in the first half of 2008. The number of nights spent by tourists in Auckland city in commercial accommodation grew by over 443,000 in the three years to 2008. More than 300 public events were held in and around the CBD in 2008, contributing to the dynamic life of the city.

Environmental well-being

Auckland residents are recycling more and the amount of waste sent to landfall is just over 200kg per person per year.

Air quality is improving with fewer days exceeding air quality standards, and average beach water quality is well within official guidelines.

There are 87 ecological sites, 43 archaeological heritage sites, and a further 42 buildings and places of special value currently under special protection and management, which contribute to Auckland city's distinct identity. Auckland residents give the city a moderate rating as a place where there is a sense of history.

Various conservation efforts are under way in the Hauraki Gulf, including the restoration of Rangitoto and Motutapu islands to help preserve the gulf's unique identity. Beach water quality around Waiheke Island has improved.

Cultural well-being

Many Auckland residents are participating in the wide range of sporting and recreational opportunities that the city offers. Residents consistently rate the city positively as a place to live, work and enjoy life.

Auckland city is home to an increasing number of people of different cultures, and increasingly more residents are positive about the impact of diversity on their city.

Most Auckland residents take part in arts and cultural events and believe the city has a culturally rich and diverse arts scene. Auckland city's creative sector is strong, with the largest concentration of creative-sector employment in any New Zealand city.

Rates examples

The following table shows the impact of all rates-related changes on sample properties, assuming average valuation increases for each group.

Ratepayer group	Property value	Capital value[1]	Total rates for 2008/2009[2]	Total rates for 2009/2010[3]	Total dollar change from 2008/2009	Percentage change
Residential	Low value	$326,000	$1,059	$1,098	$39 increase	3.7 increase
	High value	$652,000	$1,746	$1,764	$17 increase	1.0 increase
CBD Residential	Low value	$326,000	$1,114	$1,155	$41 increase	3.7 increase
	High value	$652,000	$1,801	$1,821	$19 increase	1.1 increase
Non-residential	Low value	$246,000	$2,041	$2,138	$97 increase	4.8 increase
	High value	$1,144,000	$8,152	$8,382	$230 increase	2.8 increase
CBD non-residential	Low value	$37,000	$687	$7768	$81 increase	11.8 increase
	High value	$348,000	$3,364	$3,612	$248 increase	7.4 increase
Great Barrier Island non-residential	Low value	$152,000	$894	$998	$103 increase	11.5 increase
	High value	$777,000	$3,047	$3,324	$277 increase	9.1 increase
Farming and open space[4]	Low value	$363,000	$992	$1,083	$91 increase	9.2 increase
	High value	$1,624,000	$3,149	$3,342	$193 increase	6.1 increase
Limited access[4]	Low value	$457,000	$353	$454	$101 increase	28.6 increase
	High value	$1,305,000	$707	$832	$125 increase	17.7 increase

Notes to table

1 The rates impacts incorporate changes to capital value following the 2008 citywide property revaluations, and assumes the average valuation increase for each ratepayer group (see the Impacts of the 2008 revaluation section of the Funding impact statement in volume 3).

2 For 2008/2009, the level of the UAGC was $162 per unit, the level of the refuse collection targeted rate was $210 per service, the level of the CBD targeted rate for residential units in the CBD was $55 per unit, and the targeted rate for CBD non-residential properties was set at a rate in the dollar of $0.018440.

3 For 2009/2010, the projected level of the UAGC is $250 per unit, the projected level of the refuse collection targeted rate is $183 per service, the projected level of the CBD targeted rate for residential units in the CBD is $57 per unit, and the projected targeted rate for CBD non-residential properties is a rate in the dollar charge of 0.019331.

4 “Farming and open space”, “limited access”, “remote islands” are currently known as rural 1, rural 2, and rural 3 respectively. The remote islands group is liable for the UAGC only, which is automatically remitted through a specific rates remission policy, and is not shown in this table.

Where to find more information

Auckland City Council's 10-year Plan 2009-2019 is available in the following ways:

- by visiting www.aucklandcity.govt.nz/tenyearplan
- as a printed copy at council libraries or service centres listed here
- by phoning 09 379 2020 to request a copy (large print available).

Internet

www.aucklandcity.govt.nz/tenyearplan

All Auckland City Council libraries provide free access to the council's website.

Customer services

For general enquiries, assistance and information, phone 09 379 2020 any time.

Service centres

Civic Administration Building

1 Greys Avenue

Central city

Graham Street

35 Graham Street

Central city

Waiheke Island

10 Belgium Street

Ostend

Waiheke Island

Great Barrier Island

75 Hector Sanderson Road

Claris

Great Barrier Island

Postal address

Any feedback on the 10-year plan or its process can be sent to:

Democracy adviser

Finance and Strategy Committee

Auckland City Council

Private Bag 92516

Wellesley Street

Auckland 1141

Community libraries

Avondale	93 Rosebank Road, Avondale
Blockhouse Bay	578 Blockhouse Bay Road, Blockhouse Bay
Central City	44-46 Lorne Street, central city
Epsom	195 Manukau Road, Epsom
Glen Innes	108 Line Road, Glen Innes
Grey Lynn	474 Great North Road, Grey Lynn
Leys Institute (Ponsonby)	20 St Marys Road, Ponsonby
Mt Albert	84 St Lukes Road, Mt Albert
Mt Roskill	546 Mt Albert Road, Mt Roskill
Onehunga	85 Church Street, Onehunga
Otahuhu	12-16 High Street, Otahuhu
Panmure	7-13 Pilkington Road, Panmure
Parnell	545 Parnell Road, Parnell
Pt Chevalier	Corner Great North and Pt Chevalier roads, Pt Chevalier
Remuera	429 Remuera Road, Remuera
St Heliers	32 St Heliers Bay Road, St Heliers
Waiheke Island	2 Korora Road, Oneroa

Consultation report

Auckland City Council has made the decisions in this 10-year plan after consulting with the public.

We released Auckland City Council's Draft 10-year Plan 2009-2019 on 17 April 2009 and gave people a month to provide feedback. You responded with 428 submissions on our proposals. As well as the submission process, 926 residents took part in an online survey. The results from this research also assisted the council in the decision-making process for the 10-year plan.

Getting feedback

During the consultation period, we encouraged you to have your say in a variety of ways. An eight-page summary of the draft 10-year plan, containing a submission form for feedback on the issues discussed, was distributed to residents of Auckland city with their edition of *City Scene* on 19 April 2008.

The full plan was available on the council's website and at libraries and service centres, along with submission forms. We randomly selected 10,000 ratepayers from council records, and sent them personal letters from the Mayor Hon. John Banks, highlighting the key topics of the draft 10-year plan and directing them to the various methods of submitting their feedback.

Fourteen consultation meetings were undertaken to promote the draft 10-year plan. These attracted 217 attendees. Six community consultation meetings were held, attended by a councillor and senior council officer and specific stakeholder forums for Ahi Kaa, Tangata Whenua, Pacific Island Advisory Board, the Youth Council and key stakeholders.

City Scene contained regular stories over the one-month submission period, highlighting key issues for feedback and reminders on how to submit feedback. These issues were also raised in regular media releases during the submission period. *City Scene* also contained notices of all associated public meetings.

The Auckland City Council website carried comprehensive and easy to read pages on all aspects of the 10-year plan and a quick and easy online submission form. People could use their address to search for projects happening in their area, download the summary and full draft plans from the website and view a video showing the main issues of the plan in a visual form.

The draft 10-year plan website had approximately 10,000 page visits, the majority being through the project search by address and the ward pages.

Considering submissions

The council received 428 submissions on the draft 10-year plan. These covered a wide range of issues, from transport and rubbish to the CBD and rates.

There were 109 people and organisations that chose to support their written submissions by appearing at oral hearings before councillors between 2 and 4 June.

All submissions can be viewed on request at the Civic Administration Building, 1 Greys Avenue, Auckland (phone 09 379 2020 to make an appointment) and on the council website, www.aucklandcity.govt.nz

How the process worked

- 17 April to 18 May – the draft 10-year plan, along with a summary, was published and available for consultation. Public meetings were held across Auckland.
- 18 May to 9 June – councillors and council officers analysed and considered submissions.
- 2 to 4 June – oral submissions were made to councillors at special public hearings.
- 25 June – councillors met to make their final decisions and adopt the 10-year plan.
- 17 July – the 10-year plan was published online at www.aucklandcity.govt.nz and available in print at council service centres and libraries.

The feedback we received from key stakeholders, submissions and public opinion research showed support for the proposal to keep rates as low as possible, to hold rates to the level of inflation even if it meant cutting some projects, and to retain a herd of elephants at Auckland Zoo. In general submitters and survey respondents did not support the idea of paying extra rates for extra services now or when the economic climate improves, changing the proportion of the uniform annual general charge, or paying a targeted rate for Rugby World Cup 2011.

Significant changes from the draft 10-year plan

In light of the current economic environment and lower prices being obtained by the council for current tenders, we reviewed our assumptions on the inflation factors applied to the capital expenditure programme; and on our base pricing assumptions. This work resulted in a reduction of the level of forecast spend required to deliver the capital programme and a corresponding reduction in the forecasts for a number of the individual projects.

We looked at individual projects, taking into account any other additional information that had since become available. This resulted in rephasing of the spend of some projects over the 10 years of this plan. We also made major changes to the level of investment on two projects by:

- restating the waterfront programme on a gross basis (before external funding). In the draft 10-year plan, the programme was incorrectly disclosed on a net basis. This change increased total capital expenditure by $23.9 million with an offsetting increase to capital revenues of $23.9 million.
- following a review of the condition of the marina piers it became evident there was a need to increase the project's budget by $8.6 million as some of the piers are in a worse condition than originally envisaged. The increase in forecast expenditure occurs in years 2010/2011-2015/2016 of the plan.
- The cost of developing the Art Gallery has increased by $8 million. This is due to Environment Court decisions that will require additional work and new information on heritage and structural requirements.

This means we are spending $3.4 billion on capital projects over the 10-year period of this plan, down from $3.5 billion as disclosed in the draft 10-year plan published in April 2009 for public consultation.

The draft 10-year plan assumed generic efficiency savings targets starting at $4.6 million in 2009/2010 increasing over the 10 years to $27.9 million in 2018/2019. In the final 10-year plan, we have made good progress in identifying where these actual savings can be found and transforming them from a generic saving to an identified saving/efficiency in a specific cost or revenue stream.

We also reviewed the development contribution revenue assumption in the draft 10-year plan and reduced it to more appropriately reflect the current economic climate.

In the draft 10-year plan, Auckland City Council noted it was considering establishing a holding company to govern some of its assets. The council proposed establishing three new council-controlled organisations, which would be subsidiaries of the holding company. The council also proposed, that in principle Westhaven Marina should be operated as a council-controlled organisation, owned by the council holding company.

Immediately before the council adopted this 10-year plan, central government and the Auckland Regional Council reached an agreement to purchase Queens Wharf from Ports of Auckland for $20 million each. This presented the council with a significant opportunity to bring forward the plans for the development of the wharf and a cruise-ship terminal. The draft plan provided for the development of the wharf at the end of the 10-year planning period. The wharf will now be open for public use in time for Rugby World Cup 2011.

Development of Auckland's CBD waterfront is a key aspect of the council's long-term strategic planning, and the location of Queens Wharf between Queen Street and the harbour makes this wharf a key part of this planning. Locating a cruise-ship terminal in the CBD brings huge economic benefits to the region as passengers embark and disembark and the ships are reprovisioned. Queens Wharf provides a unique opportunity to develop a high-quality public facility, leverage the benefits of Rugby World Cup 2011, and provide a legacy for future generations.

The project budget is currently $84 million (in today's dollars) for this project, $35 million of which is already budgeted for in the plan. It is anticipated there will also be a contribution from external sources of around $30 million. Affordable progress is defined as keeping rates at or below the council's rate of inflation. Developing Queens Wharf as public open space and as a terminal provides assets that will benefit the city for decades to come. The development cost will be funded from debt enabling the cost to be borne by future generations, not just the current ratepayers.

The once-in-a-lifetime opportunity we have to develop Queens Wharf and contribute to the Rugby World Cup means the rate increase in 2011/2012 will be greater than council's inflation. The increase in 2012/2013 is forecast to be below inflation as the Rugby World Cup funding is required for one year only.

Over the full 10 years of the plan, our rate increase is in line with inflation (an average inflation rate of 2.62 per cent and an average annual rate increase of 2.68 per cent).

After the draft 10-year plan was finalised, central government released its decision on the future of Auckland local government. Given that we are now in the process of transition to the new Auckland Council, Auckland City Council has decided to reserve its decision to establish a holding company and the new council controlled organisations. In the interim, to provide improved governance and commercial oversight over the marina operations, the council will establish a stand-alone business unit for its Westhaven Marina operations.

Following consultation the council has amended the definition for the farming and open spaces ratepayer group to include all vacant land and residential land greater than 4ha on Waiheke, Great Barrier and Rakino islands, (previously 5ha). The council believes large vacant blocks and bush blocks contribute to the islands open-space character, which the council wishes to retain. By amending the definition, properties of this type are better accommodated in the rating differential policy.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Audit report

Report to the readers of Auckland City Council's Long-Term Council Community Plan for the 10 years commencing 1 July 2009

The Auditor-General is the auditor of Auckland City Council (the City Council). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to report on the Long Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

The use of information contained in this LTCCP

The Government decided to dissolve this City Council and the other existing local authorities that govern the Auckland region (collectively the existing Auckland Councils) after 31 October 2010, and to establish a single unitary authority, the Auckland Council, to govern the entire Auckland region from 1 November 2010. The Local Government (Tamaki Makaurau Reorganisation) Act 2009, enacted in May 2009, provides for the transition to new local government arrangements.

The Auckland Transition Agency (ATA) has been established to facilitate the transition and to enable the Auckland Council to operate on and from its establishment on 1 November 2010. This will involve developing the Auckland Council's structure and operational arrangements and determining how the systems, plans and policies of this City Council and other existing local authorities and local organisations will be linked to, and integrated within, that structure.

Under draft legislation currently before the House, the Local Government Commission (LGC) is to be given the power to determine final boundaries for the Auckland Council.

Section 29 (1) of the Local Government (Tamaki Makaurau Reorganisation) Act 2009 requires existing Auckland Councils to continue to perform their role as local authorities during the transition period.

Although the City Council will be dissolved after 31 October 2010, the LTCCP of the City Council will continue in force beyond that date and is therefore of ongoing relevance to the community it currently governs. After that date the LTCCP of the City Council will be integrated into the new governing structure, subject to the decisions of the ATA and the LGC. For this reason, the LTCCP for the City Council has been developed on a going concern basis.

Opinion

Overall Opinion

In our opinion the LTCCP of the City Council incorporating volumes 1 to 3 dated 25 June 2009 provides a reasonable basis for long-term integrated decision-making by the City Council in the transition period to 31 October 2010, and by the Auckland Council thereafter, and for participation in decision-making by the public and subsequent accountability to the community about the activities of the City Council until 30 October 2010, and the Auckland Council thereafter.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which is set out below.

We also considered the uncertainty regarding future local government arrangements for the Auckland region and the potential impact of this uncertainty on the validity of key assumptions used by the City Council in preparing the LTCCP.

Opinion on specific matters required by the Act

In our view:

- the City Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;
- the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information;
- the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of service provision, reflects good practice for a Council of its size and scale within the context of its environment.

Disclosures of the uncertainty arising from new local government arrangements for the Auckland region

In forming our unqualified opinion, we considered:

- the effect of the requirement that the ATA must confirm the LTCCP before it is implemented; and
- the City Council's disclosures regarding the potential impact of the uncertainty about the new local government arrangements for the Auckland region on key assumptions used by the City Council to prepare the LTCCP.

The Council must obtain confirmation from ATA before implementing the LTCCP

Section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009 requires existing Auckland Councils to get written confirmation from the ATA before implementing certain decisions, including a decision to adopt or amend an LTCCP.

The City Council has decided to adopt the LTCCP before seeking written confirmation from the ATA and had therefore not obtained this confirmation at the time of our opinion. It is uncertain if the ATA will require changes to the LTCCP before confirming the City Council's decision to adopt the LTCCP.

The Council's disclosures about the potential impact of the uncertainty on key assumptions used to prepare the LTCCP

The assumptions used to prepare the LTCCP are based on the cumulative decisions and the best information currently available to the Council.

However, the outcome of the decisions of the ATA, and subsequently the Auckland Council, when developing the Auckland Council's structure and operational arrangements and determining how the systems, plans and policies of this Council and other existing Auckland Councils and local government organisations will be linked to, and integrated within, that structure is uncertain at this stage. It is not currently known to what extent the future decisions of the ATA and the Auckland Council may affect the forecast information within this LTCCP, by giving rise to:

- any additional costs of reorganisation and reorganisation savings;

- the transfer of assets and liabilities into or out of the City Council; and
- the revision of the City Council's existing funding policies.

Also, it is not currently known how the LGC may determine the boundaries for the Auckland Council and the extent to which any boundary changes may affect the forecasts included within this LTCCP.

We consider the disclosures made by the City Council on page 7 of volume 1 and on page 10 of volume 3 regarding the uncertainty about the key assumptions affected by the uncertainty arising from new local government arrangements for the Auckland region to be adequate.

The validity of key assumptions used by the City Council to prepare the LTCCP depends on the future decisions of ATA, the Auckland Council and the LGC, and the LTCCP is subject to change based on these future decisions. It is not practical for us to quantify the potential effect of the resolution of this uncertainty on the forecast information within the LTCCP.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 25 June 2009, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the City Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision making processes;
- the City Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the City Council have been consistently applied in the development of the forecast information;

- the assumptions set out within the LTCCP are based on best information currently available to the City Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the City Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The City Council is responsible for preparing an LTCCP under the Act, by applying the City Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The City Council's responsibilities arise from section 93 of the Act. The Council must get written confirmation from the ATA before implementing the decision to adopt the LTCCP, in accordance with section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

Independence

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the City Council.

Bede Kearney
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Index of key words

Key word	Volume and page number
Activities	v2: 22-188
Affordable housing	V2: 135
Aotea Square project	v1: 13; v2: 29
Assets	v2: 189-244
Auckland governance	v1: 9, v3:10
Auckland Airport shares	v1:29; v3: 103
Avondale and Otahuhu swimming pools	v1: 22
Borrowings	v1: 30; 34; v3: 38
CBD projects	v1:39; v2: 29, 256
Central Connector	v2: 169
Chamberlain Park	v2: 216
Changes from 2006-2016 long-term plan	v1: 20-27
Charitable receipts	v1: 9; v2: 92; v3: 34
Community facilities	v2: 125, 135, 208
Community outcomes	v1: 74-81
Council rate of inflation	v1: 8, 28; v3: 6, 57, 110
Council structure	v1: 66-68
Cycleways	v1: 56; v2: 157, 229
Debt (see borrowings)	
Development contributions	v1: 29; v3: 62
Dogs	v3: 164, 167
Eden Park	v1: 44; v2: 254
Elephant herd	v1:42; v2: 34, 50
Emissions trading scheme	v3: 8
Fees and charges	v1: 29; v3: 64, 164
Fire fighting water supply	v2: 131, 133; v3: 35
Flood alleviation	v2: 70, 89, 234
Footpaths	v1: 59; v2: 169, 240
Funding sources	v3: 43, 110
Galway recycling facility	v2: 116
Graffiti	v1: 55; v2: 149, 150
Great Barrier Island walkway	v1: 18; v2: 229
Heritage books	v2: 145, 219
Holding company	v1: 29; v3: 106

Key word	Volume and page number
Leisure facilities	v2: 215
Maori participation	v1: 69; v3: 184
Marinas	v1: 29; v2: 59, 222, 256; v3: 106
Marine Events Centre	v1: 44, 48; v2: 256
Metrowater	v2: 89, 247-252
New Zealand Innovation Centre	v1: 41; v2: 17, 30
Pah Homestead	v1: 24; v2: 111
Parks	v2: 109, 225
Petrol tax	v3: 9
Q Theatre	v1: 13; v2: 41
Rates	v1: 28; v2:11 v3: 7, 43, 110
Recreation centres	v2: 63, 215
Roads	v1: 59; v2: 24, 169
Rugby World Cup 2011	v1: 6, 28, 44; v2: 254; v3: 125
Savings	v1: 6, 86; v3: 8
Sports parks	v2: 110
Strategies	v1: 39-64; v2: 17-188
Surplus	v1: 34; v3: 14, 34, 125
Swimming pools	v1: 22; v2: 64, 215
Te Wao Nui	v1: 27; v2: 51, 201
Te Wero Bridge	v 1: 13; v2: 256
The Edge®	v2: 41, 237
Vector Arena	v1: 42; v2: 56
Vision	v1: 36
Volcanic cones	v1: 52; v2: 110, 229
Waiheke library	v1: 55; v2: 145
Wards – what is happening in your area	v1: 14
Waterfront programme	v1: 48; v2: 256
Wesley Youth Space	v2: 136
Western Springs	v2: 65
Westhaven Marina	v1: 29; v2: 59, 256; v3: 106
Wharves	v1: 23; v2: 240
Wynyard Quarter	v1: 48; v2: 256

Auckland City Council's 10-year Plan 2009-2019

Volume 2: Our strategies and activities

Find out more: phone 09 379 2020 or visit www.aucklandcity.govt.nz

AUCKLAND City Council

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About this plan

This 10-year plan prioritises projects that will help achieve future goals for the city.

Under the Local Government Act 2002, Auckland City Council, like all other councils, must produce a 10-year plan every three years showing what the council does and how it will work towards achieving what the community wants for the future. These are called community outcomes (see the appendices in volume 1 for more information).

Auckland City Council's 10-year Plan 2009-2019 is our third 10-year plan and it is published in three volumes.

What's in each volume

There are three volumes:

- Volume 1: Our vision and strategic direction
- Volume 2: Our strategies and activities
- Volume 3: Policies and statements.

The 10-year plan is available at www.aucklandcity.govt.nz/tenyearplan or see page 83 of volume 1 for how to obtain a printed copy.

As a requirement of the Local Government Act 2002, this document has been audited. Audit New Zealand's audit report can be found in the appendices to volume 1. The financial figures found in the text of volumes 1, 2 and 3 and any projections included in the document have been inflated using the inflation indicators as detailed under the Significant assumptions section in volume 3.

Volume 1: Our vision and strategic direction

This volume outlines our vision and strategic direction for the city. It explains where we are heading and the key initiatives we could undertake in the next 10 years to help us achieve our vision. It describes how we are keeping our promise on balancing the importance of affordable rates with delivering the essential progress needed for the city to grow and prosper. This plan has been put together in very uncertain economic times with a deepening global recession and a change in Auckland's governance structure. It will be revised over time as economic conditions alter and regional governance is implemented.

Volume 2: Our strategies and activities

In volume 2 you'll find detailed information on what Auckland City Council does and how it plans to contribute to achieving community outcomes. These details are given under each of the council's seven strategies. Here you can read about our plans for the next 10 years, how much we expect them to cost and how we'll measure our progress. This volume includes information on how we'll finance planned capital and operating expenditure.

Volume 3: Policies and statements

Volume 3 includes assumptions, financial statements and financial and funding policies. These policies are required for us to run an efficient organisation that is prudent in its financial management and transparent in what it does. The Local Government Act 2002 also requires us to have them. We have amended some of these policies, such as revenue and finance, treasury management, development contributions, and our policy on significance to bring them up-to-date.

Contents

Finding your way around 4

Part 1: Our strategies and activities 7

Strategy overview 8
The seven strategies 8
Where your rates will be invested 11
Financial overview 12
Economic development strategy 17
Community outcomes 18
How things will look different 19
Financial overview 20
Activities 22
Activity: Auckland-Manukau Eastern Transport Initiative 23
Activity: economic growth and development 28
Lifestyle choices strategy 34
Community outcomes 35
How things will look different 36
Financial overview 37
Activities 39
Activity: arts and cultural facilities and programmes 40
Activity: Auckland Art Gallery Toi o Tamaki 45
Activity: Auckland Zoo 50
Activity: events 55
Activity: marinas 59
Activity: recreation 63
Quality built environment strategy 68
Community outcomes 69
How things will look different 70
Financial overview 71
Activities 73
Activity: city planning 74
Activity: Development with Vision 78
Activity: land and property-related information 82
Activity: management of development 85
Activity: stormwater network management 89
Activity: urban growth strategy and management 93
Quality natural environment strategy 96
Community outcomes 97
How things will look different 98
Financial overview 99
Activities 101
Activity: closed landfills management 102
Activity: environmental policy and planning 106
Activity: parks 109
Activity: recycling services 115
Activity: stormwater quality enhancement 119
Activity: utilities advocacy 122
Strong and healthy communities strategy 125
Community outcomes 126
How things will look different 127
Financial overview 128
Activities 130
Activity: civil defence and emergency management 131
Activity: community services 135
Activity: environmental health and licensing 140
Activity: libraries 144
Activity: street environment and town centres 149
Activity: waste management 153
Transport choices strategy 157
Community outcomes 158
How things will look different 159
Financial overview 160
Activities 162
Activity: parking 163
Activity: transport infrastructure 168
Efficient, capable and user-friendly council strategy 174
Community outcomes 175
Financial overview 176
Activities 178
Activity: efficient and capable council 180
Activity: representation 185

Part 2: Assets **189**

Assets overview 190
Financial overview 195
Auckland Art Gallery Toi o Tamaki 198
Auckland Zoo 201
Closed landfills 204
Community facilities 208
Information technology 212
Leisure facilities 215
Libraries 219
Marinas 222
Open spaces 225
Property 231
Stormwater 234
The Edge® 237
Transport 240

Part 3: Council-controlled organisation **245**

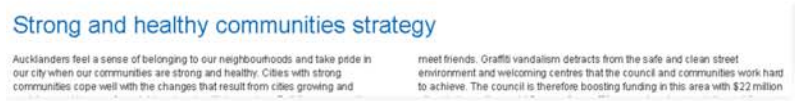
Council-controlled organisation 246
Activity: Metrowater 247
Assets: Metrowater 250

Appendices **253**

Projects related to Rugby World Cup 2011 254
Projects related to the CBD waterfront programme 256

Finding your way around

Part 1: Our strategies and activities


Strong and healthy communities strategy

Aucklanders feel a sense of belonging to our neighbourhoods and take pride in our city when our communities are strong and healthy. Cities with strong communities cope well with the changes that result from cities growing and

meet friends. Graffiti vandalism detracts from the safe and clean street environment and welcoming centres that the council and communities work hard to achieve. The council is therefore boosting funding in this area with $22 million

Strategy

An overview of each strategy and its strategic objectives.

Outlines the activities the council carries out to achieve the objectives, and the more significant projects and initiatives for the next 10 years.

Community outcomes

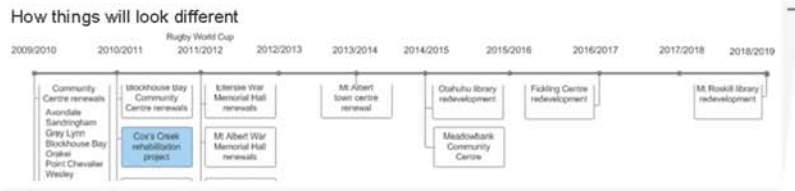
Aucklanders have identified 21 outcomes as being important for their city's future. Community outcomes belong to the whole city and their success depends on the efforts of the council, government organisations, iwi, community groups, private businesses and individuals working together. See the appendices to volume 1 for more detail on the community outcomes. Below is a summary of how the strong and healthy communities strategy is helping to achieve some of the community outcomes.

Community outcome	Council's role and contribution	Relevant council activities
Auckland is well cared for	The council provides attractive, well-maintained street environments that are free of litter and graffiti, and make our towns and neighbourhoods	Street environment and town centres

Community outcomes

Explains how the activities of each strategy contribute to the community outcomes that make up Our Future Auckland.

The full set of 21 outcomes and measures are detailed in the appendices in volume 1.


How things will look different

2009/2010 2010/2011 2011/2012 2012/2013 2013/2014 2014/2015 2015/2016 2016/2017 2017/2018 2018/2019

Rugby World Cup

Community Centre renewals
Avondale Sandringham Grey Lynn Blockhouse Bay Orakei Point Chevalier Wesley

Blockhouse Bay Community Centre renewals

Cox's Creek rehabilitation project

Ellerslie War Memorial Hall renewals

Mt Albert War Memorial Hall renewals

Mt Albert town centre renewal

Otahuhu library redevelopment

Meadowbank Community Centre

Fickling Centre redevelopment

Mt Roskill library redevelopment

How things will look different

The council is committed to achieving its vision of Auckland as First City of the Pacific. Over the next 10 years, we will be carrying out many operating initiatives and capital projects to move us towards that vision. This timeline outlines the more significant contributions from the strategy towards the vision.

Further details of the projects appear in the Key projects and Assets sections.

Financial overview

Funding day-to-day activities

Operating expenditure on

Civil defence and emergency management
Community services
Environmental health and licensing
Libraries
Street environment and

Operating expenditure funded by

Direct user charges
General rates/(contribution to other activities)
Grants and subsidies
Other operational

Investing in assets

Capital expenditure on

Community services
Libraries
Street environment an town centres
Waste management

Capital expenditure funded by

Borrowings and working capital
Depreciation
Development contributions

Financial overview

Shows the operating expenditure and capital investment for each year for the activities that make up the strategy and the sources of funding for each. Detailed Activity financial disclosures are in the Financial information section.

Activities

This section provides key information and the linkage between the activities and strategic objectives, performance measures and assets.

Activities

This section provides more detail on the services or groups of activities that the council is involved in which contribute to the strong and healthy communities strategy. These activities describe the difference we are making in people's lives every day as well as the significant projects we deliver which help us make progress towards achieving our vision for Auckland to be First City of the Pacific.

The strong and healthy communities (SHC) strategy has five objectives:

Objective	Abbreviated reference[1]	Ref.
Foster connected communities	Connected communities	SHC1
Foster a sense of pride and belonging	Pride and belonging	SHC2
Make places for people	Places for people	SHC3
Support safe communities	Safe communities	SHC4
Support healthy communities	Healthy communities	SHC5

Note to table
1 This abbreviated reference is used in the tables under each activity.

There are six groups of activities which contribute to strong and healthy communities:

- civil defence and emergency management
- community services
- environmental health and licensing
- libraries
- street environment and town centres
- waste management.

Activity: street environment and town centres

Attractive, well-maintained streets are crucial within a large cit
not only cater for pedestrians and vehicles, but have an impo
public open spaces. Similarly, town centres often serve as ne
with distinctive characters and features that communities can

The council is responsible for maintaining streets and town ce
isthmus and Hauraki Gulf islands to provide open spaces that
community's needs, and services that keep the city's streets s
clean. The focus is on creating pedestrian-friendly environme
each centre's distinctive identity and heritage.

The street services provided include looking after 113 public
grass verges, collecting litter and emptying public bins, tendin
maintaining public toilets, installing street furniture, and maint

Street environment and town centres at a glance

Street environment and town centre activities provide two main services:

- caring for the street environment
- developing the street environment and town centres.

Benefits

- Well-cared-for streets and town centres create more opportunities for integrating work and leisure.
- Clean roads prevent pollutants from being discharged into our waterways.
- Town centres support events, recreation and activity.
- Town centres generate pride and a sense of place and belonging.

This activity contributes to the following strategic objectives:

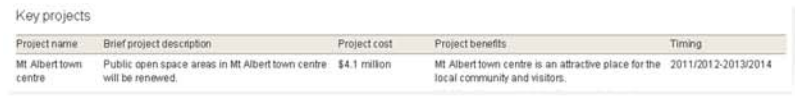
Connected communities	Pride and belonging	Places for people	Safe communities	Healthy communities
SHC1	SHC2	SHC3	SHC4	SHC5
✓	✓	✓	✓	✓

Activity at a glance

A stand-alone high-level summary for those who do not wish to delve into the detail. Provides quick facts on the services provided, benefits delivered to the community and how the activity contributes to the strategic objectives.

Activity

An in depth explanation for the reader interested in what the council plans to do, why we are doing it and what will be delivered. Based around the services provided within the activity, this builds on and adds to the information provided in the Strategy overview.



Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Mt Albert town centre	Public open space areas in Mt Albert town centre will be renewed.	$4.1 million	Mt Albert town centre is an attractive place for the local community and visitors.	2011/2012-2013/2014

Key projects

The major capital projects planned to deliver the services and benefits of the activity. The Assets section in part 2 of this volume, provides the full detail of planned capital projects.

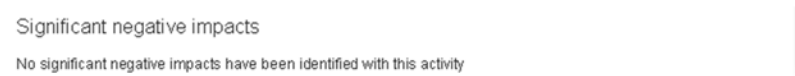
Measures: how the council checks progress toward achieving its objectives for street environment and town centres

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
SHC1	Percentage of residents satisfied with the cleanliness of their local town centre	New measure	85	90	88	86

Measures

The measures show how the council will assess and monitor delivery of the outcomes of the activity. Each measure links to one or more of the strategic objectives.

At a more detailed operational level, further levels of service are in the Assets section.



Significant negative impacts

No significant negative impacts have been identified with this activity

Significant negative impacts

This section identifies any significant negative impacts associated with an activity.

Financial information

Funding day-to-day activities

Funding for the council's street environment and town centres activities comes mainly from the general rates, with some funding from subsidies as cleaning and maintaining the city's streets and town centres is one of the council's core activities which benefits the community as a whole. The council also receives some funding from other operational revenue.

Operating expenditure on

Street environment development

Operating expenditure funded by

General

Capital expenditur

Street environment and town centres

Capital expenditure funded by

Borrowings and working capital

Depreciation

Financial information

Shows the gross operating expenditure for each service within the activity and funding for the total cost. The capital investment table discloses the sources of funding for the capital projects. These are a more detailed disclosure of the higher-level figures in the strategy financial overview.

Part 2: Assets

The opening sections describe the assets covered by the asset management plan and how we manage the assets with particular emphasis on future demand and growth, and renewals and maintenance.

Levels of service measures

These complete our set of four levels of performance measures, (community outcomes, strategies, activities and assets).

The asset measures of service can be one of two types. The first focuses on service delivery from the asset to the customer. The second are measures relating to technical aspects of the assets.

Investing in the future

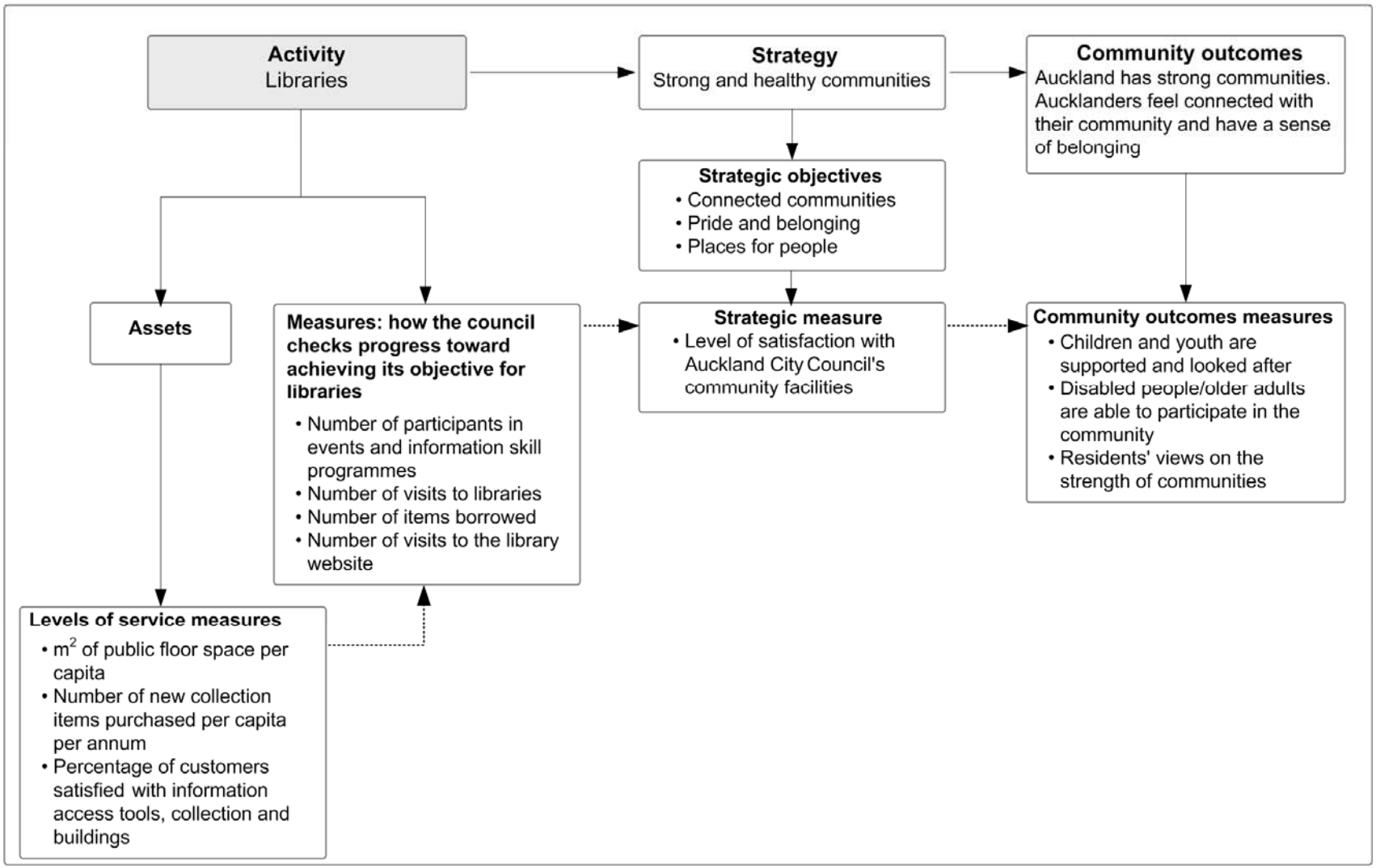
This is the most detailed information on projects the council will carry out over the next 10 years in relation to the class of assets. The capital investment is in three parts:

- investment in new assets to provide for increased demand and growth of the city
- investment to improve the level of service provided to customers
- renewal of existing assets as they reach the end of their economic life.

The cost of maintaining the assets, and operating cost, are also disclosed.

How activities, strategies and community outcomes relate to each other

(The following table uses the libraries activity as an example.)



Part 1

Our strategies and activities

Strategy overview	8
Financial overview	12
Economic development strategy	17
Lifestyle choices strategy	34
Quality built environment strategy	68
Quality natural environment strategy	96
Strong and healthy communities strategy	125
Transport choices strategy	157
Efficient, capable and user-friendly council strategy	174

Strategy overview

The seven strategies

In this plan, we present a range of projects and initiatives to help us achieve our vision of Auckland as First City of the Pacific, while still keeping rates affordable.

Any investment by the council that is planned for the city must contribute to one of the council's seven strategies. Each strategy contains objectives and priorities to guide the best use of resources over the next 10 years. These build on our current strengths and will help to create a city that will stand us in good stead for the future.

The strategies are not aligned to specific Auckland City Council functions. Instead, they help us to ensure that we work across the organisation to achieve our desired results.

The council will review these strategies each year and monitor our success against the identified measures to make sure that we are on track and making good progress. See part 2 of volume 1 for more detail on these measures.

The seven strategies are summarised below.

Economic development strategy

We will continue to make sure we create an environment and infrastructure that enables economic growth, and delivers jobs and an improved standard of living.

The economic development strategy has three objectives: a globally and nationally connected economy; skilled, adaptable and educated people; and productive, dedicated business areas linked to a strong CBD hub.

Under this strategy we will focus on how we influence a range of initiatives. These include the development of key business locations, improvements to the city's infrastructure, revitalisation of the Tamaki area, and the development of relationships with our tertiary institutions, which will enable the city to benefit from opportunities for the commercialisation of research. We will invest in the CBD to achieve a more exciting and dynamic city centre.

Lifestyle choices strategy

We will continue to ensure that Auckland is a dynamic, exciting and distinctive city, and encourage and provide recreational, arts, sports and cultural activities, including world-class programmes and events.

The lifestyle choices strategy has four objectives: celebrate and value who we are; a wide range of recreation and leisure opportunities; the CBD is the centre of street life, arts, culture and entertainment; and enhance Auckland as a unique arts, culture, sports and events destination in Australasia.

Under this strategy we will develop and expand our art gallery, build the new Q Theatre, create a major new exhibit at the zoo, and lead the Auckland region's planning for Rugby World Cup 2011. We will also continue to run free local and community events each year and to provide a range of recreation and leisure options through the facilities and venues we own and operate across the city.

Quality built environment strategy

We will continue to manage our city's growth to ensure high-quality urban development design that retains our city's character and heritage, to create vibrant neighbourhoods and to invest in a world-class central business district and waterfront.

The quality built environment strategy has five objectives: achieve a more sustainable urban built environment; raise the design quality of buildings, spaces and developments; support a built environment that is responsive to the Auckland character; develop a world-class mixed-use CBD and waterfront; and foster the further development of vibrant centres and successful neighbourhoods.

Under this strategy we will continue to open up the waterfront to provide more quality open space for you to enjoy. We will give priority to investment in our stormwater networks to reduce sewage overflows and protect flood-prone areas. We will consult with you on the district plan, our main regulatory tool for managing long-term growth and development in the city. Our focus on best practice urban design will continue through initiatives such as our urban design panel.

Quality natural environment strategy

We will continue to work to protect and improve the quality of our unique landscape, ecology and biodiversity, so we can enjoy a clean, healthy and sustainable city with world-class volcanoes, beaches and parks.

The quality natural environment strategy has five objectives: protect and celebrate our unique landscapes and features; enhance and sustain our natural environment and ecology for the future; link people to the waterfront, coast and parks; enhance the quality of our land and water; and protect and celebrate the unique natural environment of the Hauraki Gulf islands.

Under this strategy we will provide more parks and reserves for you to enjoy, and give you improved access around the Auckland city coastline. We will work to reduce the quantity of solid waste sent to landfills and invest in remediation of closed landfills. Through enhancements to stormwater treatment, we will enhance the quality of our land and water. We will consult with you on the Hauraki Gulf islands' district plan and how we will balance the islands' unique features with reasonable access.

Strong and healthy communities strategy

We will continue to provide safe communities, places and events for Aucklanders to have fun and learn.

The strong and healthy communities strategy has five objectives: foster connected communities; foster a sense of pride and belonging; make places for people; support safe communities; and support healthy communities.

Under this strategy we will focus on our town centres and provide opportunities for neighbours to come together. We will target specific sectors of the community to strengthen their feeling of belonging. We will renew and redevelop community centres and halls across the city as appropriate and invest in preventative public education programmes to reduce graffiti vandalism. There will be redevelopments at some libraries and collections will be refreshed. Safety will remain a key priority through initiatives such as the Safer Auckland City programme.

Transport choices strategy

We will continue to provide transport choices that result in a connected city, in particular a sustainable transport network that makes it convenient for business, enables people to get around safely and efficiently, and minimises negative effects on the environment.

The strategy has five objectives: an efficient transport network that provides sustainable travel choices; a safe and secure transport system; transport provision that enhances quality of life and reduces adverse impacts on the built and natural environment; transport investment that provides a catalyst for economic growth; and an integrated approach to transport planning, delivery and operation.

Under this strategy we will continue our work with a number of agencies to advocate for the best transport solutions for Aucklanders. We will improve areas of safety concern and develop further school safety initiatives. We will upgrade existing roads and improve the quality of footpaths. Cycleways and walkways will provide more options for getting around. Our management of parking will keep traffic flowing and provide safe and convenient parking options.

Efficient, capable and user-friendly council strategy

We will work to ensure that you have confidence in our leadership, experience quality customer service, and receive value for money in the services that the council delivers to Auckland.

The strategy has six objectives which relate to our customers and constituents, our partners, our organisation, our culture, our leadership and our staff.

Under this strategy we will be focusing on delivering a more effective service to residents and ratepayers. We will improve the commercial performance of the organisation. There will be a focus on our capability to deliver significant projects and provide day-to-day services. We will provide a consistently high standard of service through having the right systems and processes in place. We will continue to strengthen partnerships with iwi, Pacific peoples and other regional stakeholders.

Where your rates will be invested

The rates that you pay over the next 10 years will be invested proportionally in each strategy as shown in the pie chart.

Part 1 of this volume is divided into seven sections, one for each strategy.

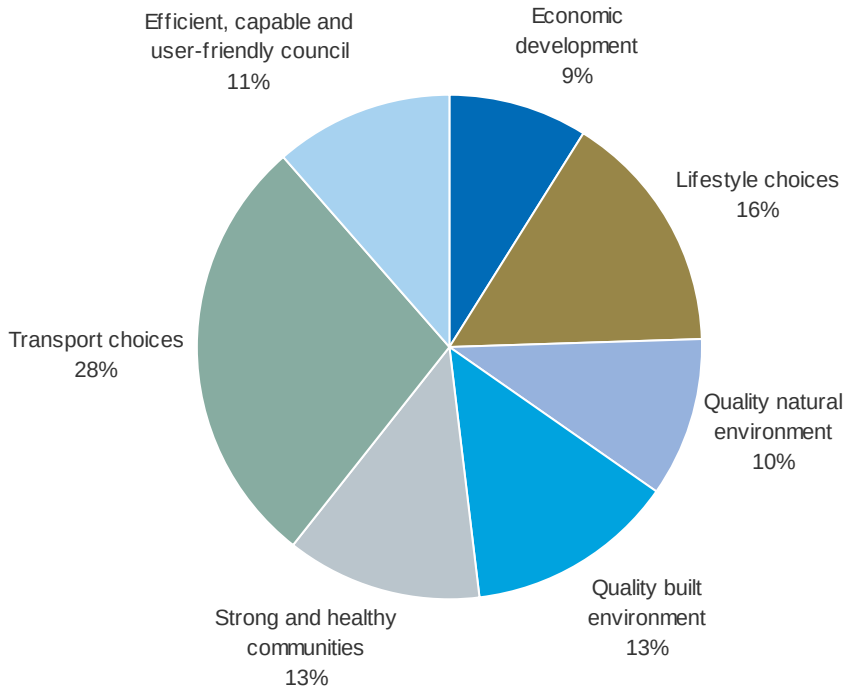
Each strategy section provides an overview of the strategy including the main strategy objectives, demonstrates how the strategy contributes to community outcomes, identifies on a timeline how things will look in 10 years as a result of the proposed investment under this strategy, and provides financial details of capital and operational expenditure.

The individual council activities that contribute to the delivery of this strategy then follow.

Each activity section provides an overview, including the benefits to the community of that activity and the council's rationale for involvement, the specific strategy objectives that the activity is focused on, key projects, how we measure our performance, and detailed financial information.

The council has promised to balance the importance of keeping rates affordable with delivering the essential progress needed for the city to grow and prosper. This means keeping the average increase in rates at or below the council's rate of inflation. (See volume 1 for further details). For 2009/2010, we have set an average increase in rates of 2 per cent. This excludes the impact of the CBD and Mainstreet targeted rates. In 2011/2012, the rate increase will be greater than the council's rate of inflation to fund significant projects around the development of Queens Wharf and the city's costs hosting Rugby World Cup 2011. From 2012/2013, rate increases are projected to be lower than the council's rate of inflation. Over the 10 years, rates increases average 2.68 per cent including the cost of developing Queens Wharf and hosting Rugby World Cup 2011, against inflation of 2.62 per cent.

Rates investment



*Total expenditure 2009/2010

Financial overview

Funding day-to-day activities

Operating expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Economic development	22,066	20,459	24,935	29,343	28,448	28,612	24,856	26,377	28,272	28,698	28,920
Lifestyle choices	97,888	101,027	114,308	131,910	113,538	118,434	122,756	127,464	132,371	137,698	141,814
Quality built environment	91,671	86,084	88,975	95,916	98,315	103,374	106,909	113,429	118,674	123,291	128,073
Quality natural environment	59,215	61,687	66,457	69,532	74,597	77,488	79,279	82,807	87,260	87,827	89,440
Strong and healthy communities	130,622	121,642	126,007	129,735	139,854	142,533	152,492	154,089	166,865	168,355	178,068
Transport choices	162,809	156,071	164,217	173,461	187,055	198,126	206,782	219,040	229,772	238,590	252,432
Efficient, capable and user-friendly council	49,857	72,179	71,595	81,122	85,571	90,006	94,272	97,803	103,851	108,302	112,608
	614,128	**619,148**	**656,494**	**711,020**	**727,378**	**758,572**	**787,346**	**821,009**	**867,064**	**892,761**	**931,355**
Less depreciation	137,384	141,134	145,707	168,259	179,447	189,079	198,818	207,980	216,253	224,490	231,298
Gross operating expenditure less depreciation	**476,744**	**478,014**	**510,787**	**542,761**	**547,931**	**569,493**	**588,528**	**613,029**	**650,811**	**668,270**	**700,057**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
Direct user charges	75,202	68,038	70,447	72,707	75,190	77,666	80,341	83,532	87,113	90,961	95,173
General rates/(contribution to other activities)	227,272	233,252	247,696	250,417	246,463	248,655	254,539	270,762	290,392	298,456	308,086
Grants and subsidies	15,155	17,345	19,220	24,552	18,435	19,168	19,849	20,597	21,294	22,019	24,036
Other operational revenue	25,992	25,129	30,790	39,783	45,413	58,609	62,223	64,060	66,884	68,361	70,750
Other revenue	27,875	32,920	35,245	37,301	40,176	43,477	47,048	50,821	53,147	56,400	60,241
Penalties and fines	24,727	22,559	23,697	24,468	25,826	26,643	27,612	29,073	30,618	32,320	34,130
Petrol tax and royalties	3,225	3,569	3,469	3,369	3,269	3,169	3,169	3,069	3,069	2,969	2,869
Recoveries	431	298	299	300	300	301	301	302	303	304	304
Rental	26,351	27,252	27,444	27,764	28,678	29,733	28,588	29,537	30,523	31,540	32,616
Sponsorship	1,280	1,288	1,335	1,255	1,407	1,444	1,481	1,521	1,562	1,604	1,649
Targeted rates	49,232	45,005	46,239	62,399	60,017	61,956	61,059	62,059	63,602	65,768	67,771
Working capital	0	1,359	4,905	(1,554)	2,756	(1,329)	2,310	(2,304)	2,304	(2,431)	2,431
	476,744	**478,014**	**510,787**	**542,761**	**547,931**	**569,493**	**588,523**	**613,029**	**650,811**	**668,270**	**700,057**
Prospective statement of comprehensive income											
Total operating expenses	590,259	590,224	608,915	647,374	658,837	688,351	714,579	748,116	792,961	816,549	854,271
Finance costs	23,869	28,924	47,579	63,645	68,540	70,221	72,766	72,894	74,104	76,212	77,084
	614,128	**619,148**	**656,494**	**711,020**	**727,378**	**758,572**	**787,346**	**821,009**	**867,064**	**892,761**	**931,355**
Less depreciation	137,384	141,134	145,707	168,259	179,447	189,079	198,818	207,980	216,253	224,490	231,298
Gross operating expenditure less depreciation	476,744	478,014	510,787	542,761	547,931	569,493	588,528	613,029	650,811	668,270	700,057

Investing in assets

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Economic development	46,052	76,452	129,186	43,327	44,900	38,628	39,626	40,691	41,785	42,900	44,072
Lifestyle choices	68,728	70,713	61,485	28,158	26,601	25,176	22,244	27,172	31,603	21,237	20,904
Quality built environment	30,986	28,696	39,484	38,335	35,342	36,260	37,201	38,204	39,234	40,291	41,418
Quality natural environment	40,217	82,290	83,000	27,607	38,052	31,414	21,525	49,799	45,864	45,160	31,894
Strong and healthy communities	17,445	16,436	14,370	13,062	16,963	20,518	18,324	15,027	14,821	18,412	19,034
Transport choices	161,643	152,371	123,220	110,843	116,382	119,143	131,440	137,791	99,175	102,715	105,226
Efficient, capable and user-friendly council	44,281	54,224	54,316	37,201	22,971	26,803	26,474	28,423	21,695	32,904	44,295
	409,352	**481,183**	**505,062**	**298,534**	**301,212**	**297,942**	**296,834**	**337,107**	**294,176**	**303,620**	**306,844**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure funded by											
Borrowings and working capital	129,262	186,652	267,178	43,545	14,927	(20,175)	(50,523)	(15,207)	(45,758)	(52,210)	(79,206)
Charitable receipts	23,496	10,500	0	0	0	0	0	0	0	0	0
Depreciation and fees and charges	137,927	141,134	145,707	168,259	179,447	189,079	198,818	207,980	216,253	224,490	231,298
Development contributions	39,295	16,803	19,997	22,980	27,098	33,936	46,108	56,175	64,041	73,022	83,290
General rates/(contribution to other activities)	3,246	8,984	6,075	902	9,198	15,569	18,601	13,560	6,518	10,635	16,881
Grants and subsidies	69,606	110,966	57,751	55,138	61,922	71,154	72,508	62,228	53,097	47,663	54,567
Targeted rates	6,520	6,144	8,355	7,710	8,620	8,379	11,322	12,369	25	20	15
	409,352	**481,183**	**505,062**	**298,534**	**301,212**	**297,942**	**296,834**	**337,107**	**294,176**	**303,620**	**306,844**
Prudent financial management											
Capital investment	**409,352**	**481,183**	**505,062**	**298,534**	**301,212**	**297,942**	**296,834**	**337,107**	**294,176**	**303,620**	**306,844**

For more information on Prudent financial management see volume 3.

General rates reconciliation

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
General rates funding											
Operating expenditure	227,272	233,252	247,696	250,417	246,463	248,655	254,539	270,762	290,392	298,456	308,086
Capital expenditure	3,246	8,984	6,075	902	9,198	15,569	18,601	13,560	6,518	10,635	16,881
Depreciation and fees and charges	137,382	141,134	145,707	168,259	179,447	189,079	198,818	207,980	216,253	224,490	231,298
	367,900	**383,370**	**399,478**	**419,578**	**435,107**	**453,303**	**471,959**	**492,302**	**513,163**	**533,581**	**556,264**
General rates/(contribution to other activities) revenue as per Note 3											
Value based	341,555	341,278	347,944	361,502	367,837	378,400	389,113	400,581	412,107	422,915	435,016
Uniform charge	27,660	43,355	53,037	59,843	69,383	77,382	85,746	95,087	104,841	115,016	126,230
Penalties, discounts and remissions	(1,313)	(1,263)	(1,503)	(1,767)	(2,113)	(2,479)	(2,895)	(3,366)	(3,786)	(4,350)	(4,982)
	367,902	**383,370**	**399,478**	**419,578**	**435,107**	**453,303**	**471,964**	**492,302**	**513,162**	**533,581**	**556,264**

Economic development strategy

Globally competitive cities are successful in attracting business, investment, tourism and skilled people. These cities have high levels of employment, greater productivity and higher wages, which improve the standard of living for residents and, in turn, improve the quality of life the city offers and its ability to attract and retain skilled people.

The economic development strategy has three objectives: a globally and nationally connected economy; skilled, adaptable and educated people; and productive, dedicated business areas linked to a strong CBD hub.

Auckland City Council plays a leading role in facilitating growing an economy that delivers jobs, higher incomes and an improved standard of living for Aucklanders. The council is focused on fostering growth in our key economic sectors. This involves a variety of initiatives, including working in partnerships with industry organisations and sponsoring business events. These initiatives attract further investment in the sectors and create more sustainable business growth.

To help raise our international profile, we will continue to develop economic initiatives with our international partnerships around the world.

The council influences the development of key business locations by planning appropriate infrastructure and amenities to attract new businesses, resulting in greater concentrations of businesses in those areas. Growth in business activity is important for our economic future. As part of the Rosebank 2030 business precinct plan, the council will invest in infrastructure and work with businesses to improve the attractiveness of the Rosebank area for business development. We are investing $74 million in various parts of the CBD to upgrade streets and retail areas to create a more exciting and dynamic city centre, including the redevelopment of Aotea and St Patrick's squares.

Opening Queens Wharf for public use and the construction of a cruise-ship terminal will leverage the economic benefits to the city from tourism. A high-quality facility and Auckland's status as a cruise-ship hub will result in visitors staying longer in the region, the raising of our international profile, and the flow-on effects to our tourism, retail and business sectors. Completing this development before Rugby World Cup 2011 leverages further benefits from the thousands of visitors expected. The council expects external sources to contribute around $30 million towards the currently budgeted $84 million wharf development.

The council is actively involved in working with other parties on projects to improve the city's infrastructure, such as the Auckland-Manukau Eastern Transport Initiative. Our planned capital investment for this project ($381 million for the period of the 10-year plan) will support the substantial investment the council has already made in Panmure town centre and catalyse revitalising the Tamaki area.

This revitalisation includes development work that the council has already started on the New Zealand Innovation Centre (NZIC), a science and technology park located near The University of Auckland's Tamaki campus. We have identified land worth more than $20 million that may be contributed to this joint facility being developed by the council, the university and the Ministry of Economic Development. The NZIC will provide greater job opportunities in industries requiring high skill levels and will foster a more innovative environment that attracts business and investment.

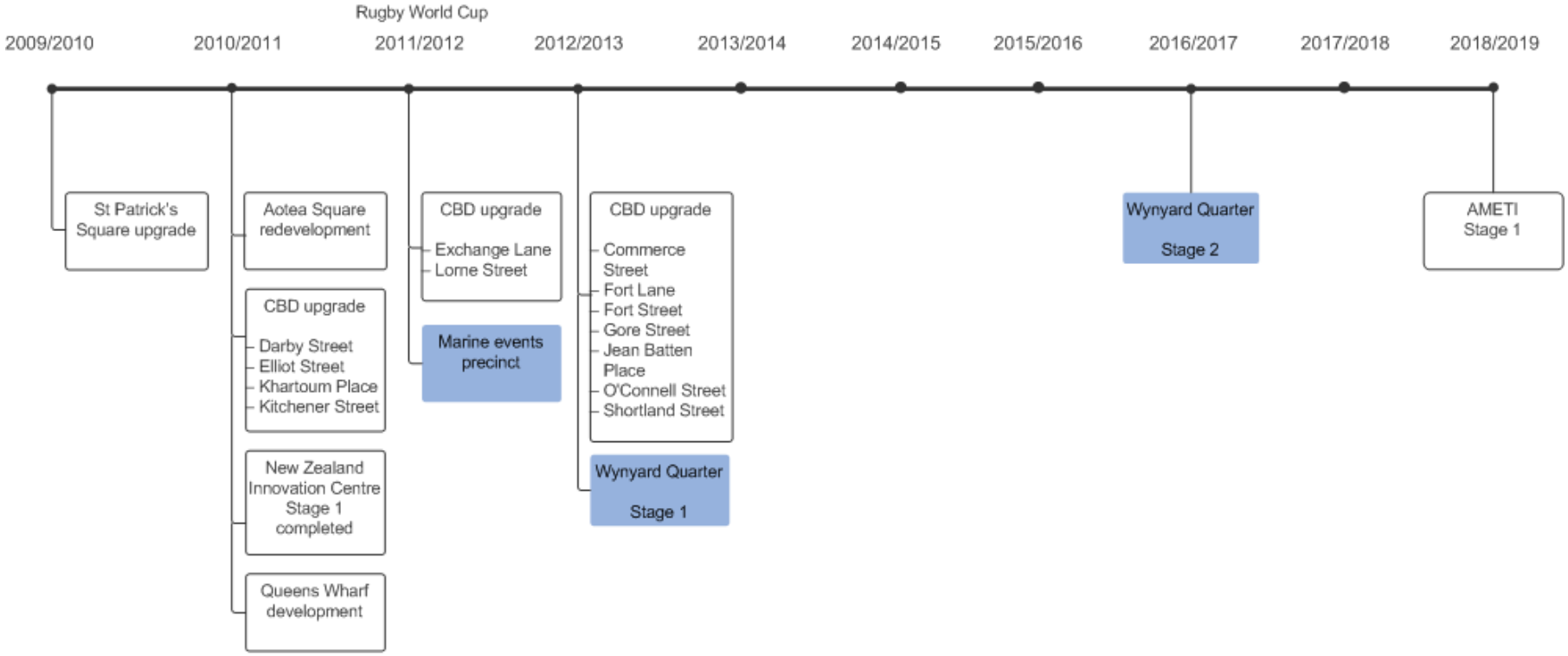
Auckland city's tertiary institutions are part of our competitive edge and play a fundamental role in the city's economic future. The council works with these institutions in a number of ways, including the Learning Quarter project which aims to maximise the benefits of New Zealand's leading tertiary institutes being located in Auckland's CBD. Our capital investment of around $0.8 million in the Learning Quarter will, among other things, enable the city to benefit from opportunities for the commercialisation of research.

Community outcomes

Aucklanders have identified 21 outcomes as being important for their city's future. Community outcomes belong to the whole city and their success depends on the efforts of the council, government organisations, iwi, community groups, private businesses and individuals working together. See the appendices to volume 1 for more detail on the community outcomes. Below is a summary of how the economic development strategy is helping to achieve some of the community outcomes.

Community outcome	Council's role and contribution	Relevant council activities
Aucklanders have faith in the future	The council puts in place the infrastructure and fosters the skills, networks, innovation and export capacity needed to ensure that Auckland remains a globally competitive city in which to live, work and do business.	Economic growth and development AMETI
Aucklanders work together	The council works closely with business associations and the private sector, as well as other government bodies, to ensure the city's growth and investment needs are factored into long-term planning for the city.	Economic growth and development
Auckland is a great place for business	The council develops international partnerships with other cities to promote Auckland city's global connectivity and networks, and ensures the city has the right mix of infrastructure, facilities and lifestyle opportunities that make it an attractive business environment.	Economic growth and development AMETI
Auckland has a thriving CBD and dynamic local centres	The council helps develop the city into an attractive commercial centre by supporting local business through the Mainstreet programme which fosters economic development in 16 town centres and one business development area. It also builds local infrastructure and efficient transport connections between the port, airport and CBD.	Economic growth and development
Aucklanders have the right work skills	The council enhances education and research facilities in the city, such as the Learning Quarter, which is a partnership between the council, The Auckland University and AUT University. The quarter is expected to become a world-class centre of education, research and commercialisation in the CBD.	Economic growth and development

How things will look different



The project benefits can contribute to one or more strategies. The projects highlighted are delivered by:

Quality natural environment strategy

Financial overview

Funding day-to-day activities

Operating expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
AMETI	3,863	1,806	2,582	3,532	3,545	3,283	3,165	3,133	3,149	3,261	3,219
Economic growth and development	18,204	18,653	22,353	25,811	24,902	25,329	21,691	23,244	25,123	25,437	25,701
	22,066	**20,459**	**24,935**	**29,343**	**28,448**	**28,612**	**24,856**	**26,377**	**28,272**	**28,698**	**28,920**
Less depreciation	10	1	0	4,368	4,482	4,598	4,718	4,845	4,976	5,111	5,254
Gross operating expenditure less depreciation	**22,057**	**20,458**	**24,935**	**24,975**	**23,966**	**24,013**	**20,138**	**21,531**	**23,296**	**23,587**	**23,666**
Operating expenditure funded by											
General rates/(contribution to other activities)	12,403	7,837	12,134	11,214	9,746	9,934	8,741	10,926	12,933	13,177	13,313
Grants and subsidies	0	147	242	270	432	485	562	455	538	522	398
Targeted rates	9,653	12,474	12,559	13,491	13,788	13,595	10,835	10,151	9,824	9,888	9,955
	22,057	**20,458**	**24,935**	**24,975**	**23,966**	**24,013**	**20,138**	**21,531**	**23,296**	**23,587**	**23,666**

Investing in assets

Investment is required to renew assets in order to maintain current service levels; and to acquire new assets to provide for growth and increased demand.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
AMETI	33,750	34,260	30,084	30,835	37,657	38,628	39,626	40,691	41,785	42,900	44,072
Economic growth and development	12,302	42,192	99,102	12,493	7,244	0	0	0	0	0	0
	46,052	**76,452**	**129,186**	**43,327**	**44,900**	**38,628**	**39,626**	**40,691**	**41,785**	**42,900**	**44,072**
Capital expenditure funded by											
Borrowings and working capital	30,349	34,291	109,506	13,670	1,988	(11,722)	(16,489)	(8,019)	1,987	4,137	(2,616)
Depreciation	10	1	0	4,368	4,482	4,598	4,718	4,845	4,976	5,111	5,254
Development contributions	6,305	2,388	2,946	3,472	4,095	6,165	9,371	11,220	12,684	14,348	16,242
General rates/(contribution to other activities)	370	934	1,614	77	366	103	0	605	268	574	269
Grants and subsidies	2,500	32,698	6,819	14,083	25,444	31,198	30,798	19,763	21,939	18,804	25,002
Targeted rates	6,520	6,140	8,302	7,657	8,526	8,286	11,228	12,276	(69)	(74)	(78)
	46,052	**76,452**	**129,186**	**43,327**	**44,900**	**38,628**	**39,626**	**40,691**	**41,785**	**42,900**	**44,072**

Activities

This section provides more detail on the services or groups of activities that the council is involved in, which contribute to the economic development strategy. These activities describe the difference we are making in people's lives every day, as well as the significant projects we deliver which help us make progress towards achieving our vision for Auckland to be First City of the Pacific.

The economic development strategy (ED) has three objectives:

Objective	Abbreviated reference[1]	Ref.
A globally and nationally connected economy	Connected economy	ED1
Skilled, adaptable and educated people	Skilled people	ED2
Productive, dedicated business areas linked to a strong CBD hub	Business areas	ED3

Note to table

1 This abbreviated reference is used in the tables under each activity.

There are two groups of activities which contribute to economic development:

- AMETI
- economic growth and development.

Each activity includes the following information:

- activity overview (including the rationale for the council's involvement)
- benefits to the community from this activity
- key projects
- measures
- significant negative impacts of this activity (if any)
- financial information.

Assets contributing towards the delivery of services

Auckland City Council has a large investment in assets to deliver services to its community. More than $45 million is invested to support the economic development strategy and a further $542 million of investment is planned through to 2019.

Planning for replacement and new assets is carried out in 13 asset management plans, two of which relate to economic development: open spaces and transport. For more information about the assets associated with this strategy, see the asset information in part 2 of this volume.

Some assets or groups of assets contribute to more than one strategy. For example, the AMETI project is being undertaken to unlock economic potential in the Tamaki region. The capital expenditure therefore appears under the economic development strategy. When the road and transport assets are constructed they will form part of the city's transport network under the transport choices strategy.

Measuring progress

The council reviews progress towards its objectives in a number of ways. Measures which check progress on delivering day-to-day services are listed under each activity. Measures which outline the levels of service for each of the council's major groups of assets are listed under each asset group later in this volume.

Activity: Auckland-Manukau Eastern Transport Initiative

The Auckland-Manukau Eastern Transport Initiative (AMETI) is a project of regional significance for Auckland, with completion expected in 2031. Encompassing a package of transport infrastructure initiatives, AMETI will improve access between Auckland's eastern suburbs and Manukau, and help cater for the significant future growth that is expected in these areas. It will open up access to key industrial areas and, with the removal of the Panmure roundabout, provide opportunities for redevelopment of the Panmure town centre. It will promote sustainable transport choices through increasing and improving options for passenger transport, cycling and walking.

By improving access for freight and people, AMETI will open up areas for growth and economic development, making the city's business and industry sectors more productive and competitive at an international level, and enhancing Auckland's credentials as an attractive base for conducting business. It will create a people and business-friendly transport system that connects different types of transport and links key locations such as Tamaki, the East Tamaki industrial area, Sylvia Park, Mt Wellington and Auckland CBD.

As a key partner in AMETI, along with Manukau City Council and the Auckland Regional Transport Authority (ARTA), Auckland City Council is responsible for coordinating the project and for providing the transport infrastructure for the portion of the route that falls within the city boundaries. Through its involvement, the council can ensure that any infrastructure developments are well-designed and sustainable, offering improved public transport, cycle and walking facilities that contribute to our long-term strategies and vision for Auckland.

Stage one of AMETI ($381 million of capital investment) will be largely completed during the period covered by this 10-year plan, and will focus on the components in Auckland city. It includes establishing funding for the project, protecting routes for future development, and creating a new north-south street link connecting Mt Wellington Highway to Merton Road.

AMETI at a glance

Benefits

- Growth and economic development enabled through increased access to and from the eastern suburbs of the city and better connections with Manukau city.
- Significant increases in passenger transport, cycling and walking opportunities, and improved accessibility for freight and business trips.
- Provision of safe transport choices with improved urban design.
- Reduced travel time and improved trip reliability from new passenger transport infrastructure.

This activity contributes to the following strategic objectives:

Connected economy	Skilled people	Business areas
ED1	ED2	ED3
		✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Land acquisition	To deliver new infrastructure new land is required. Land acquisition will be sought along existing routes and along new routes in the Panmure and Tamaki areas to protect and build new streets, bus lanes, cycle and walking facilities.	$122.7 million (excludes 2008/2009 budget of $5.2 million)	The land purchased for AMETI will be used to implement the planned transport infrastructure. Any surplus land will be resold.	2009/2010-2018/2019
Panmure phase of AMETI	Planning, design and construction of the AMETI project around Panmure town centre and the innovation centre outside. This provides for: • a new north south street link connecting Mt Wellington Highway to Merton Road (by 2019) • removal of the Panmure roundabout (by 2016) • implementation of bus lanes on Ellerslie Panmure Highway and Lagoon Drive (by 2016) • implementation of cycle and walking improvements on Panmure Bridge (by 2016).	$231.6 million	The Panmure phase of AMETI will provide a greater choice of transport options for residents, workers and commuters in the Panmure area. AMETI will provide a safer and improved pedestrian environment around Panmure town centre and remove significant traffic numbers from the existing Panmure roundabout. AMETI will provide for greater reliability of bus services in the area by providing dedicated bus lanes. AMETI will provide for safer and improved pedestrian and cycle facilities across the Tamaki River. AMETI will improve accessibility to the innovation precinct and other economic development areas in the eastern suburbs.	2009/2010-2018/2019
Arterial roading	Planning, design and construction of the AMETI project along the arterials in the Eastern suburbs (which are not included in the Panmure Phase).	$26.3 million	AMETI will protect the land required for future transport infrastructure from development. AMETI will deliver transport infrastructure that provides greater transport choice and improved accessibility in the eastern suburbs.	2009/2010-2018/2019

Measures: how the council checks progress toward achieving its objectives for AMETI

No measures have been identified for this activity.

For levels of service measures refer to the transport asset information in part 2 of volume 2.

Significant negative impacts

- Changes will be made to the existing street network to accommodate greater transport choices such as installing bus lanes, removing roundabouts and installing traffic lights. This will have an impact on the community during construction due to the need for traffic management. Altered road layouts during the term of the project will affect road users, lengthening their journey times.
- New street links will be provided that will change the current land use and have the associated impacts of a street.
- These issues identified above will be addressed during the planning and implementation of AMETI.

Financial information

Funding day-to-day activities

Auckland City Council is only responsible for a portion of the costs of the AMETI project, with the balance funded by its partners and central government. The operational expenditure is funded from general rates and some subsidies received from the NZ Transport Agency. It is appropriate to fund by general rates as the entire city will benefit from the greater economic opportunities and transport choices that will be delivered.

Operating expenditure

The operating expenditure for this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
AMETI	3,863	1,806	2,582	3,532	3,545	3,283	3,165	3,133	3,149	3,261	3,219
	3,863	**1,806**	**2,582**	**3,532**	**3,545**	**3,283**	**3,165**	**3,133**	**3,149**	**3,261**	**3,219**
Less depreciation	0	0	0	0	0	0	0	0	0	0	0
Gross operating expenditure less depreciation	**3,863**	**1,806**	**2,582**	**3,532**	**3,545**	**3,283**	**3,165**	**3,133**	**3,149**	**3,261**	**3,219**
Operating expenditure funded by											
General rates/(contribution to other activities)	3,863	1,659	2,340	3,263	3,114	2,798	2,603	2,678	2,610	2,739	2,820
Grants and subsidies	0	147	242	270	432	485	562	455	538	522	398
	3,863	**1,806**	**2,582**	**3,532**	**3,545**	**3,283**	**3,165**	**3,133**	**3,149**	**3,261**	**3,219**

Investing in assets

Capital investment for the council's AMETI activities will be funded from a range of sources including from the NZ Transport Agency subsidy. The capital investment for the council's new assets or works for AMETI that caters for population growth is funded from development contributions, after taking into account NZ Transport Agency subsidies. The remaining capital investment for new assets or works for transport infrastructure will be funded by borrowings, general rates and from NZ Transport Agency subsidies, as this project will provide long-term economic benefits for all of the city. Renewals will be funded from the general rates as well-maintained assets benefit the city.

The AMETI project is expected to continue until 2031. It has a total cost planned after 2019 of $465.1 million (uninflated) of which $117.2 million relates to growth. The development contribution charges are designed to collect the cost of growth incurred from 2007/2008 through to 2030/2031.

Auckland City Council's share of the cost will initially be funded from borrowings, some of which may be repaid by tolls or other road-pricing mechanisms.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
AMETI	33,750	34,260	30,084	30,835	37,657	38,628	39,626	40,691	41,785	42,900	44,072
	33,750	**34,260**	**30,084**	**30,835**	**37,657**	**38,628**	**39,626**	**40,691**	**41,785**	**42,900**	**44,072**
Capital expenditure funded by											
Borrowings and working capital	24,645	28,400	20,024	13,223	7,752	1,162	(542)	9,103	6,897	9,178	2,567
Development contributions	6,305	2,388	2,946	3,472	4,095	6,165	9,371	11,220	12,684	14,348	16,242
General rates/(contribution to other activities)	300	774	295	57	366	103	0	605	265	570	262
Grants and subsidies	2,500	2,698	6,819	14,083	25,444	31,198	30,798	19,763	21,939	18,804	25,002
	33,750	**34,260**	**30,084**	**30,835**	**37,657**	**38,628**	**39,626**	**40,691**	**41,785**	**42,900**	**44,072**

Activity: economic growth and development

Auckland already has an international reputation as a great place to live, work and do business. Auckland City Council's economic growth and development activities focus on fostering this reputation and facilitating development of the infrastructure, skills, networks, business innovation and export capacity needed to ensure that the city remains globally competitive.

The council's economic growth and development activities target many areas. At a strategic level the council seeks to catalyse economic growth in the city. Working in partnership with central government and the private sector, the council provides policy analysis and advice on initiatives to attract business and investment, and to grow the city's economy.

The council influences the development of key business locations by planning appropriate infrastructure and amenities to attract new businesses. The first stage of the New Zealand Innovation Centre is due to be completed in 2010/2011. This science and technology park will provide innovative companies with the opportunity to be located in a high-quality business environment.

Internationally, the council extends and strengthens the city's reputation with our international partnerships and other global connections. The council has eight international partner cities with which it exchanges business development, best practice, tourism, education and cultural programmes.

The council funds and administers the Mainstreet programme, working with local business associations to foster development and investment in 16 town centres and one business development community around the city.

Auckland City Council is the principal funder of Tourism Auckland – Auckland's regional destination management and marketing agency. Through the agency, the council supports a range of marketing, information and convention services to ensure that Auckland city is known about and visited, nationally and internationally. The council supports regional funding of Tourism Auckland, as its activities benefit the entire region.

The council also promotes and plans upgrades and other initiatives in the CBD. We have recently started work to redevelop Aotea Square and upgrade St Patrick's Square, which will provide quality spaces in the city for people to enjoy, and additional venues for events and festivals. Over the first four years of the plan we will be upgrading a further 13 streets in the CBD. Opening up Queens Wharf and constructing the cruise-ship terminal will provide significant economic benefits for Auckland.

Auckland city's tertiary institutions, located in the CBD, play a fundamental role in the city's economic future. In 2009/2010 our Learning Quarter programme will be working on ways to enable the city to benefit from the opportunities provided including the commercialisation of research.

The council provides these services and initiatives because it is responsible for leading Auckland city and is in a unique position to represent and champion all of its interests.

Economic growth and development at a glance

Economic growth and development provides four main services:

- supporting the city's economic development
- administering the Mainstreet programme
- providing funding for Tourism Auckland
- improving the city's CBD.

Benefits

- Globally competitive businesses, investment and skilled people are attracted to Auckland city.
- The council's relationship with business is enhanced.
- Auckland's reputation as a world-class city is strengthened through a strong national and international profile.
- Increased tourism stimulates the local economy.

This activity contributes to the following strategic objectives:

Connected economy	Skilled people	Business areas
ED1	ED2	ED3
✓	✓	✓

Key projects

See the appendices to volume 2 for details on planned investment in the waterfront programme projects.

Project name	Brief project description	Project cost	Project benefits	Timing
Aotea Square redevelopment	The redevelopment will restore the square to its former status as the city's leading public open space and events venue. The project also includes repairing and strengthening the Civic car park roof – see Transport choices ($16.1 million in 2008/2009 and $29.5 million in 2009/2010-2010/2011), and alterations to the front of the Aotea Centre – see Lifestyle choices ($1.9 million in 2008/2009 and $8.2 million in 2009/2010-2010/2011).	$22.3 million (excludes 2008/2009 budget of $2.9 million; excludes Civic car park roof replacement budget and Aotea Centre alterations budget)	The redevelopment will increase recreation options by providing a major venue for everyday activities for Aucklanders and visitors to enjoy. It will enable the hosting of major big screen events, music concerts and cultural festivals.	2009/2010-2010/2011
Learning Quarter	AUT University, The University of Auckland and Auckland City Council have formed a partnership to develop a plan to guide the social, economic, cultural and physical development of the area around the universities. The initiative will provide significant potential for the partners to work together to leverage the economic and social opportunities provided by the two universities, including the commercialisation of research.	$0.8 million	The project will result in a world-class centre for education, research and commercial development, attracting students, researchers and businesses to base their work here. Greater economic and social opportunities will be available due to the stimulus of education, cultural, research and business experience.	2009/2010
St Patrick's Square	St Patrick's Square in the CBD is being upgraded.	$1.1 million (The total project cost is $8.9 million, of which $7.8 million has been incurred to date)	The upgrade will provide a world-standard square where people can enjoy a tranquil space in the city.	2009/2010
CBD upgrades	Upgrades to a range of streets in the central city.	$51.1 million	The upgrades will provide more quality spaces in the city for people to enjoy.	2009/2010-2012/2013

Project name	Brief project description	Project cost	Project benefits	Timing
New Zealand Innovation Centre [1]	Auckland City Council is working with central government, industry, universities and research institutions to establish an internationally recognised national science and technology park adjacent to Tamaki's research-led campus. The New Zealand Innovation Centre (NZIC) will provide innovative companies with the opportunity to be located in a high-quality business environment, with improved access to research providers, technical equipment and business development services. Up to 100 businesses could be on site by 2015.	The council has identified land valued at more than $20 million. Central government has indicated support for the first stage of the project to a value of $25 million.	The NZIC will provide greater job opportunities in industries requiring high skill levels. It will foster a more innovative environment that attracts business and investment and generates economic growth. The centre will act as a catalyst for developing the surrounding business area.	The New Zealand Innovation Centre will be a staged initiative. The first stage of the project is due to be completed in 2010/2011. Further stages will be developed over the following few years.

Note to table

1 This project is subject to further approval processes.

Measures: how the council checks progress toward achieving its objectives for economic growth and development

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
ED1 ED2 ED3	Growth in the number of businesses in key sectors, eg, creative industries, ITC, financial services, advanced business services.	New measure	The annual average percentage growth in the number of businesses in key sectors in Auckland city exceeds the annual average percentage growth in the number of businesses in key sectors across the Auckland region.			
ED1 ED3	Growth in the number of businesses in key business areas, eg, CBD, Tamaki, Rosebank, Newmarket, Penrose.	New measure	The annual average percentage growth in the number of businesses in key business areas in Auckland city exceeds the annual average percentage growth in the number of businesses across the city.			
ED1 ED2	Number of successful investments facilitated by Auckland City Council	2	3	4	5	6

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
ED1	Number of business opportunities facilitated with our partner cities each year	New measure	10	12	14	16
	Capital investment attracted to Auckland city as a result of a successful investment project facilitated by Auckland City Council	$10 million	$12 million	$15 million	$19 million	$24 million
	Jobs attracted to or safeguarded in Auckland city as a result of a successful investment project facilitated by Auckland City Council	20	40	70	100	130

For further levels of service measures refer to the open spaces and transport assets information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

Auckland City Council's economic growth and development activities are funded through a combination of general and targeted rates. The council's work to support economic development within the city, including its international relations services, is largely funded from the general rate – except for a small portion which is funded from the CBD targeted rate. The council's grant to Tourism Auckland is also funded from the general rate. The general rate is an appropriate way to fund these activities as they benefit Auckland as a whole. The council's Mainstreet programme is funded through the Mainstreet targeted rate, which is levied on businesses within the city's 16 town centres and one business development community, as they gain a direct benefit from these activities. The higher amenity and economic initiatives in the CBD are funded from the CBD targeted rate, which is levied on residential and business properties located in the CBD, as they receive a greater benefit than other ratepayers.

Operating expenditure

The operating expenditure for each of the four services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Develop the central business district	4,344	5,011	8,191	7,710	6,665	6,106	1,988	2,414	3,229	2,999	2,762
Grant to Tourism Auckland	1,806	1,729	1,772	1,816	1,864	1,912	1,962	2,015	2,069	2,125	2,185
Mainstreet programme	7,087	7,119	7,249	7,299	7,422	7,609	7,772	7,972	8,166	8,351	8,521
Support of economic development	4,967	4,794	5,142	8,985	8,952	9,701	9,969	10,843	11,659	11,962	12,234
	18,204	**18,653**	**22,353**	**25,811**	**24,902**	**25,329**	**21,691**	**23,244**	**25,123**	**25,437**	**25,701**
Less depreciation	10	1	0	4,368	4,482	4,598	4,718	4,845	4,976	5,111	5,254
Gross operating expenditure less depreciation	**18,194**	**18,652**	**22,353**	**21,443**	**20,420**	**20,731**	**16,973**	**18,398**	**20,147**	**20,326**	**20,448**
Operating expenditure funded by											
General rates/(contribution to other activities)	8,541	6,177	9,795	7,951	6,632	7,136	6,138	8,247	10,323	10,438	10,492
Targeted rates	9,653	12,474	12,559	13,491	13,788	13,595	10,835	10,151	9,824	9,888	9,955
	18,194	**18,652**	**22,353**	**21,443**	**20,420**	**20,731**	**16,973**	**18,398**	**20,147**	**20,326**	**20,448**

Investing in assets

Capital investment in the council's economic growth and development activities which improve and provide greater amenities in the CBD will be partly funded from the CBD targeted rate as CBD ratepayers gain a greater benefit. The remaining capital investment for new assets for economic growth and development activities will be funded by borrowings and general rates as they provide long-term benefits for the city.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Economic growth and development	12,302	42,192	99,102	12,493	7,244	0	0	0	0	0	0
	12,302	**42,192**	**99,102**	**12,493**	**7,244**	**0**	**0**	**0**	**0**	**0**	**0**
Capital expenditure funded by											
Borrowings and working capital	5,704	5,890	89,482	447	(5,764)	(12,884)	(15,946)	(17,121)	(4,910)	(5,041)	(5,183)
Depreciation	10	1	0	4,368	4,482	4,598	4,718	4,845	4,976	5,111	5,254
General rates/(contribution to other activities)	70	160	1,319	21	0	0	0	0	3	4	7
Grants and subsidies	0	30,000	0	0	0	0	0	0	0	0	0
Targeted rates	6,520	6,140	8,302	7,657	8,526	8,286	11,228	12,276	(69)	(74)	(78)
	12,302	**42,192**	**99,102**	**12,493**	**7,244**	**0**	**0**	**0**	**0**	**0**	**(0)**

Lifestyle choices strategy

Lifestyle choices available in Auckland enable residents and visitors to make the most of our exciting, sophisticated and vibrant city. Whether living in Auckland, working here or just visiting, we all have opportunities to experience its unique character, liveliness and the huge range of recreation and leisure choices that are available to us.

The lifestyle choices strategy has four objectives: celebrate and value who we are; a wide range of recreation and leisure opportunities; the CBD is the centre of street life, arts, culture and entertainment; and enhance Auckland as a unique arts, culture, sports and events destination in Australasia.

The council provides a number of activities and facilities that attract visitors to the city and enhance lifestyle choices for residents and visitors. These include the Auckland Art Gallery, Auckland Zoo, marinas and recreation facilities. The council organises more than 60 free community events and sponsors or invests in up to 30 more. These events attract close to 1.5 million Aucklanders each year, and include Pasifika Festival, Air NZ Fashion Week and Coca-Cola Christmas in the Park. The council led the development of the Vector Arena by providing the principal funding. This venue helps to attract major international events to Auckland.

Our focus over the next 10 years will be to ensure we make Auckland an even more attractive place to live, visit and work. We have placed a high priority on projects and initiatives that will help create a city and lifestyle Aucklanders can be proud of, that will attract more people to the city and that will contribute to the city's economic prosperity. Development and expansion of our art gallery is a good example of our priority projects, as is the new Q Theatre, which will fill a gap in the city's current performing arts venues. Te Wao Nui, a major new exhibit at the zoo, will enable visitors to experience New Zealand's animals and landscapes in a unique way. The council also wishes to maintain a herd of elephants at Auckland Zoo in the future. Provision has been made in 2009/2010 to work on the best way to attract the required external funding from public and private sources.

We will have more opportunity to celebrate and value who we are as Aucklanders, by participating in a wide range of arts, cultural, recreation, sporting and leisure activities, and by attending world-class events hosted in Auckland such as Rugby World Cup 2011. Our investment in Rugby World Cup 2011 will result in long-term lifestyle benefits from upgrades to public space and related infrastructure. Auckland will be better positioned to host more rugby and other events on this scale and of this calibre.

We will renew and refurbish the Auckland Town Hall and the Aotea Centre, preserving their status as the region's premier convention, performing arts and entertainment facilities. The Aotea Square redevelopment (see Economic development strategy) will restore the square to its former status as the city's leading public open space and events venue. There will be room for everyday activity such as busking, family picnics and various forms of recreation.

Our planned upgrades to public space and support of both major and community events mean that the city will be a more enjoyable and inspiring place to spend time in. The CBD and waterfront area will come together as the centre of street life, arts, culture and entertainment, acting as a key attraction for locals and visitors alike.

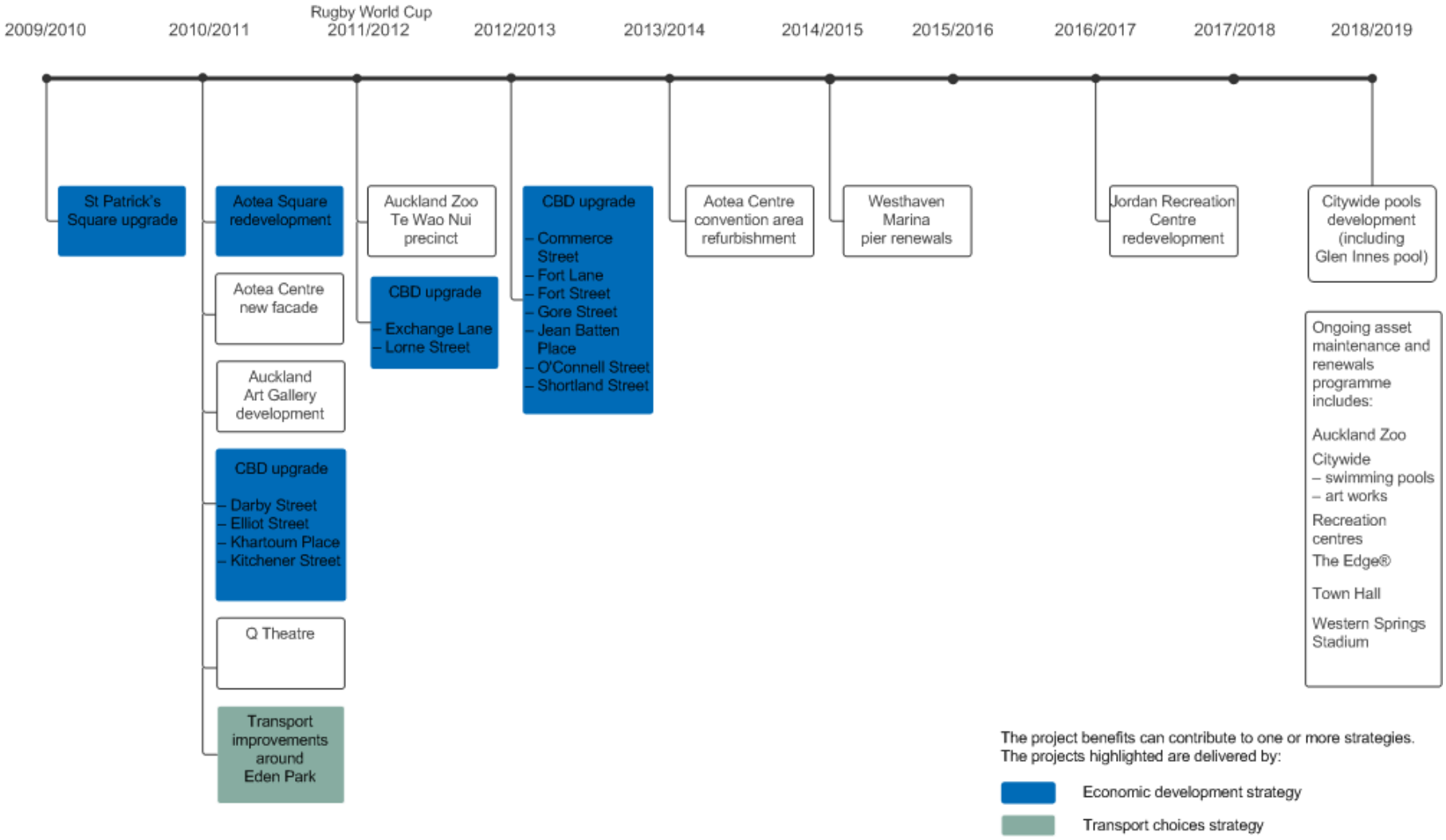
Auckland's continued population growth, increasing cultural diversity and changing lifestyles provide challenges for existing services and facilities. The amount of leisure time people have, and the way they choose to use it, may affect the types of facilities we provide, the range of recreation and leisure options we offer, and the events we support. In some cases we will need to provide additional facilities to meet growing demand. The council currently owns and operates nine swimming pools and 11 recreation centres, and makes many other buildings available for sports clubs to lease. In addition we are investing $21 million over the next 10 years to partner with and/or give grants to organisations to provide recreation facilities. This will not only increase the number and range of facilities available but also provide a more diverse range of activities for our changing communities.

Community outcomes

Aucklanders have identified 21 outcomes as being important for their city's future. Community outcomes belong to the whole city and their success depends on the efforts of the council, government organisations, iwi, community groups, private businesses and individuals working together. Please refer to the appendices in volume 1 for more detail on the community outcomes. Below is a summary of how the lifestyle choices strategy is helping to achieve some of the community outcomes.

Community outcome	Council's role and contribution	Relevant council activities
Auckland is interesting and enjoyable	The council provides or supports quality attractions such as the Auckland Zoo, Auckland Art Gallery, two museums, and a diverse range of cultural and free local community events, as well as attracting international world-class events to Auckland.	Events Auckland Art Gallery Auckland Zoo Recreation
Auckland is creative and vibrant	The council supports the local arts scene through Artstation, a council-owned community arts centre, and supports the performing arts sector through both funding and providing performing art venues such as Auckland Town Hall, The Civic theatre and Aotea Centre.	Arts and cultural facilities and programmes
Aucklanders are healthy	The council provides a variety of leisure and recreation opportunities through an extensive network of swimming pools, recreational sport and club facilities, and supports physical activity programmes such as AkActive.	Recreation Marinas
Aucklanders welcome diversity	The council supports and hosts a range of events, which celebrate Auckland's diverse communities, including Diwali, Pasifika, Chinese Lantern Festival and the annual soccer tournament at the Auckland International Cultural Festival.	Events
Auckland has a thriving CBD and dynamic local centres	The council provides an extensive calendar of events for Aucklanders to enjoy throughout the year, and stimulating arts and cultural experiences at The Edge® and Auckland Art Gallery that attract locals and visitors alike.	Auckland Art Gallery Arts and cultural facilities and programmes Events

How things will look different



Financial overview

Funding day-to-day activities

Operating expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Arts and cultural facilities and programmes	43,567	45,664	48,473	48,811	50,744	53,188	55,381	57,720	60,006	62,182	64,306
Auckland Art Gallery	12,646	9,005	11,407	13,580	13,854	14,110	14,393	14,623	14,976	15,351	15,648
Auckland Zoo	12,971	13,382	14,094	15,603	16,130	16,671	17,186	17,597	18,105	18,631	18,968
Events	11,523	15,545	22,731	35,579	12,855	13,301	13,608	13,945	14,386	14,819	15,162
Marinas	4,642	4,363	4,758	5,312	5,742	6,087	6,319	6,442	6,516	7,109	7,072
Recreation	12,540	13,067	12,845	13,026	14,213	15,077	15,868	17,137	18,382	19,607	20,657
	97,888	**101,027**	**114,308**	**131,910**	**113,538**	**118,434**	**122,756**	**127,464**	**132,371**	**137,698**	**141,814**
Less depreciation	3,336	4,163	3,842	4,079	4,557	5,070	5,428	5,998	6,519	7,700	8,205
Gross operating expenditure less depreciation	**94,552**	**96,864**	**110,466**	**127,831**	**108,981**	**113,364**	**117,328**	**121,466**	**125,852**	**129,998**	**133,609**
Operating expenditure funded by											
Direct user charges	5,838	5,846	6,274	7,088	7,272	7,461	7,655	7,862	8,074	8,292	8,526
General rates/(contribution to other activities)	71,134	73,177	84,028	85,643	79,759	83,306	86,590	89,940	93,514	96,827	99,548
Grants and subsidies	1,156	1,827	3,122	7,706	743	762	782	803	825	847	870
Other operational revenue	6,815	6,722	7,485	10,667	10,906	11,151	11,403	11,671	11,946	12,229	12,530
Rental revenue	8,340	7,915	8,130	8,483	8,803	9,146	9,434	9,686	9,948	10,217	10,503
Sponsorship income	1,268	1,276	1,323	1,240	1,392	1,428	1,465	1,505	1,545	1,587	1,631
Targeted rates	0	100	103	7,005	108	111	0	0	0	0	0
Working capital	0	0	0	0	0	0	0	0	0	0	0
	94,552	**96,864**	**110,466**	**127,831**	**108,981**	**113,364**	**117,328**	**121,466**	**125,852**	**129,998**	**133,609**

Investing in assets

Investment is required to renew assets to maintain current service levels, and to acquire new assets to provide for growth, increased demand, and new and improved services.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Arts and cultural facilities and programmes	15,975	13,061	18,454	9,241	12,978	12,693	9,302	11,735	14,556	9,505	8,843
Auckland Art Gallery	43,214	41,887	22,236	6,694	1,336	1,399	1,412	1,386	1,423	1,462	1,503
Auckland Zoo	1,433	2,295	11,746	3,879	2,315	2,071	2,173	2,281	2,342	2,406	2,473
Events	0	0	0	0	0	0	0	0	0	0	0
Marinas	469	2,535	4,256	4,416	4,550	3,191	3,245	206	215	221	227
Recreation	7,637	10,935	4,793	3,929	5,422	5,822	6,113	11,565	13,066	7,644	7,858
	68,728	**70,713**	**61,485**	**28,158**	**26,601**	**25,176**	**22,244**	**27,172**	**31,603**	**21,237**	**20,904**
Capital expenditure funded by											
Borrowings and working capital	33,351	44,953	43,857	18,201	19,852	16,936	13,125	17,645	21,758	9,884	8,105
Depreciation	3,336	4,163	3,842	4,079	4,557	5,070	5,428	5,998	6,519	7,700	8,205
Development contributions	1,203	607	749	883	1,041	1,228	1,595	1,958	2,239	2,562	2,931
General rates/(contribution to other activities)	447	1,413	703	95	1,152	1,942	2,096	1,571	1,087	1,091	1,663
Grants and subsidies	30,391	19,576	12,333	4,900	0	0	0	0	0	0	0
	68,728	**70,713**	**61,485**	**28,158**	**26,601**	**25,176**	**22,244**	**27,172**	**31,603**	**21,237**	**20,904**

Activities

This section provides more detail on the services or groups of activities that the council is involved in, which contribute to the lifestyle choices strategy. These activities describe the difference we are making in people's lives every day, as well as the significant projects we deliver that help us move towards achieving our vision for Auckland to be First City of the Pacific.

The lifestyle choices (LSC) strategy has four objectives:

Objective	Abbreviated reference[1]	Ref.
Celebrate and value who we are	Celebrating who we are	LSC1
A wide range of recreation and leisure opportunities	Recreation opportunities	LSC2
The CBD is the centre of street life, arts, culture and entertainment	CBD as centre	LSC3
Enhance Auckland as a unique arts, culture, sports and events destination in Australasia	Events destination	LSC4

Note to table

1 This abbreviated reference is used in the tables under each activity.

There are six groups of activities that contribute to lifestyle choices:

- arts and cultural facilities and programmes
- Auckland Art Gallery Toi o Tamaki
- Auckland Zoo
- events
- marinas
- recreation.

Each activity includes the following information:

- activity overview (including the rationale for the council's involvement)
- benefits to the community from this activity
- key projects
- measures
- significant negative impacts of this activity (if any)
- financial information.

Assets contributing towards the delivery of services

Auckland City Council has a large investment in assets to deliver services to its community. More than $1.3 billion is invested to support the lifestyle choices strategy and a further $335 million of investment is planned through to 2019.

Planning for replacement and new assets is carried out in 13 asset management plans, six of which relate to lifestyle choices. They are: Auckland Zoo; Auckland Art Gallery Toi o Tamaki; leisure facilities; marinas; property; and The Edge®. For more information about the assets associated with this strategy, see the asset information in part 2 of this volume.

Some assets or groups of assets contribute to more than one strategy. The capital expenditure and operating costs are reported under the principal strategy to which the activity is linked. For example, libraries are linked to strong and healthy communities but also provide recreational opportunities for residents and visitors which is an activity under the lifestyle choices strategy.

Measuring progress

The council reviews progress towards its objectives in a number of ways. Measures which check progress on delivering day-to-day services are listed under each activity. Measures which outline the levels of service for each of the council's major groups of assets are listed under each asset group later in this volume.

Activity: arts and cultural facilities and programmes

Arts and culture, and the opportunity to create, participate and experience it, play an important role in Auckland city. They make communities vibrant, inclusive places, where people have a sense of belonging and pride. The council's Arts Agenda has a goal for Auckland to be celebrated as the arts and cultural centre of the Pacific. Its arts and cultural activities focus on achieving this.

Auckland city's museums preserve local and national heritage, and reinforce visitors' understanding of our culture and identity. The council is legally required to contribute towards the costs of the Auckland War Memorial Museum and the Museum of Transport and Technology. Both these museums are star attractions for the city, telling Auckland's story to national and international visitors. The council's contribution helps keep the museums financially viable and accessible for most people. Through the recently enacted Auckland Regional Amenities Funding Act, the council will contribute to the ongoing operational costs of a further 10 organisations that contribute to the provision of arts, cultural and recreational facilities across the region. These include the orchestra, opera, theatre and museums.

The council supports the city's arts organisations, including running the Arts Alive performing art funding scheme, offering an advisory service for community arts organisations, and administering the Creative Communities funding scheme (on behalf of Creative New Zealand) to fund arts projects at a local level.

Arts programmes run by the council within communities and at its community arts centre Artstation, give people the opportunity to try their hand at art through classes, workshops, studios and exhibitions.

The council provides a range of facilities for the performing arts so that people can enjoy them. Some of these (Auckland Town Hall, The Civic theatre, Aotea Square) are managed on behalf of the council by The Edge®. The Edge® manages the Aotea Centre (owned by the council in trust) under specific legislation. Auckland City Council has a funding agreement with The Edge® to deliver the Arts Agenda programme. The council is working with others to build the Q Theatre, a mid-sized flexible theatre for the performing arts in the heart of the city.

The council is responsible for planning, providing and caring for Auckland's public art collection. Public art, which includes permanent and temporary art works (eg, sculptures) installed in public places, enhances Auckland's attractiveness, and is an accessible way to celebrate the city's identity and creativity

Arts and cultural facilities and programmes at a glance

Arts and cultural facilities and programmes provides five main services:

- providing access to museums
- providing arts assistance, support and advice
- delivering community arts programmes
- managing performing arts facilities
- organising public art.

Benefits

- National and international heritage is preserved and accessible.
- A sense of pride and identity improves people's cultural well-being.
- Aucklanders have opportunities to experience and enjoy the performing arts.
- People have access and opportunities to participate in the arts.

This activity contributes to the following strategic objectives:

Celebrating who we are	Recreation opportunities	CBD as centre	Events destination
LSC1	LSC2	LSC3	LSC4
✓	✓	✓	✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Q Theatre	Building a new 350-460 seat theatre to support Auckland's performing arts.	$6.7 million (excludes 2008/2009 budget of $1 million. Existing funding of $2 million is also being contributed towards the project, bringing the total contribution to $8.7 million in the plan period)	The theatre will add to Auckland's character as a lively city. The council will build lasting cooperative relationships with the other stakeholders. Residents and visitors to the city will have additional opportunities to experience the performing arts in an innovative venue.	2009/2010-2010/2011
Auckland Town Hall and Aotea Centre	Renewing and refurbishing the Auckland Town Hall and the Aotea Centre.	$89.3 million	The venues will be maintained and their status as the region's premier convention, performing arts and entertainment facilities will be preserved. Patrons will enjoy premier facilities.	2009/2010-2018/2019
Aotea Centre new facade	Alterations to the front of the Aotea Centre.	$8.2 million (excludes 2008/2009 budget of $1.9 million)	This work contributes to the Aotea Square redevelopment project, providing a major venue for Aucklanders and visitors to enjoy.	2009/2010-2010/2011

Note to table

1 Please refer to the Economic growth and development activity for details on the Aotea Square redevelopment project.

Measures: how the council checks progress toward achieving its objectives for arts and cultural facilities and programmes

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
LSC1 LSC2	Number of visitors to museums [1]	New measure	860,000	860,000	860,000	860,000
LSC1 LSC2 LSC4	Number of performances provided by arts organisations who receive arts grants	475	355	475	355	355
LSC1 LSC2 LSC4	Number of attendees at performances provided by arts organisations who received arts grants	626,500	383,000	626,500	383,000	383,000
LSC1 LSC3 LSC4	Number of Arts Agenda event days provided at The Edge®	New measure	514	New target[2]	New target	New target
	Number of attendees at the Arts Agenda programme provided at The Edge®	New measure	256,948	New target[2]	New target	New target

Notes to table

1 Museums includes Auckland War Memorial Museum, Museum of Transport and Technology, New Zealand National Maritime Museum and Stardome Observatory.

2 Performance targets for The Edge® will be confirmed as part of their Statement of Intent which will be finalised before 1 July each year.

See Events activity for measures on attendance at events.

For further levels of service measures refer to the leisure facilities, open spaces and The Edge® asset information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The majority of funding for Auckland City Council's arts and cultural activities comes from general rates, as these activities mainly benefit the city. Within these activities, the council's contribution towards the cost of the museums and performing arts venues is fully funded from general rates, while general rates fund the majority cost of delivering arts programmes, assistance and support.

Some funding for community arts programmes, such as the Artstation programmes, comes from user charges. This is fair as participants receive a direct benefit. Some arts and cultural programmes that are provided in the CBD are partly funded from the CBD targeted rate as CBD ratepayers gain a greater benefit. The council also receives a small amount of revenue from rents and other operational expenditure.

Operating expenditure

The operating expenditure for each of the five services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Access to museums	14,360	14,824	15,625	16,441	17,026	17,646	18,311	19,017	19,391	19,802	20,255
Arts assistance, support and advice	5,362	8,479	11,626	13,057	13,871	15,023	15,813	16,854	18,134	19,257	20,340
Community arts programmes	1,434	1,569	1,596	1,651	1,663	1,750	1,860	1,905	1,957	2,009	2,044
Performing arts facilities	22,262	20,201	18,995	16,988	17,469	17,944	18,431	18,914	19,424	19,943	20,430
Public art	150	591	632	673	715	825	966	1,030	1,100	1,172	1,238
	43,567	**45,664**	**48,473**	**48,811**	**50,744**	**53,188**	**55,381**	**57,720**	**60,006**	**62,182**	**64,306**
Less depreciation	222	265	343	468	499	554	612	672	691	757	826
Gross operating expenditure less depreciation	**43,345**	**45,400**	**48,130**	**48,343**	**50,245**	**52,635**	**54,769**	**57,048**	**59,315**	**61,426**	**63,481**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
Direct user charges	407	407	417	428	439	450	462	474	487	500	514
General rates/(contribution to other activities)	42,883	44,837	47,297	47,489	49,369	51,736	53,961	56,218	58,462	60,550	62,580
Other operational revenue	29	29	286	293	301	309	317	325	334	343	353
Rental revenue	26	26	27	28	28	29	30	31	32	32	33
Targeted rates	0	100	103	105	108	111	0	0	0	0	0
Working capital	0	0	0	0	0	0	0	0	0	0	0
	43,345	**45,400**	**48,130**	**48,343**	**50,245**	**52,635**	**54,769**	**57,048**	**59,315**	**61,426**	**63,481**

Investing in assets

Capital investment for the council's arts and cultural facilities will be funded from borrowings and general rates, as these investments provide long-term benefits for the city.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Arts and cultural facilities and programmes	15,975	13,061	18,454	9,241	12,978	12,693	9,302	11,735	14,556	9,505	8,843
	15,975	**13,061**	**18,454**	**9,241**	**12,978**	**12,693**	**9,302**	**11,735**	**14,556**	**9,505**	**8,843**
Capital expenditure funded by											
Borrowings and working capital	15,561	12,450	17,843	8,734	11,894	11,110	7,746	10,332	13,326	8,193	7,199
Depreciation	222	265	343	468	499	554	612	672	691	757	826
General rates/(contribution to other activities)	192	346	268	39	585	1,029	944	731	539	555	818
	15,975	**13,061**	**18,454**	**9,241**	**12,978**	**12,693**	**9,302**	**11,735**	**14,556**	**9,505**	**8,843**

Activity: Auckland Art Gallery Toi o Tamaki

Auckland Art Gallery Toi o Tamaki is a major cultural facility provided by the council. As an internationally recognised public gallery that holds New Zealand's most extensive collection of national and international art and has a heritage-listed building, the gallery is an important Auckland landmark.

The council has been involved in managing the art gallery since it was established in 1888, and owns the main building, most of the gallery's art collections (including 14,000 paintings, sculptures, drawings, photographs and prints) and the off-site storage facility. The gallery is home to two of the country's most significant long-loan collections, namely the Mackelvie and Chartwell Trust collections. The Mackelvie Collection, which was established in 1885, comprises many of the gallery's most important international works. The Chartwell Collection is an important collection of significant New Zealand and Australian art.

Since mid 2008, the main gallery building has been undergoing major development work. When completed, the building will offer a larger and improved exhibition space, cementing the gallery's status as one of the country's premier cultural attractions, and enabling its collections to be displayed in new and inspirational ways. The main gallery is scheduled to reopen in 2011. Until then, exhibitions and public programmes will be held in the New Gallery, the gallery's adjacent annexe.

Auckland Art Gallery gives the community and visitors to Auckland the opportunity to experience the visual arts from a New Zealand perspective. As part of the council's commitment to promoting Auckland as a dynamic sophisticated city, the gallery provides an innovative means of reflecting the city's character, heritage and culture. It enhances Auckland as a tourist destination, and supports its creative industries and educational institutions.

In addition to caring for the gallery's buildings and collections, the council develops resources such as a website, research library and publications to enable people to access the collections. Supporting an annual programme of national and international exhibitions from both its own and loaned collections, the council funds the gallery's educational programmes and provides annual funding for new acquisitions, which is supplemented by generous third party donations and bequests.

Auckland Art Gallery Toi o Tamaki at a glance

Auckland Art Gallery Toi o Tamaki provides five main services for the Auckland community and visitors:

- providing access to the collections
- caring for the visual art collections
- developing the visual art collections
- providing educational and interpretive programmes
- delivering exhibitions.

Benefits

- Aucklanders are given an opportunity to experience, learn and access national and international art and cultural heritage.
- Visual art collections are accessible through exhibitions and the website.
- People develop a better understanding of Auckland's heritage and ethnic diversity.
- Auckland's reputation as a sophisticated tourist destination is strengthened.

This activity contributes to the following strategic objectives:

Celebrating who we are	Recreation opportunities	CBD as centre	Events destination
LSC1	LSC2	LSC3	LSC4
✓	✓	✓	✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Art gallery development	Restoring, modernising and extending the main art gallery building to enable more key works to be displayed in innovative ways.	$68.5 million [1]	Additional modern and world-class gallery space for collections and exhibitions and a distinctive new wing that will attract visitors. Restoring and earthquake-proofing a significant heritage building. The gallery will be linked with the heritage Albert Park. The gallery will play an expanded role in building Auckland's cultural and community identity.	2009/2010-2010/2011
Art works framing	Framing newly acquired art works and reframing existing works as needed.	$1.1 million	Expert reframing protects the works of art and ensures they are displayed in an appropriate way.	2009/2010-2018/2019
Furniture, equipment and building renewals	Replacing and refurbishing furniture for public use throughout the art gallery, and replacing and refurbishing specialist equipment and maintaining the building.	$7.8 million	Refurbishment of furniture and equipment, and maintaining the building, will ensure the galleries are inspiring, enhance visitors' enjoyment and maintain the art gallery's value.	2009/2010-2018/2019
Collection development	Continuing to grow the collection to ensure it retains its representative quality and national significance.	$3.3 million	The collection will retain its representative quality and national significance. Growing the collection encourages the support of collection development partners and donors.	2009/2010-2018/2019

Note to table

1 The total project cost for the Art gallery development is $121.1 million, of which $52.6 million has been incurred to date. The council has secured significant private funding for the main gallery building development project through the capital campaign of the Auckland Art Gallery Foundation, and the government has contributed $30 million.

Measures: how the council checks progress toward achieving its objectives for the Auckland Art Gallery Toi o Tamaki

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
LSC1 LSC2	Number of participants in education and public art programmes	20,000	15,000	15,000	40,000	40,000
LSC1 LSC3 LSC4	Number of visits to the art gallery	75,000	75,000	230,000	450,000	450,000
	Percentage of visitors satisfied with the art gallery	92	92	95	95	95

For further levels of service measures refer to the Auckland Art Gallery Toi o Tamaki asset information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The main source of funding is from the general rate as this is considered the best way to pay for most of the gallery's costs, given its benefits to the public and to the city as a whole. Conditions related to the Mackelvie Trust Collection restrict the gallery from charging entry fees to displays from its own collection.

Other sources of funding are grants and sponsorship, which the gallery seeks for its exhibition programme. Admission fees charged for exhibitions from national and international collections are an effective and transparent way of covering the costs of these exhibitions, as people viewing exhibitions gain a direct benefit and more than two-thirds of visitors come from outside Auckland city.

Merchandising sales, functions, special events, sponsorship and a regional conservation service are sources of revenue for the gallery. In addition, the gallery receives grants from trusts, cultural agencies, friends and patrons of the gallery, and private foundations.

Operating expenditure

The operating expenditure for each of the five services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Access to the art collections	443	682	968	1,238	1,271	1,312	1,344	1,378	1,417	1,452	1,480
Care for the visual art collections	1,559	2,052	2,293	2,530	2,616	2,698	2,776	2,843	2,921	2,994	3,039
Develop the visual art collections	291	572	851	1,114	1,143	1,180	1,208	1,238	1,273	1,304	1,331
Education and interpretive programmes	1,601	1,275	1,731	2,183	2,333	2,489	2,638	2,783	2,938	3,101	3,240
Exhibition programmes	8,752	4,425	5,565	6,515	6,491	6,430	6,427	6,381	6,427	6,500	6,559
	12,646	**9,005**	**11,407**	**13,580**	**13,854**	**14,110**	**14,393**	**14,623**	**14,976**	**15,351**	**15,648**
Less depreciation	102	176	207	223	227	230	236	243	249	241	247
Gross operating expenditure less depreciation	**12,544**	**8,829**	**11,200**	**13,357**	**13,627**	**13,880**	**14,157**	**14,381**	**14,726**	**15,110**	**15,401**
Operating expenditure funded by											
Direct user charges	60	109	118	121	125	128	131	135	138	142	148
General rates/(contribution to other activities)	11,283	7,630	9,622	10,618	10,855	11,074	11,316	11,503	11,811	12,156	12,403
Grants and subsidies	409	412	422	433	444	455	467	480	493	506	520
Other operational revenue	529	598	954	2,100	2,116	2,133	2,150	2,169	2,188	2,207	2,227
Sponsorship income	263	81	83	85	87	89	92	94	97	99	102
	12,544	**8,829**	**11,200**	**13,357**	**13,627**	**13,880**	**14,157**	**14,381**	**14,726**	**15,110**	**15,401**

Investing in assets

Development contributions related to population growth fund capital investment in Auckland Art Gallery. Capital investment for Auckland Art Gallery is funded mainly from borrowings and the general rate, as the redevelopment of Auckland Art Gallery provides long-term benefits for the city. The council has secured significant private funding for the main gallery building development project through the capital campaign of the Auckland Art Gallery Foundation, and the government has contributed $30 million.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Auckland Art Gallery	43,214	41,887	22,236	6,694	1,336	1,399	1,412	1,386	1,423	1,462	1,503
	43,214	**41,887**	**22,236**	**6,694**	**1,336**	**1,399**	**1,412**	**1,386**	**1,423**	**1,462**	**1,503**
Capital expenditure funded by											
Borrowings and working capital	12,159	26,273	10,987	1,249	694	652	520	401	352	275	167
Depreciation	102	176	207	223	227	230	236	243	249	241	247
Development contributions	412	217	268	315	372	438	570	699	799	914	1,046
General rates/(contribution to other activities)	149	720	165	6	43	78	85	43	23	32	42
Grants and subsidies	30,391	14,500	10,609	4,900	0	0	0	0	0	0	0
	43,214	**41,887**	**22,236**	**6,694**	**1,336**	**1,399**	**1,412**	**1,386**	**1,423**	**1,462**	**1,503**

Activity: Auckland Zoo

Auckland Zoo is one of New Zealand's and the Auckland region's premier attractions, and a leading centre for wildlife conservation. Opened in 1922, it has become an intrinsic part of the city, helping to make Auckland a vibrant and exciting place to live and visit, and engaging Aucklanders in the protection and care of wildlife.

Visitor numbers to the zoo continue to grow steadily, with more than 600,000 people visiting in 2007/2008. The zoo provides diverse experiences of animals and their habitats in a safe park-like environment. People can become more involved in the day-to-day life of the zoo and enjoy membership benefits through the Friends of the Zoo programme, and feel they have contributed to the work of the zoo.

Auckland Zoo has an important environmental and conservation role. It takes part in international wildlife breeding and conservation programmes, provides a resource for scientific research, and provides education and experiences that raise people's awareness and respect for the environment.

The zoo is a member of the Australasian Regional Association of Zoological Parks and Aquaria, which requires it to maintain world-class standards in its exhibits, animal care and management, research, conservation, education and organisational matters. It is committed to modelling sustainable practices, and reducing its environmental footprint, and since 2002 has received numerous awards and national recognition for its efforts.

Auckland Zoo is owned by Auckland City Council and is administered by a council-appointed Zoo Board. The council makes a financial contribution towards the zoo's costs each year to ensure it continues to develop to the highest standards and remains affordable and accessible to Aucklanders.

The council has always owned and maintained the zoo as an attraction for the city's residents and visitors, and in response to community demand. In supporting the zoo, the council is fulfilling its goals of protecting and enhancing the city's natural environment, while ensuring the city remains an interesting and enjoyable place to live and visit.

To ensure that people continue to enjoy and visit the zoo, new exhibits are developed regularly. The zoo's next major project is Te Wao Nui (the living realm), a $15 million precinct which will provide visitors with a unique experience of New Zealand's animals, plants and culture. Construction is due to start in 2009/2010.

The council wishes to maintain a herd of elephants at Auckland Zoo. This will require substantial funding totalling some $11 million over a number of years, and provision has been made in 2009/2010 to work on the best way to attract the required external funding from public and private sources.

Auckland Zoo at a glance

Auckland Zoo provides three main services:

- caring for and protecting wildlife
- delivering educational programmes
- delivering wildlife experiences.

Benefits

- There is a wide range of wildlife species to experience, and Aucklanders can contribute to their conservation.
- There are opportunities for the community to learn about wildlife, caring for the environment and living more sustainably.
- Auckland's reputation for protecting and caring for the environment is enhanced.

This activity contributes to the following strategic objectives:

Celebrating who we are	Recreation opportunities	CBD as centre	Events destination
LSC1	LSC2	LSC3	LSC4
✓	✓		

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Te Wao Nui	A major new exhibit that will enable visitors to experience New Zealand's animals, landscapes and taonga in a unique way. Te Wao Nui will have an ecological protection and conservation focus.	$12.1 million[1]	The zoo will continue to offer an interesting and varied experience, attracting more local and international visitors. Visitors will be able to experience New Zealand animals, landscapes and taonga in a unique way. Te Wao Nui will be a landmark feature for the zoo, increasing its reputation and status. Native animal and plant species will be preserved.	2010/2011-2011/2012
Regular renewals	There will be ongoing renewals of the zoo's buildings, exhibits, enclosures, features and services. Major renewals planned during the next few years include visitor precinct upgrades, primate enclosures and breeding facilities for a range of species.	$21.8 million	The zoo will be maintained to a world-class standard, ensuring that visitors have a quality zoo experience. The zoo's value is preserved and visitor numbers are maintained.	2009/2010-2018/2019

Note to table

1 $3.2 million was budgeted and rated for in 2008/2009. This budget has been deferred to 2009/2010 bringing the total project budget for the plan period $15.3 million.

Measures: how the council checks progress toward achieving its objectives for the zoo

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
LSC1 LSC2	Percentage of visitors satisfied with the zoo	92	92	92	92	92
	Number of visits to the zoo	600,000	600,000	600,000	700,000	700,000
	Number of education visitors	60,000	50,000	50,000	50,000	50,000

For further levels of service measures refer to the Auckland Zoo asset information in part 2 of volume 2.

Significant negative impacts

Although enclosures remove animals from their natural habitat, Auckland Zoo is continuing to invest in improving the environment for its animals and focusing on conservation. The zoo has a corporate sustainability programme to minimise the effects of its animals on the local environment, for example turning zoo waste into quality compost called Zoo Doo.

Financial information

Funding day-to-day activities

Most of Auckland Zoo's funding comes from admission, membership fees, and merchandise sales which is shown as other operational revenue. Visitors to the zoo benefit from recreation and educational experiences. About 22 per cent of visitors are from Auckland city, 44 per cent are from the Auckland region and the remaining 34 per cent are national or international visitors.

Fees are an efficient and transparent way to pay for the zoo's activities. They are set at a level to make a zoo visit affordable for most people, while raising a reasonable amount of revenue. Other funding sources for the zoo are sponsorship and grants, central government contributions for conservation activities and contributions from other councils in the Auckland region.

The council provides funding for the zoo each year to cover any operating shortfall. This funding comes from general rates and the amount varies, depending on how much revenue the zoo has raised from other sources. General rates are a fair way to fund the community benefits the zoo provides.

Operating expenditure

The operating expenditure for each of the three services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Care for and protect wildlife	4,119	5,280	5,356	5,540	5,730	5,921	6,093	6,234	6,407	6,570	6,647
Education and interpretive programmes	728	876	908	941	974	1,007	1,037	1,060	1,090	1,117	1,129
Wildlife experiences	8,124	7,227	7,830	9,122	9,426	9,744	10,057	10,302	10,608	10,943	11,192
	12,971	**13,382**	**14,094**	**15,603**	**16,130**	**16,671**	**17,186**	**17,597**	**18,105**	**18,631**	**18,968**
Less depreciation	291	72	53	38	39	40	40	35	28	29	29
Gross operating expenditure less depreciation	**12,680**	**13,311**	**14,041**	**15,565**	**16,091**	**16,631**	**17,146**	**17,562**	**18,077**	**18,602**	**18,939**
Operating expenditure funded by											
Direct user charges	5,206	5,121	5,524	6,319	6,483	6,651	6,824	7,009	7,198	7,392	7,599
General rates/(contribution to other activities)	3,391	4,173	4,332	4,957	5,207	5,464	5,689	5,796	5,993	6,192	6,181
Grants and subsidies	257	241	284	291	299	306	314	323	332	341	350
Other operational revenue	3,341	3,305	3,404	3,489	3,579	3,673	3,768	3,870	3,974	4,082	4,196
Rental revenue	8	8	8	8	9	9	9	9	10	10	10
Sponsorship income	477	462	489	501	514	528	541	556	571	586	603
	12,680	**13,311**	**14,041**	**15,565**	**16,091**	**16,631**	**17,146**	**17,562**	**18,077**	**18,602**	**18,939**

Investing in assets

Auckland Zoo's capital investment for renewals is paid from depreciation, which is funded from the general rates. The remaining capital investment for new assets will be funded by borrowings and general rates, as they provide long-term benefits for the city. The council also receives revenue through fundraising by the Auckland Zoo Charitable Trust.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Auckland Zoo	1,433	2,295	11,746	3,879	2,315	2,071	2,173	2,281	2,342	2,406	2,473
	1,433	**2,295**	**11,746**	**3,879**	**2,315**	**2,071**	**2,173**	**2,281**	**2,342**	**2,406**	**2,473**
Capital expenditure funded by											
Borrowings and working capital	1,125	(2,853)	9,824	3,824	2,172	1,864	1,912	2,104	2,228	2,236	2,215
Depreciation	291	72	53	38	39	40	40	35	28	29	29
General rates/(contribution to other activities)	17	0	146	17	104	168	221	142	87	141	229
Grants and subsidies	0	5,076	1,724	0	0	0	0	0	0	0	0
	1,433	**2,295**	**11,746**	**3,879**	**2,315**	**2,071**	**2,173**	**2,281**	**2,342**	**2,406**	**2,473**

Activity: events

Auckland City Council is involved in international, national and community events that celebrate a diverse range of cultural, creative and sporting activities.

The council attracts large-scale international events to Auckland, and provides them with logistical and operational support for their duration.

The council believes that events foster Auckland's national and international reputation as an exciting arts, cultural and sports destination, attracting visitors and investment that help to build local industries and strengthen the country's economy. Through hosting events, the council maximises the long-term economic, social, environmental and cultural benefits for the city.

At present, the council is leading the Auckland region's planning for Rugby World Cup 2011, working with other councils in the region to prepare Auckland for the third largest sporting event in the world. Among the benefits of hosting the cup is the potential to generate direct economic benefits for the Auckland region, bringing Auckland to the attention of up to four billion television viewers, and attracting thousands of international visitors to New Zealand, via Auckland. See the appendices to this volume for details on planned investment in Rugby World Cup 2011-related projects such as transport and infrastructure upgrades.

The city is an increasingly sought after location for national and international film shoots, which has a positive impact on the country's film industry.

The council helps to organise and run a packed calendar of more than 60 free local and community events attended by more than half a million people each year, and sponsors signature events that fit with its strategic vision for the city, many of which would otherwise not be able to take place. The council believes that community events enliven the city's public places, and make our communities stronger by giving Aucklanders a chance to celebrate and value who they are. Being involved in events enables the council to ensure that they occur in a safe and managed way, with minimal disruption to residents' lives.

Events at a glance

Events provide five main services:

- attracting and delivering major events
- providing facilities for events to use
- facilitating and providing permits for filming and events
- delivering local and community events
- sponsoring city events.

Benefits

- Auckland's profile as an events destination is strengthened nationally and internationally.
- Aucklanders are given the opportunity to experience everything from international rock acts, to major sports events, exhibitions and business conventions.
- The community can come together to celebrate and promote Auckland.
- Events attract economic investment to Auckland and the region.

This activity contributes to the following strategic objectives:

Celebrating who we are	Recreation opportunities	CBD as centre	Events destination
LSC1	LSC2	LSC3	LSC4
✓	✓	✓	✓

Key projects

There are no major projects for this activity for the period of this plan. See the appendices to this volume for details on planned investment in Rugby World Cup 2011-related projects.

Measures: how the council checks progress toward achieving its objectives for events

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
LSC2 LSC3 LSC4	Number of attendees at events at the Vector Arena	360,000	380,000	380,000	380,000	380,000
LSC1 LSC2	Estimated number of attendees at events delivered by the council	730,000	766,950	776,000	804,450	804,450
	Estimated number of attendees at events sponsored by the council	763,500	856,450	969,000	922,500	922,500
	Cost per head for events delivered by the council	New measure	$2.40	$2.70	$2.70	$2.70
LSC2	Percentage of attendees satisfied with events delivered by the council	85	85	85	85	85
	Percentage of attendees satisfied with events sponsored by the council	85	85	85	85	85
	Percentage of people who believe there is a diverse range of events in Auckland city	75	85	85	85	85
LSC4	Number of major one-off international events attracted or facilitated	1	1	1	1	1-2
LSC2 LSC4	Percentage of time marine events centre space is in use	New measure	48	48	50	50

For further levels of service measures refer to Marinas and The Edge® asset information in part 2 of volume 2.

Significant negative impacts

Auckland City needs to manage traffic and noise effects from large events, for example by having traffic management plans in place for big sports events at Eden Park.

Financial information

Funding day-to-day activities

The main source of funding for events is general rates, as many of the events organised or enabled by the council are held in the city's public open spaces, which generally means they are free community events that bring positive benefits for the whole city. The council also seeks sponsorship to help fund these public events. The council hires out the city's public space when it is used to hold private events as this mainly benefits the people holding them. For major international events which are expected to provide economic, social and strategic benefits for the community and the Auckland region, the council will fund operating expenditure. The balance of funding for events comes from user charges such as stallholder charges, permit fees for certain types of events, film shoots held in public spaces, and other sources. Rugby World Cup 2011 will provide significant benefits for the city and a targeted rate reflecting those benefits will fund some of the expenditure needed to ensure successful operation of the event.

Operating expenditure

The operating expenditure for each of the five services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Attract and deliver major events	1,450	5,539	12,873	25,574	1,911	1,990	2,020	2,068	2,131	2,186	2,223
Event facilities	3,118	3,034	3,048	3,243	3,349	3,405	3,462	3,510	3,605	3,701	3,785
Facilitate filming and events	518	932	814	902	1,000	1,049	1,063	1,086	1,121	1,150	1,160
Local and community events	4,606	4,240	4,226	4,081	4,797	5,025	5,220	5,420	5,643	5,875	6,078
Sponsor events	1,830	1,801	1,769	1,779	1,798	1,832	1,843	1,861	1,886	1,907	1,916
	11,523	**15,545**	**22,731**	**35,579**	**12,855**	**13,301**	**13,608**	**13,945**	**14,386**	**14,819**	**15,162**
Less depreciation	68	35	18	19	19	18	18	13	13	13	14
Gross operating expenditure less depreciation	**11,455**	**15,510**	**22,712**	**35,560**	**12,836**	**13,282**	**13,590**	**13,932**	**14,373**	**14,805**	**15,148**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
General rates/(contribution to other activities)	8,085	10,916	16,810	16,348	7,248	7,550	7,709	7,892	8,170	8,434	8,599
Grants and subsidies	107	1,174	2,416	6,982	0	0	0	0	0	0	0
Other operational revenue	1,701	1,595	1,616	3,528	3,620	3,714	3,811	3,914	4,019	4,128	4,244
Rental revenue	1,033	1,091	1,119	1,147	1,177	1,207	1,239	1,272	1,306	1,342	1,379
Sponsorship income	528	733	752	654	791	811	832	855	878	901	927
Targeted rates	0	0	0	6,900	0	0	0	0	0	0	0
	11,455	**15,510**	**22,712**	**35,560**	**12,836**	**13,282**	**13,590**	**13,932**	**14,373**	**14,805**	**15,148**

Investing in assets

No capital investment is planned for the council's events activities for the period covered by this plan. See the appendices to this volume for details on planned investment in Rugby World Cup 2011-related projects.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Events	0	0	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital expenditure funded by											
Borrowings and working capital	(68)	(35)	(18)	(19)	(19)	(18)	(18)	(13)	(13)	(13)	(14)
Depreciation	68	35	18	19	19	18	18	13	13	13	14
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Activity: marinas

Auckland City Council owns and operates two marinas in the city – Westhaven and Hobson West (also known as the downtown marina). The council's ownership arose from its acquisition of waterfront land to protect and enhance the public's access to the waterfront. It also owns and manages The Landing boat haulout, maintenance yard and launching area at Okahu Bay.

The council operates the marinas and The Landing for the benefit of the users and sets rentals to cover all appropriate costs. The marinas activity contributes to the appeal of Auckland as a maritime city, enables people to use the gulf and attracts visitors. Westhaven Marina is recognised internationally and has won Blue Flag accreditation for the past four years running for its water quality, environmental management and safety standards.

While the marinas provide private benefit to users, they interface and interact with prime waterfront space.

The council's marina activities will focus on replacing the older piers at Westhaven Marina to provide safe and secure berthage for boats. The council will continue to monitor and improve water quality where possible and upgrade infrastructure to modern standards.

Marinas at a glance

Marinas provide one main service:

- operating the city's marinas.

Benefits

- Access to the waterfront environment and providing marina services in prime locations across the city.
- Access to the Waitemata Harbour from public launching facilities.
- Attracting visitors to Auckland.

This activity contributes to the following strategic objectives:

Celebrating who we are	Recreation opportunities	CBD as centre	Events destination
LSC1	LSC2	LSC3	LSC4
	✓		

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Westhaven Marina	Major renewals at Westhaven Marina are required to maintain the marina at a fit-for-purpose standard. Specific work to be carried out includes a pier replacement programme, renewals to CCTV systems, floating structures and utilities	$23.1 million	The marina will be a safe and attractive environment for users and the general public. Users will continue to enjoy a high level of service from the marina.	2009/2010-2018/2019

Measures: how the council checks progress toward achieving its objectives for marinas

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
LSC2	Percentage of marina berth occupancy	90	90	90	90	90

For further levels of service measures refer to the marinas, open spaces and property assets information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

User charges and rents are appropriate ways to fund the council's marina activities as people who use them benefit directly. The marinas and The Landing generate revenue for the council through berthage, storage and launch fees, and other lease charges. This revenue, along with fees charged to private licence holders, covers the operating expenses for these facilities.

Operating expenditure

The operating expenditure for the service under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Marinas	4,642	4,363	4,758	5,312	5,742	6,087	6,319	6,442	6,516	7,109	7,072
	4,642	**4,363**	**4,758**	**5,312**	**5,742**	**6,087**	**6,319**	**6,442**	**6,516**	**7,109**	**7,072**
Less depreciation	818	648	828	925	1,057	1,178	1,229	1,333	1,377	1,905	1,809
Gross operating expenditure less depreciation	**3,823**	**3,715**	**3,929**	**4,387**	**4,684**	**4,909**	**5,090**	**5,110**	**5,139**	**5,204**	**5,263**
Operating expenditure funded by											
Direct user charges	165	209	215	220	226	232	238	244	251	257	265
General rates/(contribution to other activities)	(4,264)	(3,874)	(3,849)	(3,725)	(3,728)	(3,836)	(3,932)	(4,154)	(4,375)	(4,567)	(4,782)
Other operational revenue	1,215	1,195	1,225	1,256	1,289	1,322	1,356	1,393	1,431	1,469	1,510
Rental revenue	6,707	6,184	6,339	6,636	6,898	7,192	7,428	7,627	7,833	8,044	8,270
	3,823	**3,715**	**3,929**	**4,387**	**4,684**	**4,909**	**5,090**	**5,110**	**5,139**	**5,204**	**5,263**

Investing in assets

Currently, capital investment for new assets for marinas will be funded by borrowings while renewals will be funded by general rates. However, the council has changed its sustainable debt policy (outlined in the Treasury Management policy in volume 3) allowing commercial activities operating in a competitive marketplace, such as the marinas, to borrow for new assets and renewals, and service the borrowings from user charges.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Marinas	469	2,535	4,256	4,416	4,550	3,191	3,245	206	215	221	227
	469	**2,535**	**4,256**	**4,416**	**4,550**	**3,191**	**3,245**	**206**	**215**	**221**	**227**
Capital expenditure funded by											
Borrowings and working capital	(355)	1,820	3,366	3,472	3,288	1,754	1,687	(1,139)	(1,170)	(1,697)	(1,603)
Depreciation	818	648	828	925	1,057	1,178	1,229	1,333	1,377	1,905	1,809
General rates/(contribution to other activities)	6	67	62	19	205	259	329	13	8	13	21
	469	**2,535**	**4,256**	**4,416**	**4,550**	**3,191**	**3,245**	**206**	**215**	**221**	**227**

Activity: recreation

Auckland provides a range of recreation opportunities for its residents and visitors, from clubs and tournaments, tracks and parks, courts and pools, to organised programmes for everyone, from the very young through to the elderly. Having the chance to get out there and get active is part of what makes the city so special.

The council's involvement in recreation helps to make Auckland the sort of city people want to live in. Its policies encourage healthy lifestyles and create economic benefits for the city.

The council provides non-financial assistance, support and advice to other organisations that are providing recreation opportunities.

It also owns and operates nine swimming pools, and provides access to a further three. The council owns and operates 11 recreation centres, 17 buildings that are available for sports clubs to lease, a golf course, and Western Springs Stadium. It subsidises the operating costs of some other facilities to ensure that their entry charges remain affordable for most people.

The council promotes recreation in the city through its facilities partnership scheme. Under the scheme, the council gives grants for organisations to develop facilities, which are then made available for community use. An example is the Tri Star Gymnastic building at Keith Hay Park. Through the levy payable under the newly enacted Auckland Regional Amenities Funding Act, the council contributes to the ongoing operational costs of organisations such as: Surf Life Saving Northern Region Incorporated, Coastguard Northern Region Incorporated, Auckland Regional Rescue Helicopter Trust and WaterSafe Auckland Incorporated.

It has hands-on involvement in delivering some programmes, in particular through the AkActive partnership, and the annual soccer tournament at the Auckland International Cultural Festival.

Recreation at a glance

Recreation activities provide three main services:

- delivering recreation assistance, support and advice
- providing recreation facilities
- delivering recreation activities.

Benefits

- Recreation opportunities result in stronger and healthier communities.
- Economic activity is generated.
- Personal health and well-being are improved.
- Recreation encourages social interaction, develops community pride and provides avenues for young people to express themselves.
- Aucklanders have opportunities to experience and enjoy a wide variety of outdoor recreational activities.

This activity contributes to the following strategic objectives:

Celebrating who we are	Recreation opportunities	CBD as centre	Events destination
LSC1	LSC2	LSC3	LSC4
✓	✓		✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Facilities partnerships	Additional funding has been allocated for facilities partnerships, where the council partners with and gives grants to other organisations (such as schools and community groups) to provide recreation facilities.	$20.9 million	A greater number and range of recreation facilities will be available for community use than the council could afford to provide by itself. A more diverse range of activities are available to the community, encouraging people to have healthy active lifestyles. Lasting mutually beneficial relationships are developed between the council and community organisations.	2009/2010-2018/2019
Citywide pools developments (including Glen Innes pool)	Development of Onehunga, Lagoon, Glen Innes, Pt Erin and Tepid Baths pools.	$14.8 million	Improved facilities to encourage more active lifestyle choices.	2015/2016-2018/2019
Citywide pools renewals	Regular renewals of pools are planned throughout the city to keep them up to standard. In particular, renewals are planned for Cameron Pool's changing rooms, Glen Innes Pool's administration area, and filters at Glen Innes, Onehunga and Panmure Lagoon pools. Parnell Baths will have its balance tank replaced.	$24 million	Pools throughout the city will be maintained to an acceptable standard so their value is retained.	2009/2010-2018/2019
Jordan Recreation Centre	The Jordan Recreation Centre redevelopment project was identified in the 2007 recreation centre plan. The facility is over 40 years old and is in need of modernisation and improved functioning. The project will increase the useable floor area of the facility by over 700m^2.	$7.7 million	The redeveloped recreation centre will provide more space for activities.	2014/2015-2016/2017
Recreation buildings	Maintenance and renewals of clubhouses, sports clubs, recreation centres and changing rooms around the city.	$7.2 million	Recreation buildings and facilities throughout the city will be maintained to an acceptable standard and their value preserved.	2009/2010-2018/2019

Project name	Brief project description	Project cost	Project benefits	Timing
Western Springs	Western Springs will receive a general overhaul, including new floodlights, resurfacing of the inside sports area, and improvements to the stadium area.	$2.5 million	Western Springs will be maintained as a venue for large speedway events.	2009/2010-2018/2019

Measures: how the council checks progress toward achieving its objectives for recreation

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
LSC2	Number of swimming pool users	1,900,000	1,900,000	1,950,000	1,950,000	1,950,000
	Average Auckland City Council subsidy per swimming pool user	$1.70	$1.75	$1.73	$1.74	$2.06
	Number of recreation centre users	750,000	850,000	900,000	900,000	900,000
	Average Auckland City Council subsidy per recreation centre user	$2.82	$2.40	$2.27	$2.27	$2.79
	Percentage of users satisfied with swimming pools	80	82	82	84	84
	Percentage of users satisfied with recreation centres	80	82	82	85	85

For further levels of service measures refer to the leisure facilities asset information in part 2 of volume 2.

Significant negative impacts

Significant negative impacts may arise from the location of leisure facilities in highly residential areas and the potential for issues around hours of operation, noise, traffic and the nature of activities undertaken. Mitigation measures include ensuring the hours of operation are appropriate for the facility and the environment, ensuring sufficient car parking is available where possible, and minimising noise disturbance.

Financial information

Funding day-to-day activities

The general rate is used to pay for most of the council's recreation activities, as the whole community benefits from having more and better recreation facilities available for residents and visitors. A portion of the council's recreation activities is funded through user charges collected from council-owned facilities, as those persons using the facilities gain a direct benefit. However, the council provides an operating subsidy so that charges to users of recreation facilities are affordable. The council receives rent and income from several facilities that generate a surplus. The council receives some grants and subsidies for providing some of the facilities and programmes.

Operating expenditure

The operating expenditure for each of the three services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Recreation assistance, support and advice	3,539	4,655	3,570	3,243	3,270	3,286	3,186	3,263	3,268	3,356	3,446
Recreation facilities	8,097	7,956	8,679	8,951	10,040	10,873	11,733	12,868	14,018	15,156	16,138
Recreation programmes	904	456	597	831	903	917	948	1,006	1,095	1,094	1,073
	12,540	**13,067**	**12,845**	**13,026**	**14,213**	**15,077**	**15,868**	**17,137**	**18,382**	**19,607**	**20,657**
Less depreciation	1,835	2,968	2,393	2,406	2,715	3,050	3,293	3,703	4,160	4,756	5,279
Gross operating expenditure less depreciation	**10,705**	**10,099**	**10,453**	**10,620**	**11,498**	**12,027**	**12,575**	**13,433**	**14,221**	**14,851**	**15,378**
Operating expenditure funded by											
General rates/(contribution to other activities)	9,756	9,494	9,815	9,956	10,806	11,318	11,848	12,686	13,454	14,063	14,567
Grants and subsidies	383	0	0	0	0	0	0	0	0	0	0
Rental revenue	566	605	637	664	691	709	728	747	768	788	810
	10,705	**10,099**	**10,453**	**10,620**	**11,498**	**12,027**	**12,575**	**13,433**	**14,221**	**14,851**	**15,378**

Investing in assets

The capital investment for the council's recreation activities will be funded by borrowings and general rates, as they provide long-term benefits for the city. Development contributions fund new assets that cater for population growth.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Recreation	7,637	10,935	4,793	3,929	5,422	5,822	6,113	11,565	13,066	7,644	7,858
	7,637	**10,935**	**4,793**	**3,929**	**5,422**	**5,822**	**6,113**	**11,565**	**13,066**	**7,644**	**7,858**
Capital expenditure funded by											
Borrowings and working capital	4,928	7,298	1,856	942	1,823	1,574	1,278	5,961	7,035	891	141
Depreciation	1,835	2,968	2,393	2,406	2,715	3,050	3,293	3,703	4,160	4,756	5,279
Development contributions	791	390	482	567	669	790	1,026	1,259	1,440	1,647	1,885
General rates/(contribution to other activities)	82	280	63	14	214	408	516	642	430	350	553
	7,637	**10,935**	**4,793**	**3,929**	**5,422**	**5,822**	**6,113**	**11,565**	**13,066**	**7,644**	**7,858**

Quality built environment strategy

Many factors contribute to the quality of Auckland city's built environment. The council's major contribution includes planning the best way to protect the city's heritage and character sites and buildings, regulating development, and influencing the delivery of more sustainable urban development. Effective planning is the key to achieving high urban design standards. Quality urban design results in more vibrant, higher intensity mixed-use centres. These centres are a combination of businesses, shops, dwellings, schools, community facilities and open spaces. The council has a multi-disciplinary urban design panel to champion and lead best practice urban design in the city.

The quality built environment strategy has five objectives: achieve a more sustainable urban built environment; raise the design quality of buildings, spaces and developments; support a built environment that is responsive to the Auckland character; develop a world-class mixed-use CBD and waterfront; and foster the further development of vibrant centres and successful neighbourhoods.

The quality of the built environment is affected by the security of supply of utilities, including stormwater, electricity, telecommunications, gas and water supply services. The council has a key role to play in ensuring utility providers are planning for a growing city. Through liaison with these providers, we ensure that their plans not only meet the needs of the city today, but that they are focused on the future needs of businesses and residents. The council coordinates the development of Auckland's water supply, wastewater and stormwater services. It owns and operates the stormwater system and through its wholly owned subsidiary Metro Water Ltd provides water and wastewater services.

Growth is a significant issue in Auckland city and the wider region. The council works with regional partners to manage growth in the city in a way that takes into account regional factors. This includes planning for the demands of additional social, community and physical infrastructure that will result from an expected population increase within Auckland city.

Our focus over the next 10 years will be to build on Auckland's current strengths to create a city that will function effectively in the future. This includes planning for more housing choice, and locating retail, employment and recreation activities closer to our residential areas, which will reduce our need to travel and lead to a healthier and more varied lifestyle. A key challenge for the city will be providing the right mix of regulations to achieve the desired change.

We are currently working on our Future Planning Framework which will set the context for the review of the isthmus district plan rules. The district plan is our main regulatory tool for managing the long-term growth and development of the city in an appropriate way. It enables land, which is a limited resource in Auckland city, to be used more efficiently. It ensures that developments are considered within the social, environmental, cultural, and economic context, and that any potential adverse effects of developments are avoided or mitigated.

The council has established a property enterprise board through our Development with Vision programme. This enables the council to take a proactive leadership role in shaping the city's future development. Over the next 10 years, we will be investing $121 million in acquiring, planning and developing strategic sites across the city, including the Britomart heritage precinct. We will be purchasing land for high-quality development in Avondale, Panmure and Otahuhu. These initiatives are designed to attract people and investment to the communities.

Our waterfront programme covering the coastal areas fronting and adjacent to the CBD will benefit from our investment of about $275 million over the next 10 years. This will result in more quality open space for Aucklanders and visitors to enjoy as well as significant economic benefits for the city. An additional investment of $84 million will be made in a world-class public facility and international cruise-ship terminal at Queens Wharf. This is a unique opportunity for a pre-eminent waterfront development adjacent to the central business and retail district. We will carry out the development in time for Rugby World Cup 2011.

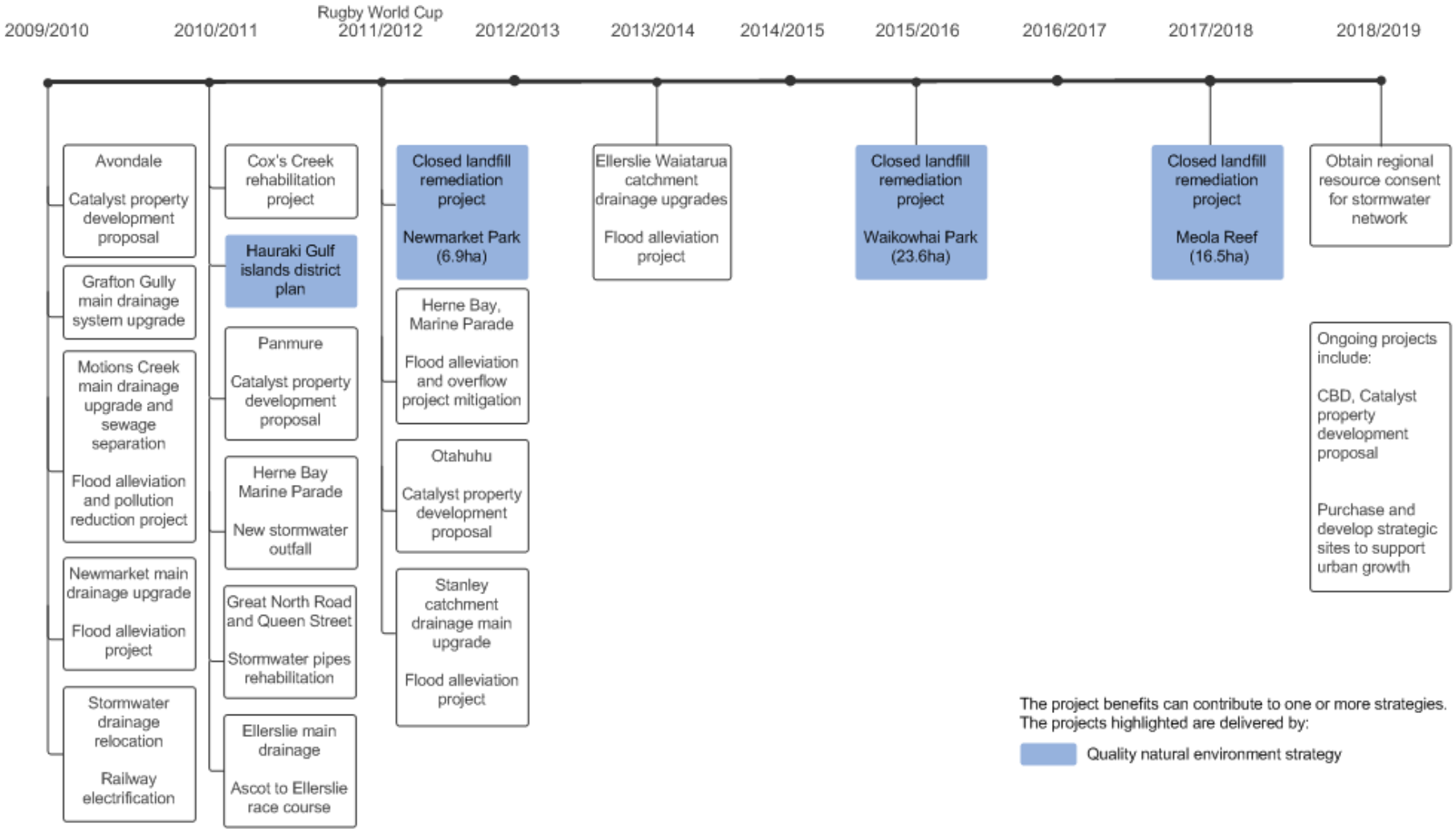
Improving the city's stormwater networks is a priority over the next 10 years. We are planning to invest $253 million to reduce sewage overflows during periods of heavy rainfall, and to protect flood-prone areas and buildings. This investment will reduce the discharge of pollutants into the city's waterways, protecting the natural environment and people's health.

Community outcomes

Aucklanders have identified 21 outcomes as being important for their city's future. Community outcomes belong to the whole city and their success depends on the efforts of the council, government organisations, iwi, community groups, private businesses and individuals working together. See the appendices in volume 1 for more detail on the community outcomes. Below is a summary of how the quality built environment strategy is helping to achieve some of the community outcomes.

Community outcome	Council's role and contribution	Relevant council activities
Auckland is well cared for	The council plans and regulates for the city's growth, and works alongside developers, so that high-quality infrastructure, open space and community facilities are available to meet the needs of a growing population.	Management of development Urban growth strategy and management
Aucklanders have faith in the future	The council accounts for the city's future needs as part of long-term planning, for example through the council's urban growth strategy, and works with utility providers to ensure the security of energy, telecommunications, gas and water services to the city.	Urban growth strategy and management Development with Vision Stormwater network management
Auckland has a distinctive identity	The council provides for growth while at the same time protecting and enhancing the city's unique character and heritage features by championing best practice in urban design, giving planning advice, and managing resource and building consents.	Management of development City planning Land and property-related information
Auckland has successful neighbourhoods	The council works with communities to decide how growth should be managed specifically in local areas, and to ensure that local neighbourhoods are built to meet the needs of the people living in them.	City planning Urban growth strategy and management
Aucklanders are healthy	The council provides a stormwater network that protects people and their properties from the risks of flooding, including the effects of uncontrolled pollutants entering the city's waterways.	Stormwater network management

How things will look different



Financial overview

Funding day-to-day activities

Operating expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
City planning	14,887	13,668	15,385	17,987	19,693	21,617	22,754	26,660	28,635	30,109	32,442
Development with Vision	2,740	2,347	2,887	3,504	3,777	3,911	4,059	4,053	4,112	4,202	4,231
Land and property related information	3,093	3,293	3,222	3,304	3,358	3,524	3,568	3,646	3,764	3,860	3,895
Management of development	39,477	33,744	33,964	35,040	35,963	37,592	38,433	39,449	40,769	41,966	42,642
Stormwater network management	29,053	30,530	30,953	33,033	32,390	33,502	34,789	36,247	37,938	39,618	41,289
Urban growth strategy and management	2,421	2,501	2,565	3,048	3,135	3,227	3,307	3,375	3,456	3,536	3,574
	91,671	**86,084**	**88,975**	**95,916**	**98,315**	**103,374**	**106,909**	**113,429**	**118,674**	**123,291**	**128,073**
Less depreciation	15,975	19,650	18,996	20,552	19,173	20,342	20,985	23,617	25,143	26,455	27,932
Gross operating expenditure less depreciation	**75,696**	**66,433**	**69,979**	**75,364**	**79,142**	**83,032**	**85,924**	**89,813**	**93,531**	**96,836**	**100,141**
Operating expenditure funded by											
Direct user charges	32,118	25,224	25,910	26,557	27,248	27,956	28,683	29,458	30,253	31,070	31,940
General rates/(contribution to other activities)	40,803	39,693	42,565	45,370	48,429	51,024	54,286	57,390	60,302	62,778	65,200
Other operational revenue	1,266	138	141	2,144	2,147	2,699	2,703	2,707	2,712	2,716	2,721
Penalties and fines	77	77	79	81	83	85	87	90	92	95	97
Rental revenue	1,332	1,202	1,183	1,212	1,235	1,267	164	168	173	178	183
Targeted rates	100	100	103	0	0	0	0	0	0	0	0
	75,696	**66,433**	**69,979**	**75,364**	**79,142**	**83,032**	**85,924**	**89,813**	**93,531**	**96,836**	**100,141**

Investing in assets

Investment is required to renew assets in order to maintain current service levels; and to acquire new assets to provide for growth and increased demand.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Development with Vision	0	5,873	16,052	11,309	11,602	11,902	12,210	12,538	12,875	13,221	13,589
Stormwater network management	30,986	22,823	23,433	27,026	23,741	24,358	24,991	25,666	26,359	27,071	27,829
	30,986	**28,696**	**39,484**	**38,335**	**35,342**	**36,260**	**37,201**	**38,204**	**39,234**	**40,291**	**41,418**
Capital expenditure funded by											
Borrowings and working capital	(14,383)	(3,953)	17,396	14,619	11,185	9,126	7,544	5,938	5,273	3,243	568
Charitable receipts	23,496	10,500	0	0	0	0	0	0	0	0	0
Depreciation	15,973	19,650	18,996	20,552	19,173	20,342	20,985	23,617	25,143	26,455	27,932
Development contributions	5,881	2,072	2,556	3,013	3,553	4,192	5,448	6,686	7,649	8,750	10,011
General rates/(contribution to other activities)	19	428	536	150	1,432	2,601	3,223	1,964	1,169	1,843	2,907
	30,986	**28,696**	**39,484**	**38,335**	**35,342**	**36,260**	**37,201**	**38,204**	**39,234**	**40,291**	**41,418**

Activities

This section provides more detail on the services or groups of activities that the council is involved in which contribute to the quality built environment strategy. These activities describe the difference we are making in people's lives every day as well as the significant projects we deliver which help us make progress towards achieving our vision for Auckland to be First City of the Pacific.

The quality built environment (QBE) strategy has five objectives:

Objective	Abbreviated reference[1]	Ref.
Achieve a more sustainable urban built environment	Sustainable built environment	QBE1
Raise the design quality of buildings, spaces and developments	Quality design	QBE2
Support a built environment that is responsive to the Auckland character	Auckland character	QBE3
Develop a world-class mixed-use CBD and waterfront	World-class CBD waterfront	QBE4
Foster the further development of vibrant centres and successful neighbourhoods	Centres and neighbourhoods	QBE5

Note to table

1 This abbreviated reference is used in the tables under each activity.

Six groups of activities contribute to quality built environment:

- city planning
- Development with Vision
- land and property-related information
- management of development
- stormwater network management
- urban growth strategy and management.

For more information about assets associated with these activities, see assets in part 2 of this volume. Each activity includes the following information:

- activity overview (including the rationale for the council's involvement)
- benefits to the community from this activity
- key projects
- measures
- significant negative impacts of this activity (if any)
- financial information.

Assets contributing towards the delivery of services

Auckland City Council has a large investment in assets to deliver services to its community. More than $1.3 billion is invested to support the quality built environment strategy and a further $374 million investment is planned through to 2019. Planning for replacement and new assets is carried out in 13 asset management plans, two of which relate to quality built environment. They are: property and stormwater. For more information about the assets associated with this strategy, see the asset information in part 2 of this volume.

Some assets or groups of assets contribute to more than one strategy. The capital expenditure and operating costs are reported under the principal strategy to which the activity is linked. For example, Development with Vision is linked to quality built environment but also provides quality open space which is an activity under the lifestyle choices strategy.

Measuring progress

The council reviews progress towards its objectives in a number of ways. Measures which check progress on delivering day-to-day services are listed under each activity. Measures which outline the levels of service for each of the council's major groups of assets are listed under each asset group later in this volume.

Activity: city planning

An integrated, sustainable and high-quality urban built environment is important to Aucklanders.

The council delivers this environment through a range of city planning services – from planning the best way to protect the city's heritage sites and buildings, to regulating development to ensure it is of an international standard, to providing professional and technical planning assistance to the public, and national and local planning bodies. Some of this work is proactive (eg, advocating for legislation and national strategy that affects the city), and some is reactive, such as providing advice in response to residents' planning enquiries.

As part of its regulatory role, the council, through its district plan, bylaws and associated standards, provides rules and guidelines for managing development in the city. The council's city planning activities are largely dictated by legislation – in particular, the Local Government Act 2002, which gives the council the power to create bylaws and conduct hearings, and the Resource Management Act 1991, which requires the council to produce a district plan and provide heritage protection.

The council puts in place planning policies and strategies for specific areas of the city to protect their character and to ensure that development reflects what local communities want.

The council's waterfront programme, which specifically covers the coastal areas fronting and adjacent to the CBD, will create a stunning waterfront that all Aucklanders can enjoy and be proud of. It will ensure that the city's key waterfront assets are secured and developed in a sustainable way. (See appendix for CBD waterfront programme) Auckland's natural and cultural heritage – including its significant buildings, sites, features and trees – are a defining feature of the city. The council identifies, assesses and monitors sites to be protected and provides advice and a small grants scheme to help owners maintain them.

City planning at a glance

City planning activities provide four services:

- providing city planning advice
- developing the district plan and bylaws
- developing and implementing strategic policy
- protecting urban heritage.

Benefits

- Protection of the city's significant natural and cultural heritage sites and buildings to ensure that its character and identity are maintained.
- A world-class waterfront that draws visitors and economic benefits to the city, and is available for Aucklanders to enjoy now and in the future.
- Well-informed decision making and planning for development in the city that brings about positive outcomes for neighbourhoods and the community.
- Development and related activities in the city are managed so that the character of different areas is maintained.

This activity contributes to the following strategic objectives:

Sustainable built environment	Quality design	Auckland character	World-class CBD waterfront	Centres and neighbourhoods
QBE1	QBE2	QBE3	QBE4	QBE5
✓	✓	✓	✓	✓

Key projects

See the appendices in volume 1 for details on planned investment in the waterfront programme projects.

Project name	Brief project description	Project cost	Project benefits	Timing
Future Planning Framework	This document sets the context for the future development of Auckland. It will consist of citywide, local and neighbourhood plans of the whole isthmus. It will play a significant role in the development of the isthmus district plan.	$950,000	Provides a consistent framework and context for anyone, including a council group, that undertakes capital works or influences the future land use of the isthmus.	Completed by December 2009
Future district plan approach	This project identifies and commences the Future Planning Framework implementation through to a future district plan	$2.72 million	Ensures that developments are considered within the social, environmental, cultural and economic context, and adverse effects of developments are avoided or mitigated.	2009/2010

Measures: how the council checks progress toward achieving its objectives for city planning

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QBE1 QBE2 QBE3 QBE4 QBE5	The council's planning frameworks are robust, current and deliver quality outcomes	Future Planning Framework adopted	Approach for implementing the Future Planning Framework adopted	Hauraki Gulf Island District Plan operative Outstanding appeals to isthmus district plan resolved		

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The majority of the council's city planning activities is paid for from the general rate as city planning is considered to be a public good. The CBD targeted rate helps fund some of the costs of city planning activities that directly relate to the CBD as CBD ratepayers gain a greater benefit from the improved amenity. The council also receives a small amount of revenue from user charges and other operational revenue.

Operating expenditure

The operating expenditure for each of the four services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
City planning advice	874	842	854	872	892	908	924	934	947	960	960
District plan and bylaws development	9,384	9,070	9,413	9,333	9,718	10,204	10,487	10,835	11,258	11,653	11,944
Strategic policy develop and implement	2,916	2,627	3,971	6,614	7,895	9,302	10,122	13,667	15,196	16,256	18,311
Urban heritage protection	1,713	1,130	1,146	1,167	1,189	1,204	1,220	1,224	1,234	1,241	1,226
	14,887	**13,668**	**15,385**	**17,987**	**19,693**	**21,617**	**22,754**	**26,660**	**28,635**	**30,109**	**32,442**
Less depreciation	5	379	1,013	2,276	2,596	3,340	3,426	4,959	5,300	5,515	5,670
Gross operating expenditure less depreciation	**14,882**	**13,289**	**14,372**	**15,711**	**17,097**	**18,278**	**19,327**	**21,701**	**23,335**	**24,594**	**26,772**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
Direct user charges	73	73	75	77	79	81	83	85	88	90	93
General rates/(contribution to other activities)	14,669	13,115	14,194	13,635	15,019	15,650	16,697	19,068	20,701	21,957	24,133
Other operational revenue	40	0	0	1,999	1,999	2,547	2,547	2,547	2,547	2,547	2,547
Targeted rates	100	100	103	0	0	0	0	0	0	0	0
	14,882	**13,289**	**14,372**	**15,711**	**17,097**	**18,278**	**19,327**	**21,701**	**23,335**	**24,594**	**26,772**

Investing in assets

No capital investment is planned for the council's city planning activities for the period covered by this plan.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
City planning	0	0	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital expenditure funded by											
Borrowings and working capital	(5)	(379)	(1,013)	(2,276)	(2,596)	(3,340)	(3,426)	(4,959)	(5,300)	(5,515)	(5,670)
Depreciation	5	379	1,013	2,276	2,596	3,340	3,426	4,959	5,300	5,515	5,670
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Activity: Development with Vision

Auckland City Council has a vision for making Auckland an attractive, exciting city with vibrant local communities and a people-focused, energetic city centre.

The council believes there is a need for it to take a proactive leadership role in the city's development. Influencing where and how development occurs can be challenging – particularly when the only tools available to the council are regulatory ones.

In 2006, the council set up a property enterprise board to implement a more hands-on approach to shaping the city's future development. The board identifies opportunities for the council to acquire property or use existing council property in strategically important areas of the city to enable development that achieves the council's vision.

The council is not intending to become a property developer. However, as a landowner the council will have greater influence over what gets built in key areas, and can ensure that development is appropriate to its location, well designed and socially, economically and environmentally sustainable.

The benefits for the community from the council's Development with Vision activities are high-quality, sustainable urban developments throughout Auckland city that support urban growth, demonstrate best practice in urban design and development, and take into account social, environmental, economic and cultural well-being. These benefits will be delivered through working in partnership with the private sector or other organisations. Examples are the Britomart heritage precinct, and land acquisition and development planning in town centres such as Avondale, Panmure, Otahuhu and within the CBD waterfront. There is a "global" budget allocation out of which acquisitions in these areas will be funded. Specific acquisitions are yet to be identified in Panmure, Otahuhu or the CBD.

Development with Vision at a glance

Benefits

- High-quality, sustainable residential and mixed-use developments occur in strategic areas of the city that will significantly enhance the local urban environment.
- Avondale, Panmure and Otahuhu town centres attract people and investment due to the high-quality investment.
- A high standard of urban design and sustainability is achieved.

This activity contributes to the following strategic objectives:

Sustainable built environment	Quality design	Auckland character	World-class CBD waterfront	Centres and neighbourhoods
QBE1	QBE2	QBE3	QBE4	QBE5
✓	✓			✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Land purchase and development	Master planning and development planning of strategic sites, including the purchase of individually owned sites for assembly into suitably sized development parcels and reassignment of existing council land for undertaking exemplar developments that demonstrate sustainable urban development.	$121.2 million	High quality, sustainable urban developments throughout Auckland city that support urban growth, demonstrate best practice in urban design and development, and take into account social, environmental, economic and cultural well-being.	2009/2010-2018/2019

Measures: how the council checks progress toward achieving its objectives for Development with Vision

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QBE1 QBE2 QBE5	Quality property development examples provided in targeted areas of the city	New measure	Development proposal prepared for Avondale	Development proposal prepared for Panmure	Development proposal prepared for Otahuhu	Development proposal prepared for CBD

For further levels of service measures refer to the property asset information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The majority of the council's Development with Vision activities will be funded on a partially commercial basis. This means that the expected revenues from the sale of leases or land will help to repay principal and interest on a loan. The principal and interest of the outstanding amount is assumed to be repaid from general rates and user charges, as the city and individual users of this activity will benefit. The council will receive rental revenue from some of the land it purchases, pending development of the land.

Operating expenditure

The operating expenditure for this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Development with Vision	2,740	2,347	2,887	3,504	3,777	3,911	4,059	4,053	4,112	4,202	4,231
	2,740	**2,347**	**2,887**	**3,504**	**3,777**	**3,911**	**4,059**	**4,053**	**4,112**	**4,202**	**4,231**
Less depreciation	1	1	1	1	1	1	1	1	1	1	1
Gross operating expenditure less depreciation	**2,739**	**2,346**	**2,886**	**3,503**	**3,776**	**3,910**	**4,058**	**4,052**	**4,111**	**4,201**	**4,230**
Operating expenditure funded by											
Direct user charges	123	70	127	130	133	137	140	144	148	152	156
General rates/(contribution to other activities)	1,284	1,075	1,577	2,162	2,407	2,506	3,754	3,740	3,790	3,871	3,891
Rental revenue	1,332	1,202	1,183	1,212	1,235	1,267	164	168	173	178	183
	2,739	**2,346**	**2,886**	**3,503**	**3,776**	**3,910**	**4,058**	**4,052**	**4,111**	**4,201**	**4,230**

Investing in assets

New capital investment will be funded from borrowings and general rates as they provide long-term benefits for the city. Renewals will be funded from depreciation as well-maintained assets benefit the city.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Development with Vision	0	5,873	16,052	11,309	11,602	11,902	12,210	12,538	12,875	13,221	13,589
	0	**5,873**	**16,052**	**11,309**	**11,602**	**11,902**	**12,210**	**12,538**	**12,875**	**13,221**	**13,589**
Capital expenditure funded by											
Borrowings and working capital	(1)	5,716	15,817	11,260	11,078	10,936	10,969	11,756	12,397	12,447	12,330
Depreciation	1	1	1	1	1	1	1	1	1	1	1
General rates/(contribution to other activities)	0	156	233	48	523	965	1,239	781	477	773	1,258
	0	**5,873**	**16,052**	**11,309**	**11,602**	**11,902**	**12,210**	**12,538**	**12,875**	**13,221**	**13,589**

Activity: land and property-related information

Auckland City Council provides land information memorandum (LIM) reports and other property-related information to customers on request.

A LIM is a summary of the information that the council holds about a property on the day the report is requested. It may include information about such things as flooding, erosion, stormwater drains and sewage pipes, rates and building or resource consents that relate to the property.

The council is required to provide LIMs and related property information under the Local Government Official Information and Meetings Act 1987.

Property owners and individuals benefit from the council providing this service by having access to a wide range of property and other information provided in a timely manner.

Land and property-related information at a glance

Land and property-related information activity provides one main service:

- providing land and property-related information.

Benefits

- Property owners and individuals have access to comprehensive property-related information as required.
- Planning and development decisions are based on up-to-date information, enabling relevant factors affecting land to be taken into account.
- Comprehensive and up-to-date records are maintained about building and development in the city.

This activity contributes to the following strategic objectives:

Sustainable built environment	Quality design	Auckland character	World-class CBD waterfront	Centres and neighbourhoods
QBE1	QBE2	QBE3	QBE4	QBE5
✓	✓			

Key projects

There are no major projects for this activity for the period of this plan.

Measures: how the council checks progress toward achieving its objectives for land and property-related information

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QBE1	Percentage of LIM requests processed within agreed timeframes	New measure	100	100	100	100

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

Auckland City Council's land and property-related activities are fully funded from user charges (fees charged for reports and other information) as individuals requesting information from the council benefit directly from these services. The surplus is used to repay the general rates that were used to fund system enhancements for this activity.

Operating expenditure

The operating expenditure for the service under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Provision of land and property-related information	3,093	3,293	3,222	3,304	3,358	3,524	3,568	3,646	3,764	3,860	3,895
	3,093	**3,293**	**3,222**	**3,304**	**3,358**	**3,524**	**3,568**	**3,646**	**3,764**	**3,860**	**3,895**
Less depreciation	0	0	0	0	0	0	0	0	0	0	0
Gross operating expenditure less depreciation	**3,093**	**3,293**	**3,222**	**3,304**	**3,358**	**3,524**	**3,568**	**3,646**	**3,764**	**3,860**	**3,895**
Operating expenditure funded by											
Direct user charges	2,683	2,704	2,772	2,841	2,915	2,991	3,068	3,151	3,236	3,324	3,417
General rates/(contribution to other activities)	(210)	587	449	461	441	531	497	492	526	534	476
Other operational revenue	620	2	2	2	2	2	2	2	2	2	3
	3,093	**3,293**	**3,222**	**3,304**	**3,358**	**3,524**	**3,568**	**3,646**	**3,764**	**3,860**	**3,895**

Investing in assets

No capital investment is planned for the council's land and property information activities for the period covered by this plan.

Activity: management of development

Aucklanders indicated through the community outcomes process that the quality of their urban built environment is important to them. To maintain this quality and to protect the natural environment and people's health and safety, the council manages the city's development through various regulation and monitoring processes. These processes include resource and building consents, building warrants of fitness and compliance schedules.

As an authority issuing consents, the council is required under the Building Act 2004 to provide building consent and monitoring functions.

Building consents are used to regulate building standards in the city. The council processes, issues, and monitors building consents. It carries out building inspections during construction to ensure that structures comply with the building consent and building code. The council issues compliance schedules and maintains building warrants of fitness for buildings in the city that contain specified systems such as sprinklers, and mechanical systems such as lifts, to ensure they are safe.

Resource consents are designed to ensure that all developments in the city are carried out in a way that minimises adverse effects on the environment. The council advises people about the resource consent process, processes applications, monitors consents to ensure compliance, and makes sure that developments comply with the district plan.

The council provides these services not just because it is legally required to manage development in the city. The services provide community benefits and contribute to the council's strategic objectives of protecting Auckland's natural environment, and raising the design quality of buildings, spaces and developments in the city.

Management of development at a glance

Management of development covers three main services:

- issuing building consents
- monitoring development control compliance
- issuing resource consents.

Benefits

- Auckland's environment is protected and enhanced.
- The community's health and safety is protected and maintained.
- Auckland's built environment is well-constructed and sustainable, with high-quality urban design.
- Auckland is an attractive and desirable city that copes well with pressures from development and growth.
- Developers and individuals have the information and rules they need to build safe and compliant structures.

This activity contributes to the following strategic objectives:

Sustainable built environment	Quality design	Auckland character	World-class CBD waterfront	Centres and neighbourhoods
QBE1	QBE2	QBE3	QBE4	QBE5
✓	✓	✓		

Key projects

There are no major projects for this activity for the period of this plan.

Measures: how the council checks progress toward achieving its objectives for management of development

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QBE1 QBE2	Percentage of building consents processed within 20 working days	90	90	90	90	90
	Percentage of code compliance certificates processed within 20 working days	New measure	85	85	85	85
	Percentage of customers satisfied with the building consent process	New measure	70	70	70	70
QBE1 QBE2 QBE3	Percentage of non-notified resource consents processed within 20 working days	New measure	60	60	60	60
	Percentage of notified resource consents processed within 70 working days	New measure	70	70	70	70
	Percentage of customers satisfied with the resource consent process	New measure	70	70	70	70
	Percentage of identified resource consent breaches resolved within 60 working days	70	70	70	70	70
	Percentage of building incidents resolved within 20 workings days	New measure	70	70	70	70

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

Auckland City Council's management of development activities are funded through a combination of user charges and the general rate, with a small amount of funding from fines for non-compliance. The costs of processing, issuing and monitoring building consents, and carrying out building inspections, are fully funded from user charges as individuals involved in building new developments in the city will benefit directly from them and should bear the responsibility for making sure they comply. The costs of processing, issuing and monitoring resource consents are mainly funded from user charges for similar reasons. The outstanding costs are met from the general rate to reflect the public good benefit from the regulatory activity. Consent fees are set at levels that encourage compliance and result in greater environmental quality. It is also appropriate that the general rate funds some of the benefits that the community gets from a safe and healthy environment. At present, the costs of building warrants of fitness and compliance schedules are fully funded from the general rate. From 1 July 2009 however, the council will introduce a charge to property owners to recover the administration costs of these services, as developers and homeowners whose buildings require warrants of fitness directly benefit from this service. There is minimal use of penalties and fines as they are less effective in covering the cost of monitoring enforcement activities. The council also receives a small amount of funding from other operational revenue.

Operating expenditure

The operating expenditure for each of the three services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Building consents	18,322	16,389	16,254	16,621	16,878	17,612	17,826	18,211	18,760	19,216	19,458
Development control compliance	3,502	2,713	2,734	2,824	2,905	3,020	3,091	3,160	3,253	3,336	3,367
Resource consents	17,652	14,643	14,975	15,595	16,180	16,960	17,516	18,078	18,756	19,414	19,818
	39,477	**33,744**	**33,964**	**35,040**	**35,963**	**37,592**	**38,433**	**39,449**	**40,769**	**41,966**	**42,642**
Less depreciation	198	178	119	53	19	0	0	0	0	0	0
Gross operating expenditure less depreciation	**39,279**	**33,566**	**33,844**	**34,987**	**35,944**	**37,592**	**38,433**	**39,449**	**40,769**	**41,966**	**42,642**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
Direct user charges	29,238	22,377	22,936	23,510	24,121	24,748	25,392	26,077	26,781	27,504	28,275
General rates/(contribution to other activities)	9,358	10,977	10,690	11,254	11,593	12,609	12,800	13,124	13,733	14,200	14,099
Other operational revenue	606	136	139	142	146	150	154	158	162	167	171
Penalties and fines	77	77	79	81	83	85	87	90	92	95	97
	39,279	**33,566**	**33,844**	**34,987**	**35,944**	**37,592**	**38,433**	**39,449**	**40,769**	**41,966**	**42,642**

Investing in assets

No capital investment is planned for the council's management of development activities for the period covered by this plan.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Management of development	0	0	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital expenditure funded by											
Borrowings and working capital	(198)	(178)	(119)	(53)	(19)	0	0	0	0	0	0
Depreciation	198	178	119	53	19	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Activity: stormwater network management

Auckland requires reliable utilities such as stormwater infrastructure and services so the city can function safely and efficiently for the people who live and work here.

The council manages a $1.3 billion stormwater network, which carries rainwater into streams, harbours and aquifers, and has historically supplied and operated water-related infrastructure within the city.

Under the Local Government Act 2002 and the Resource Management Act 1991, the council must provide stormwater services to protect people and property from the impacts of flooding, and the environment and people's health from the effects of uncontrolled stormwater pollutants entering the city's waterways.

Improving the city's stormwater networks is a priority for the council over the next 10 years and beyond. This programme is expected to be completed in 2043. Work is well advanced on the Motions Creek catchment (which covers 456ha of commercial and residential land), where a new pipeline is being installed to increase network capacity, reduce flooding and facilitate Metrowater being able to eliminate scores of combined sewage overflows.

Reliable, up-to-date utility services are vital to supporting and growing healthy and vibrant residential and business communities. The council works with all utility companies to ensure the city has the infrastructure and facilities needed to service its growing population and increasing economic activity.

Of particular importance are the relationships the council has with the telecommunications utilities as they expand their broadband fibre optic and wireless networks within the city. The council continues to work closely with Vector as it progresses the undergrounding of old overhead electricity networks within the district.

The council liaises with utility companies that use the local road network for their lines and pipes to limit disruption to residents and businesses.

Stormwater network management at a glance

Stormwater network management provides two main services:

- stormwater management, environmental policy planning and advice
- utilities liaison.

Benefits

- People's health and property are protected from the adverse effects of flooding.
- Incidences of flooding and sewage overflows within the city are reduced, protecting people's health.
- Discharges of stormwater pollutants into the city's waterways are controlled and minimised.
- The effective provision of utilities services ensures growth in the city is well managed.

This activity contributes to the following strategic objectives:

Sustainable built environment	Quality design	Auckland character	World-class CBD waterfront	Centres and neighbourhoods
QBE1	QBE2	QBE3	QBE4	QBE5
✓			✓	

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Stormwater network	New works will focus on reducing sewage overflows during periods of heavy rainfall, and protecting flood-prone areas and buildings.	$236.8 million	Reduced incidences of flooding from stormwater overflow will better protect flood-prone areas and buildings within the city. Reducing the discharge of pollutants into the city's waterways will protect the natural environment and people's health.	2009/2010-2018/2019
Renewals	Renewals of existing stormwater network and infrastructure.	$16.5 million		

Measures: how the council checks progress toward achieving its objectives for stormwater network management

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QBE1	Reducing the high risk of flooding of the 1250 habitable floor areas identified as below the 1-in-50 year flood plain by floors per year.	35	20	20	20	140
QBE1 QBE4	Maximum number of stormwater blockage incidents per 100km of stormwater mains.	20	20	20	20	20

For further levels of service measures refer to the stormwater asset information in part 2 of volume 2.

Significant negative impacts

Engineered stormwater systems can have significant negative effects by transporting environmental contaminants to concentrated points of discharge, and diverting water flows to or from natural streams and watercourses.

Financial information

Funding day-to-day activities

The council's stormwater network management is considered a public good as the council cannot measure the stormwater from individual properties, and its advocacy role ensures that everyone in Auckland benefits from the city having a clean environment and adequate, high-quality utilities services. It is therefore appropriate for these services to be funded from the general rate.

Funding for Auckland City Council's stormwater network management activities is used for providing and managing stormwater infrastructure, utilities liaison services and initiatives to ensure the council's own operations are energy efficient.

Operating expenditure

The operating expenditure for each of the two services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Stormwater network management	28,564	30,085	30,498	32,563	31,907	33,004	34,277	35,722	37,399	39,064	40,725
Utilities liaison	489	445	456	469	484	498	512	525	539	553	564
	29,053	**30,530**	**30,953**	**33,033**	**32,390**	**33,502**	**34,789**	**36,247**	**37,938**	**39,618**	**41,289**
Less depreciation	15,770	19,092	17,863	18,223	16,557	17,001	17,558	18,656	19,842	20,938	22,261
Gross operating expenditure less depreciation	**13,283**	**11,438**	**13,091**	**14,810**	**15,834**	**16,501**	**17,231**	**17,591**	**18,096**	**18,679**	**19,027**
Operating expenditure funded by											
General rates/(contribution to other activities)	13,283	11,438	13,091	14,810	15,834	16,501	17,231	17,591	18,096	18,679	19,027
	13,283	**11,438**	**13,091**	**14,810**	**15,834**	**16,501**	**17,231**	**17,591**	**18,096**	**18,679**	**19,027**

Investing in assets

The capital investment for Auckland City Council's stormwater activities that cater for population growth is funded from development contributions. The council is assuming there will be one final charitable receipt in 2009/2010 from Metrowater's surplus, which it will use to fund acquisition of stormwater assets. The remaining capital investment for new assets will be funded by borrowings and general rates, as these assets provide long-term benefits for the city. Renewals will be funded from depreciation as well-maintained assets benefit the city.

The planned stormwater programme (to extend and upgrade the stormwater network) is expected to continue until 2043. This project has a total cost planned after 2019 of $537 million (uninflated cost). Development contribution charges are designed to recover the cost of growth from 2007/2008 to the completion of the programme.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Stormwater network management	30,986	22,823	23,433	27,026	23,741	24,358	24,991	25,666	26,359	27,071	27,829
	30,986	**22,823**	**23,433**	**27,026**	**23,741**	**24,358**	**24,991**	**25,666**	**26,359**	**27,071**	**27,829**
Capital expenditure funded by											
Borrowings and working capital	(14,180)	(9,113)	2,710	5,688	2,721	1,530	2	(858)	(1,824)	(3,689)	(6,093)
Charitable receipts	23,496	10,500	0	0	0	0	0	0	0	0	0
Depreciation	15,770	19,092	17,863	18,223	16,557	17,001	17,558	18,656	19,842	20,938	22,261
Development contributions	5,881	2,072	2,556	3,013	3,553	4,192	5,448	6,686	7,649	8,750	10,011
General rates/(contribution to other activities)	19	272	303	102	910	1,635	1,984	1,183	693	1,071	1,649
	30,986	**22,823**	**23,433**	**27,026**	**23,741**	**24,358**	**24,991**	**25,666**	**26,359**	**27,071**	**27,829**

Activity: urban growth strategy and management

Auckland is one of New Zealand's fastest growing cities, and is located in the middle of a region that is experiencing substantial growth. Many features draw people to Auckland – including its stunning location and environment, its role as a commercial and creative hub for the South Pacific, and the options it offers for business and high-quality urban lifestyles.

To ensure Auckland retains these qualities in the face of growth and development requires careful planning and management. The council provides this through its urban growth strategy and management activities.

The council develops and implements strategies to manage growth in the city, while working with our regional partners to ensure that this growth is planned for within the wider context. Ensuring coordinated planning and development for transport and land use is an important part of this, enabling people to move with ease between where they live, work and play.

At a local level, the council works with communities to establish an agreed direction for how growth and change should happen. Area plans are being developed for each part of Auckland (apart from the CBD and Hauraki Gulf islands), providing blueprints for development in local areas.

High-quality urban design is fundamental to ensuring that Auckland remains attractive and liveable into the future. The council has set up a multi disciplinary urban design panel (with members drawn from private and public sector partners and stakeholders) to champion and lead best practice urban design in the city.

The council is involved in urban design because Aucklanders have said (in particular through the community outcomes process) that the quality of their environment, both urban and natural, is important to them.

The council is obliged by law to provide its growth management services. The Local Government (Auckland) Amendment Act 2004 requires councils in the region to integrate land use and transport planning so that it is consistent with, and gives effect to, the regional policy statement and regional growth strategy. Auckland's Regional Policy Statement is about managing the use, development and protection of the natural and physical resources of the region. The Regional Growth Strategy sets a vision for how the region can manage growth sustainably for the next 50 years.

Urban growth strategy and management at a glance

Urban growth strategy and management activities provide two main services:

- managing growth
- managing urban design.

Benefits

- Auckland will have a well-designed, attractive, walkable and people-focused built environment.
- Growth will be managed to provide positive outcomes for Auckland.
- The city will have more accessible buildings, streets and public spaces that people of all ages can use and enjoy.
- A quality built environment means more efficient use of land and greater use of public transport (resulting in better and more frequent services), which will in turn give residents and visitors better access to key community facilities.

This activity contributes to the following strategic objectives:

Sustainable built environment	Quality design	Auckland character	World-class CBD waterfront	Centres and neighbourhoods
QBE1	QBE2	QBE3	QBE4	QBE5
✓	✓	✓	✓	✓

Key projects

There are no major projects for this activity for the period of this plan.

Measures: how the council checks progress toward achieving its objectives for urban growth strategy and management

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QBE5	Percentage of new households in specific targeted growth areas	New measure	10	10	15	20
QBE2 QBE3	Percentage of applications that are processed under the fairwinds process	New measure	20	25	35	35
	The Council's urban design frameworks are robust, current and deliver quality outcomes	City Centre urban Design Framework Part 1 adopted	City Centre Spatial Plan Part 2 adopted	Implement and deliver on the recommendations of the Spatial plan		

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

All the council's urban design services and growth management services are paid for from the general rate as residents, ratepayers and visitors, benefit from having a well-designed city, where growth has been planned for and managed.

Operating expenditure

The operating expenditure for each of the two services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Growth management	1,855	1,772	1,817	2,285	2,357	2,421	2,487	2,535	2,593	2,651	2,672
Urban design management	567	729	747	764	778	807	820	839	864	885	902
	2,421	**2,501**	**2,565**	**3,048**	**3,135**	**3,227**	**3,307**	**3,375**	**3,456**	**3,536**	**3,574**
Less depreciation	2	0	0	0	0	0	0	0	0	0	0
Gross operating expenditure less depreciation	**2,420**	**2,501**	**2,565**	**3,048**	**3,135**	**3,227**	**3,307**	**3,375**	**3,456**	**3,536**	**3,574**
Operating expenditure funded by											
General rates/(contribution to other activities)	2,420	2,501	2,565	3,048	3,135	3,227	3,307	3,375	3,456	3,536	3,574
	2,420	**2,501**	**2,565**	**3,048**	**3,135**	**3,227**	**3,307**	**3,375**	**3,456**	**3,536**	**3,574**

Investing in assets

No capital investment is planned for the council's urban growth strategy and management activities for the period covered by this plan.

Quality natural environment strategy

Our harbours, coasts, beaches, volcanic landscape, parks and islands are intrinsic to Auckland's identity. The council protects and enhances our natural environment and ecology through a range of policy initiatives. Our commitment to sustainability means that not only do we develop and implement strategies to make the natural environment more sustainable, we apply a sustainable approach to all our internal operations.

The quality natural environment strategy has five objectives: protect and celebrate our unique landscapes and features; enhance and sustain our natural environment and ecology for the future; link people to the waterfront, coast and parks; enhance the quality of our land and water; and protect and celebrate the unique natural environment of the Hauraki Gulf islands.

The council looks after a diverse range of parks and reserves for you to enjoy, providing the open space needed for the growing population and enhancing the city's biodiversity by providing clean habitats for native animals and plants. Over the next 10 years, we will be investing $77 million in acquiring and developing new parks and reserves. In addition, we will invest $6 million to preserve the city's volcanic cones for future generations and to provide greater enjoyment for residents and visitors. Safeguarding a clean, green environment will require balancing the need to protect our unique natural features, such as the Hauraki Gulf islands, with the desire of the tourism industry, business and recreational users to have reasonable access. Over the next two years, we will be developing the Hauraki Gulf islands district plan, which sets out the regulatory framework for land use development within the islands.

Continuing population growth and changing lifestyles will require new dwellings and new types of dwellings to be developed within the city, placing further pressure on our natural landscapes. The isthmus district plan review will help to ensure that we identify, protect and enhance our significant ecological areas, habitats and green corridors, while providing for urban development.

To enhance the quality of our land and water we will improve the quality of our stormwater networks. The council will continue with its programme to separate the old combined stormwater and wastewater systems. Other initiatives include reducing the levels of pollutants such as zinc that make their way into stormwater, and treating and removing sediments once they have entered the stormwater network.

Over the next few years, we will work with you to reduce the quantity of solid waste sent to landfills. The council will investigate opportunities to develop a resource recovery centre (Galway recycling facility). The investment of $5 million will result in less waste being disposed to landfill and will help the council to achieve its waste minimisation plan (see summary in volume 3).

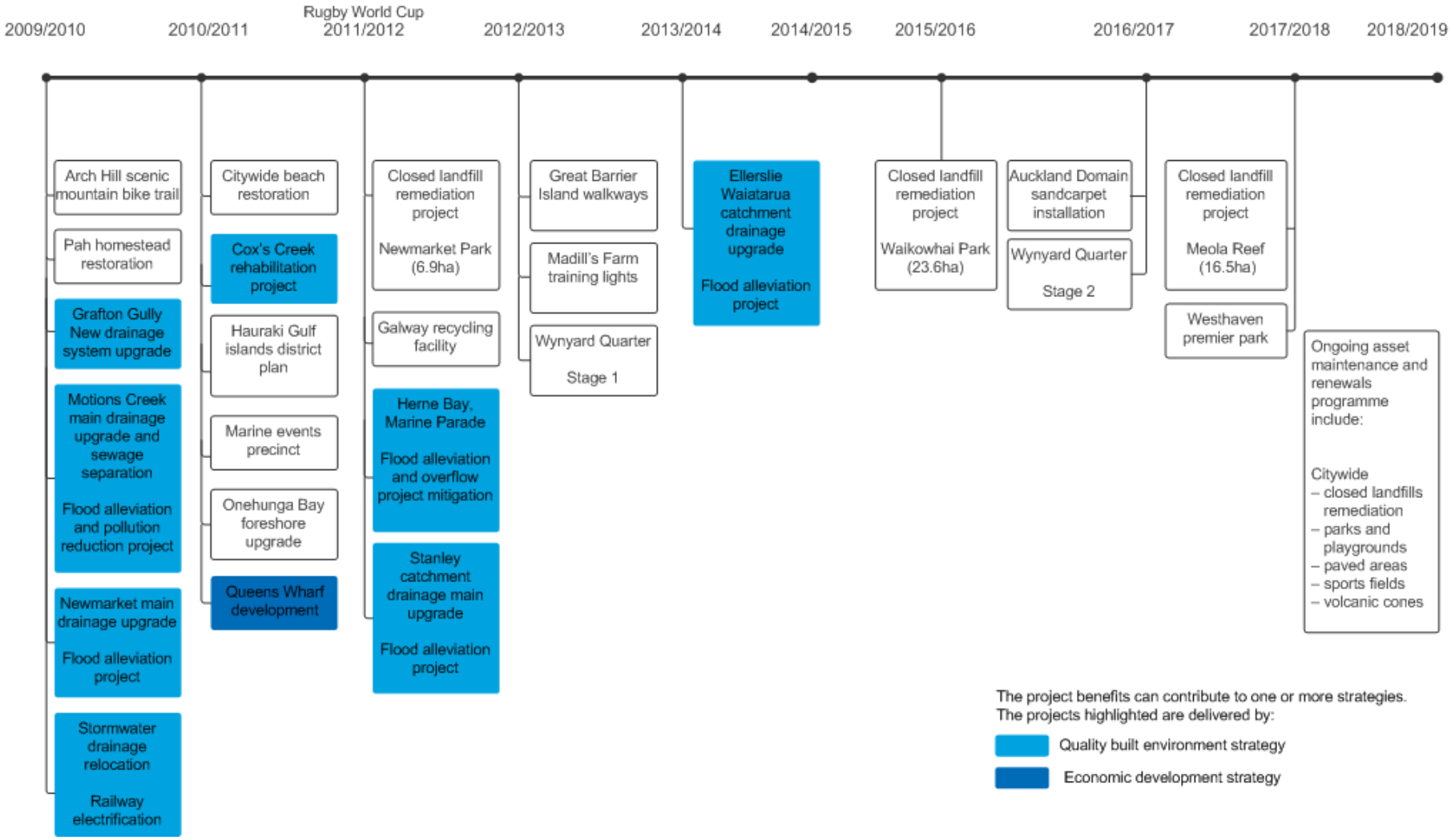
We will invest $21 million over the next 10 years in remediation works at closed landfill sites. This investment not only reduces health risks but also rehabilitates the landfill sites so that they can be used as open space for recreation, for wildlife refuges or, in some cases, for business land.

Community outcomes

Aucklanders have identified 21 outcomes as being important for their city's future. Community outcomes belong to the whole city and their success depends on the efforts of the council, government organisations, iwi, community groups, private businesses and individuals working together. See the appendices to volume 1 for more detail on the community outcomes. Below is a summary of how the quality natural environment strategy is helping to achieve some of the community outcomes.

Community outcome	Council's role and contribution	Relevant council activities
Auckland is beautiful and clean	The council works closely with partner organisations to ensure Auckland has high-quality water supply, wastewater and stormwater services, and actively manages pollution risks from the 47 closed landfills within the city's boundaries.	Closed landfills management Stormwater quality enhancement Utilities advocacy
Auckland is well cared for	The council works with other councils to address long-term sustainability issues affecting the region, such as climate change, demonstrating leadership in corporate sustainability, and encouraging residents to do their part in caring for the city, for example through expanded recycling services.	Recycling services Environmental policy and planning
Aucklanders are healthy	The council provides stormwater quality enhancement and closed landfill management services that reduce the level of pollutants released into the natural environment, and minimises the risks pollutants pose to residents.	Stormwater quality enhancement Closed landfills management
Auckland is interesting and enjoyable	The council provides and maintains a network of 700 parks, reserves and beaches, and manages Auckland's volcanic cones and unique landscape features for the enjoyment of residents as well as future generations.	Parks
The Hauraki Gulf and its islands have a unique identity	The council cares for the islands' parks, walkways, beaches and other open spaces in ways that both preserve their ecological value and increase visitor enjoyment.	Parks

How things will look different



Financial overview

Funding day-to-day activities

Operating expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Closed landfills management	1,209	3,416	3,254	3,167	3,482	4,090	4,086	5,713	7,050	5,154	5,229
Environmental policy and planning	914	913	932	959	987	1,012	1,038	1,056	1,077	1,099	1,105
Parks	45,812	46,667	50,473	54,595	57,356	59,266	60,659	62,189	64,888	66,932	68,135
Recycling services	9,787	8,872	9,957	8,875	10,747	11,019	11,306	11,572	11,871	12,174	12,422
Stormwater quality enhancement	0	651	631	673	705	729	766	809	855	900	947
Utilities advocacy	1,493	1,168	1,210	1,264	1,319	1,370	1,423	1,468	1,518	1,569	1,603
	59,215	**61,687**	**66,457**	**69,532**	**74,597**	**77,488**	**79,279**	**82,807**	**87,260**	**87,827**	**89,440**
Less depreciation	11,572	13,179	13,293	14,693	15,859	16,358	16,750	16,997	17,822	18,292	18,878
Gross operating expenditure less depreciation	**47,642**	**48,508**	**53,163**	**54,839**	**58,738**	**61,130**	**62,529**	**65,810**	**69,438**	**69,535**	**70,562**
Operating expenditure funded by											
General rates/(contribution to other activities)	31,319	39,198	43,005	45,686	47,695	49,649	51,503	54,654	57,995	57,801	58,592
Other operational revenue	6,498	531	544	558	572	587	602	619	635	652	671
Recoveries	22	0	0	0	0	0	0	0	0	0	0
Rental revenue	16	2	2	2	2	2	3	3	3	3	3
Targeted rates	9,787	8,637	9,374	8,072	9,787	10,034	10,296	10,535	10,805	11,079	11,297
Working capital	0	140	238	521	681	856	125	0	0	0	0
	47,642	**48,508**	**53,163**	**54,839**	**58,738**	**61,130**	**62,529**	**65,810**	**69,438**	**69,535**	**70,562**

Investing in assets

Investment is required to renew assets in order to maintain current service levels; and to acquire new assets to provide for growth and increased demand.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Closed landfills management	790	3,427	2,521	1,465	802	3,173	2,380	1,454	2,409	1,888	1,028
Parks	39,427	76,416	80,479	24,111	37,250	28,241	19,145	48,345	43,455	43,273	30,866
Recycling services	0	2,447	0	2,031	0	0	0	0	0	0	0
	40,217	**82,290**	**83,000**	**27,607**	**38,052**	**31,414**	**21,525**	**49,799**	**45,864**	**45,160**	**31,894**
Capital expenditure funded by											
Borrowings and working capital	6,389	52,002	49,173	(4,298)	5,158	(7,420)	(20,063)	(5,205)	(8,748)	(12,972)	(32,283)
Depreciation	11,572	13,179	13,293	14,693	15,859	16,358	16,750	16,997	17,822	18,292	18,878
Development contributions	22,037	10,356	12,043	13,606	16,043	18,925	24,597	30,189	34,537	39,509	45,204
General rates/(contribution to other activities)	219	1,775	921	44	992	789	242	784	349	330	95
Grants and subsidies	0	4,978	7,570	3,561	0	2,762	0	7,036	1,904	0	0
	40,217	**82,290**	**83,000**	**27,607**	**38,052**	**31,414**	**21,525**	**49,799**	**45,864**	**45,160**	**31,894**

Activities

This section provides more detail on the services or groups of activities that the council is involved in which contribute to the quality natural environment strategy. These activities describe the difference we are making in people's lives every day as well as the significant projects we deliver which help us make progress towards achieving our vision for Auckland to be First City of the Pacific.

The quality natural environment (QNE) strategy has five objectives:

Objective	Abbreviated reference[1]	Ref.
Protect and celebrate our unique landscapes and features	Unique features	QNE1
Protect, enhance and sustain our natural environment and ecology for the future	Sustainable natural environment	QNE2
Link people to the waterfront, coast and parks	Linking people and environment	QNE3
Enhance the quality of our land and water	Quality land and water	QNE4
Protect and celebrate the unique natural environment of the Hauraki Gulf islands	Unique gulf islands	QNE5

Note to table

1 This abbreviated reference is used in the tables under each activity.

Six groups of activities contribute to quality natural environment:

- closed landfills management
- environmental policy and planning
- parks
- recycling services
- stormwater quality enhancement
- utilities advocacy.

Each activity includes the following information:

- activity overview (including the rationale for the council's involvement)
- benefits to the community from this activity
- key projects
- measures
- significant negative impacts of this activity (if any)
- financial information.

Assets contributing towards the delivery of services

Auckland City Council has a large investment in assets to deliver services to its community. More than $756 million is invested to support the quality natural environment strategy and a further $491 million of investment is planned through to 2019. Planning for replacement and new assets is carried out in 13 asset management plans, two of which relate to quality natural environment. They are: closed landfills; and open spaces. For more information about the assets associated with this strategy, see the asset information in part 2 of this volume.

Some assets or groups of assets contribute to more than one strategy. The capital expenditure and operating costs are reported under the principal strategy to which the activity is linked. For example, parks are linked to quality natural environment but also provide recreational opportunities for residents and visitors which is an activity under the lifestyle choices strategy.

Measuring progress

The council reviews progress towards its objectives in a number of ways. Measures which check progress on delivering day-to-day services are listed under each activity. Measures which outline the levels of service for each of the council's major groups of assets are listed under each asset group later in this volume.

Activity: closed landfills management

Auckland City Council actively manages the 46 council-owned closed landfills within Auckland city's boundaries to minimise the risks they pose to human health and the environment.

All the landfill sites were closed 20 to 50 years ago using different operating and closure procedures. Over time some pollutants have migrated from the landfills into the environment.

Today, the council, as landowner, is legally responsible for managing these landfills. Under the Resource Management Act 1991, the council must ensure that resource consents attached to the landfills are complied with, carry out risk assessments and monitor programmes at the sites, and undertake remediation works as necessary.

The council is involved in closed landfill management as part of its commitment to ensuring that Auckland's environment is clean and safe. There is also a community expectation that the council carries out these services.

In addition to monitoring and remediation works, the council puts in place strategies to rehabilitate the landfill sites, so that, once the health and safety risks have been removed, they can be used as open space for recreation or wildlife refuges.

As a result, the quality of Auckland's land, air and water is enhanced, and the city remains a safe and attractive place for people to live.

Closed landfills at a glance

Closed landfills management provides one service:

- managing closed landfills.

Benefits

- The quality of Auckland's environment is maintained.
- Risks to public health and safety are reduced.
- Environmental risks from pollutants are minimised.
- Rehabilitated sites can become available for open spaces uses.

This activity contributes to the following strategic objectives:

Unique features	Sustainable natural environment	Linking people and environment	Quality land and water	Unique gulf islands
QNE1	QNE2	QNE3	QNE4	QNE5
	✓		✓	

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Citywide closed landfill remediation	Ongoing remediation works at closed landfill sites throughout the city to minimise threats from pollutants. Works will be undertaken at Newmarket Park, parts of Meola Reef Reserve and Waikowhai Park.	$20.5 million	The standard of Auckland's environment is maintained. Threats to people's health and safety from environmental pollutants are minimised.	2009/2010-2018/2019

Measures: how the council checks progress toward achieving its objectives for closed landfills management

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QNE2 QNE4	Number of hectares of rehabilitated landfill sites available for zoned uses	New measure	0	0	6.9	From 6.9 up to 47

For further levels of service measures refer to the closed landfills asset information in part 2 of volume 2.

Significant negative impacts

Public access to open space areas may be restricted while remediation works are under way.

Financial information

Funding day-to-day activities

Given the age of the landfills (most of the sites have been closed for 20 to 50 years), it is not possible to identify and charge the original parties responsible for contamination. Therefore, the council's closed landfill management activities are fully paid for from the general rate as the whole community benefits from a cleaner environment, high standards of health and safety, and additional open space.

Operating expenditure

The operating expenditure for the service under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Management of council-owned closed landfills	1,209	3,416	3,254	3,167	3,482	4,090	4,086	5,713	7,050	5,154	5,229
	1,209	**3,416**	**3,254**	**3,167**	**3,482**	**4,090**	**4,086**	**5,713**	**7,050**	**5,154**	**5,229**
Less depreciation	347	416	465	510	460	470	486	479	499	531	558
Gross operating expenditure less depreciation	**863**	**3,000**	**2,789**	**2,657**	**3,022**	**3,620**	**3,599**	**5,234**	**6,551**	**4,623**	**4,672**
Operating expenditure funded by											
General rates/(contribution to other activities)	863	3,000	2,789	2,657	3,022	3,620	3,599	5,234	6,551	4,623	4,672
	863	**3,000**	**2,789**	**2,657**	**3,022**	**3,620**	**3,599**	**5,234**	**6,551**	**4,623**	**4,672**

Investing in assets

Capital investment for new assets for closed landfills will be funded by borrowings and the general rate as they provide long-term benefits for the city. Renewals will be funded from depreciation as well-maintained assets benefit the whole city.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Management of council-owned closed landfills	790	3,427	2,521	1,465	802	3,173	2,380	1,454	2,409	1,888	1,028
	790	**3,427**	**2,521**	**1,465**	**802**	**3,173**	**2,380**	**1,454**	**2,409**	**1,888**	**1,028**
Capital expenditure funded by											
Borrowings and working capital	434	2,920	2,019	949	306	2,446	1,652	885	1,821	1,246	375
Depreciation	347	416	465	510	460	470	486	479	499	531	558
General rates/(contribution to other activities)	10	91	37	6	36	257	242	91	89	110	95
	790	**3,427**	**2,521**	**1,465**	**802**	**3,173**	**2,380**	**1,454**	**2,409**	**1,888**	**1,028**

Activity: environmental policy and planning

Maintaining Auckland's natural environment in the best possible condition was identified, through the community outcomes consultation, as being a high priority for Aucklanders. Through its environmental policy and planning activities, the council provides leadership to ensure Auckland's environment is appropriately maintained and preserved.

The council develops environmental policies and strategies based on its annual state of the environment report. This summarises the pressures on the city's environment that the council needs to address, for example, the effect of run-off from land and roads on the quality of our waterways.

Sustainability – which essentially means ensuring that future generations continue to enjoy the quality of environment that we do today – is an important concept in this area.

The council is applying a sustainable approach to all its operations and has adopted a corporate sustainability strategy to guide this. This strategy will enable the community and the council to measure how well we are maintaining and enhancing the city's natural environment.

Various laws require the council's involvement in environmental policy and planning. Under the Resource Management Act 1991 the council must monitor the environment and produce a state of the environment report.

The Local Government Act 2002 requires the council to take a sustainable approach to managing the city's future, including its environmental well-being.

Environmental policy and planning at a glance

Environmental policy and planning provides one service:

- environmental policy and planning.

Benefits

- Auckland's environment is maintained for future generations.
- Auckland retains its beautiful clean environment in the face of urban growth and other pressures.
- The council leads the way in wise use of resources, waste reduction, energy consumption and greenhouse gas emissions.

This activity contributes to the following strategic objectives:

Unique features	Sustainable natural environment	Linking people and environment	Quality land and water	Unique gulf islands
QNE1	QNE2	QNE3	QNE4	QNE5
	✓		✓	

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Hauraki Gulf islands district plan	This document sets out the regulatory framework for land use development in the islands. This will eventually replace the operative islands district plan 1996.	$700,000 per year	Ensures that developments are considered within the social, environmental, cultural and economic context, and that adverse effects of developments can be avoided or mitigated.	Decision version released in the first half of 2009. Appeals managed and resolved during 2009-2011.

Measures: how the council checks progress toward achieving its objectives for environmental policy and planning

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QNE2 QNE4	Kilograms of refuse sent to landfill per household[1]	500	490	480	478	476
	Percentage of waste[2] collected that is sent to landfill per household	64	63	62	61	61

Notes to table

1 Household is defined as households paying full targeted rate.

2 Waste comprises refuse and recycling.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The council's environmental policy and planning activities are funded from the general rate as everyone who lives and works in or visits Auckland benefits from the work the council does to maintain the city's environment in the best possible condition.

Operating expenditure

The operating expenditure for the service under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Environmental policy and planning	914	913	932	959	987	1,012	1,038	1,056	1,077	1,099	1,105
	914	**913**	**932**	**959**	**987**	**1,012**	**1,038**	**1,056**	**1,077**	**1,099**	**1,105**
Less depreciation	0	0	0	0	0	0	0	0	0	0	0
Gross operating expenditure less depreciation	**914**	**913**	**932**	**959**	**987**	**1,012**	**1,038**	**1,056**	**1,077**	**1,099**	**1,105**
Operating expenditure funded by											
General rates/(contribution to other activities)	914	913	932	959	987	1,012	1,038	1,056	1,077	1,099	1,105
	914	**913**	**932**	**959**	**987**	**1,012**	**1,038**	**1,056**	**1,077**	**1,099**	**1,105**

Investing in assets

No capital investment is planned for the council's environmental policy activities for the period covered by this plan.

Activity: parks

Auckland City Council looks after the city's parks and open spaces to preserve the unique natural landscape and ecology, while catering for the varied recreational needs of its residents.

The council manages the parks, walkways, beaches and other open spaces on the Hauraki Gulf islands to ensure they retain their value – both as tourist destinations and as significant ecological sites.

The council provides over 700 parks and reserves throughout the city, including 63 sports parks, 200 playgrounds, 6 beaches and 10 cemeteries. It has a special partnership with Ngati Whatua o Orakei to help maintain Auckland's whenua rangatira (Bastion Point).

Auckland's volcanic cones require special care. The city has 23 significant volcanic features whose heritage and landscape values make them popular destinations. Twelve sites of particular significance are maintained under specialist contracts to ensure their protection for future generations.

Under the Reserves Act 1977 and the Local Government Act 2002, the council is required to provide, develop and manage parks for the health and well-being of the community. The Burials and Cremations Act 1964 requires the council to establish and maintain suitable cemeteries.

The council continually acquires land for new parks and reserves and develops its existing parks and reserves to provide the open space needed by the city's growing population.

Enhancing the city's biodiversity by providing clean protected habitats for native animals and plants is another motivation for the council in developing the city's parks. The council's ecological role involves preserving rare remnant pre-urban forest and other significant natural areas within the city.

Parks at a glance

Parks provides four main services:

- caring for Hauraki Gulf islands' parks, walkways and beaches
- providing parks, walkways, beaches, and cemeteries for the city
- maintaining the city's volcanic features
- developing a network of parks for the city.

Benefits

- Auckland's natural environment, including its significant heritage features, is sustainably managed for current and future generations.
- Auckland's ecological well-being is ensured through habitat and biodiversity protection.
- Residents and visitors have opportunities to lead healthy and active lifestyles, and to take part in recreational activities.

This activity contributes to the following strategic objectives:

Unique features	Sustainable natural environment	Linking people and environment	Quality land and water	Unique gulf islands
QNE1	QNE2	QNE3	QNE4	QNE5
✓	✓	✓		✓

Key projects

See appendices to volume 2 for details on planned investment in the waterfront programme projects, which include parks and other public open spaces.

Project name	Brief project description	Project cost	Project benefits	Timing
Parks	Acquisition and development of new parks and reserves across the city including developing sports fields on Captain Springs Road and Barrack Road reserves.	$76.9 million	Residents and visitors will have adequate open space available to enjoy outdoors recreation and activities. Auckland's natural environment, its eco systems and biodiversity will be preserved.	2009/2010-2018/2019
Bastion Point whenua rangatira	Partnership with Ngati Whatua to maintain and develop whenua rangatira within the city.	$3.7 million	The cultural and historic significance of Bastion Point is enhanced and preserved. Bastion Point is available for iwi and public enjoyment and use.	2009/2010-2014/2015
Parks and playgrounds	Parks and playgrounds throughout the city will be renewed as needed.	$69.9 million	Auckland has high-quality parks and playgrounds available for families to use. Families are encouraged to lead healthy and active lifestyles.	2009/2010-2018/2019
Sports parks	Sports parks throughout the city will be renewed and developed as needed.	$21.6 million	Auckland has high-quality sports parks available for residents and clubs to use. Residents are encouraged to lead healthy and active lifestyles. Auckland has a thriving sports sector.	2009/2010-2018/2019
Volcanic experience	Work programme to design, develop and implement improved management and facilities on the volcanic features.	$6 million	Protection, conservation and management of the volcanic features will ensure their preservation for current and future generations.	2009/2010-2018/2019

Project name	Brief project description	Project cost	Project benefits	Timing
Onehunga Bay foreshore upgrade	Opportunity to develop the foreshore due to the NZ Transport Agency's motorway expansion project for the State Highway 20 (SH20) Manukau Harbour crossing.	$10 million	High-quality open space and coastal environment. Greater community use due to the improved connectivity to and along the foreshore.	2009/2010-2010/2011
Citywide beaches restoration	Several projects to enhance the city's coastal environment.	$10 million	Better and easier access to coastal areas.	2009/2010-2010/2011
Pah homestead restoration	Upgrade to building, refurbishment of heritage elements and provision of car park facilities.	$7.9 million	Historic building restored and opened to the public.	2009/2010

Measures: how the council checks progress toward achieving its objectives for parks

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QNE3 QNE5	Percentage of residents who have used parks in the last 12 months	New measure	80	80	80	80
	Percentage of residents satisfied with the quality and maintenance of parks	90	90	90	90	90
	Number of participants using sports fields for organised sport	1,500,000	1,600,000	1,600,000	1,600,000	1,700,000
QNE3	Percentage of residences within 10 minutes walk of a quality (grade 3) park	97	97	97	97	97

For further levels of service measures refer to the open spaces and transport assets information in part 2 of volume 2.

Significant negative impacts

Significant negative impacts may arise from anti-social behaviour, including vandalism and graffiti, occurring on parks and public open space areas. Mitigation measures include incorporating safe design principles into park and street amenity designs and carrying out regular safety audits.

Financial information

Funding day-to-day activities

The majority of parks activities are funded from general rates, as parks are open for everyone to enjoy and contribute to the city's overall attractiveness. The remaining funding for parks comes from other operational revenue. Individuals and clubs are charged for exclusive use of sports fields and other sports facilities, which is considered fair. Charges are applied to cemetery plots, with plot owners essentially buying a piece of land within the cemetery. The balance of operating costs for cemeteries is paid through the general rates in recognition that they are an essential service within the city.

Operating expenditure

The operating expenditure for each of the four services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Care for Hauraki Gulf islands' parks, walkways and beaches	0	2,022	2,079	2,160	2,244	2,317	2,392	2,446	2,512	2,575	2,597
Park network development	5,256	2,403	2,399	2,404	2,358	2,533	2,485	2,540	2,644	2,713	2,754
Parks, walkways, beaches, and cemeteries	40,555	41,090	44,805	48,882	51,551	53,164	54,479	55,859	58,340	60,204	61,316
Volcanic features	0	1,152	1,190	1,149	1,203	1,252	1,303	1,345	1,393	1,440	1,467
	45,812	**46,667**	**50,473**	**54,595**	**57,356**	**59,266**	**60,659**	**62,189**	**64,888**	**66,932**	**68,135**
Less depreciation	11,226	12,527	12,245	13,380	14,439	14,903	15,253	15,480	16,257	16,667	17,195
Gross operating expenditure less depreciation	**34,586**	**34,140**	**38,227**	**41,214**	**42,917**	**44,363**	**45,406**	**46,709**	**48,631**	**50,265**	**50,939**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
General rates/(contribution to other activities)	28,049	33,467	37,444	40,133	41,661	42,917	44,676	46,087	47,993	49,610	50,266
Other operational revenue	6,498	531	544	558	572	587	602	619	635	652	671
Recoveries	22	0	0	0	0	0	0	0	0	0	0
Rental revenue	16	2	2	2	2	2	3	3	3	3	3
Working capital	0	140	238	521	681	856	125	0	0	0	0
	34,586	**34,140**	**38,227**	**41,214**	**42,917**	**44,363**	**45,406**	**46,709**	**48,631**	**50,265**	**50,939**

Investing in assets

New parks and capital investment that caters for the city's growing population are funded from development contributions allocated for public places. The remaining capital investment for new assets and land needed to maintain the quality of Auckland's open spaces network is funded by borrowings and general rates as they provide long-term benefits for the city. Renewals are funded from depreciation as well-maintained assets benefit the city.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Parks	39,427	76,416	80,479	24,111	37,250	28,241	19,145	48,345	43,455	43,273	30,866
	39,427	**76,416**	**80,479**	**24,111**	**37,250**	**28,241**	**19,145**	**48,345**	**43,455**	**43,273**	**30,866**
Capital expenditure funded by											
Borrowings and working capital	5,955	46,936	47,737	(6,466)	5,812	(8,881)	(20,705)	(5,052)	(9,503)	(13,123)	(31,533)
Depreciation	11,226	12,527	12,245	13,380	14,439	14,903	15,253	15,480	16,257	16,667	17,195
Development contributions	22,037	10,356	12,043	13,606	16,043	18,925	24,597	30,189	34,537	39,509	45,204
General rates/(contribution to other activities)	209	1,620	884	30	955	532	0	693	260	220	0
Grants and subsidies	0	4,978	7,570	3,561	0	2,762	0	7,036	1,904	0	0
	39,427	**76,416**	**80,479**	**24,111**	**37,250**	**28,241**	**19,145**	**48,345**	**43,455**	**43,273**	**30,866**

Activity: recycling services

Auckland City Council is committed to ensuring that Auckland becomes a sustainable city where assets such as the environment are preserved for future generations, and resources are used and reused wisely.

Providing a fortnightly kerbside domestic recyclables collection service is one of the ways the council achieves this. Recycling ensures that waste is minimised and diverted from landfill, that valuable resources are collected and reused, that savings are made in terms of energy and carbon emissions, and that the city's residents and businesses have opportunities to contribute towards the city's sustainable future.

Since the introduction of the fortnightly recycling collections in July 2008, the average daily amount of refuse disposed to landfill has reduced by more than 10 per cent, which equates to over 6500 tonnes a year.

Our recycling services comply with national and international best practice for dealing with waste. Over the past two years, nearly one-third of the refuse collected in Auckland city has been recycled, and the council wants to see this percentage increase. Over the next few years, the council will be working to improve the transfer station and recycling services on Waiheke and Great Barrier islands.

In 2009 the council will be trialling public place recycling opportunities in Queen Street and other high usage areas. It will continue with its highly successful waste diversion programmes, such as encouraging composting through the Create your own Eden programme and the WasteWise schools education programme.

The council will continue to support the region-wide hazardous waste collection service (HazMobile).

The Health Act 1956 and Waste Minimisation Act 2008 require the council to minimise risks to public health and safety and to have a waste management plan that focuses on waste reduction.

Recycling services at a glance

Recycling services provide one service:

- domestic recycling collection and disposal.

Benefits

- Residents and businesses have domestic recyclable materials removed from their properties.
- Auckland plays its part in reducing greenhouse gas emissions, moving towards a more sustainable future.
- Auckland's natural environment is preserved, and its international reputation as a beautiful and desirable place to visit and live is maintained.

This activity contributes to the following strategic objectives:

Unique features	Sustainable natural environment	Linking people and environment	Quality land and water	Unique gulf islands
QNE1	QNE2	QNE3	QNE4	QNE5
	✓		✓	

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Galway recycling facility	The council will investigate opportunities to develop a resource recovery centre on its land adjacent to the new materials recovery facility that now sorts recyclables from the fortnightly kerbside collection service.	$4.5 million	The new recycling facility will help the council to achieve its waste minimisation plan. The quality of Auckland's environment will be improved through less waste being disposed of to landfill. Valuable resources will be retrieved and reused, leading to cost and energy savings, and reduced greenhouse gas emissions.	2009/2010-2011/2012

Measures: how the council checks progress toward achieving its objectives for recycling services

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QNE4	Kilograms of refuse recycled per household[1]	280	285	290	300	310
	Percentage of waste[2] collected that is recycled per household	36	37	38	39	39
	Percentage of consumers who are satisfied with their recycling service	80	80	85	85	90

Notes to table

1 Household is defined as households paying full targeted rate.

2 Waste comprises of refuse and recycling.

For further levels of service measures refer to the closed landfills asset information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

People who use the council's recycling services and hazardous waste collection benefit from having their waste collected and disposed of appropriately to reduce the impact on the environment. The council's recycling collection and disposal services are paid for from the refuse collection targeted rate, which is charged to the people who directly benefit from the services.

Operating expenditure

The operating expenditure for the service under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Recycling services	9,787	8,872	9,957	8,875	10,747	11,019	11,306	11,572	11,871	12,174	12,422
	9,787	**8,872**	**9,957**	**8,875**	**10,747**	**11,019**	**11,306**	**11,572**	**11,871**	**12,174**	**12,422**
Less depreciation	0	236	583	803	960	985	1,011	1,038	1,066	1,095	1,125
Gross operating expenditure less depreciation	**9,787**	**8,637**	**9,374**	**8,072**	**9,787**	**10,034**	**10,296**	**10,535**	**10,805**	**11,079**	**11,297**
Operating expenditure funded by											
Targeted rates	9,787	8,637	9,374	8,072	9,787	10,034	10,296	10,535	10,805	11,079	11,297
	9,787	**8,637**	**9,374**	**8,072**	**9,787**	**10,034**	**10,296**	**10,535**	**10,805**	**11,079**	**11,297**

Investing in assets

Capital investment for recycling services will be funded by borrowings and general rates as they provide long-term benefits for the city. Renewals will be funded from depreciation, which is funded from the refuse collection targeted rate, as well-maintained assets benefit all users of our recycling services.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Recycling services	0	2,447	0	2,031	0	0	0	0	0	0	0
	0	**2,447**	**0**	**2,031**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital expenditure funded by											
Borrowings and working capital	0	2,146	(583)	1,220	(960)	(985)	(1,011)	(1,038)	(1,066)	(1,095)	(1,125)
Depreciation	0	236	583	803	960	985	1,011	1,038	1,066	1,095	1,125
General rates/(contribution to other activities)	0	65	0	9	0	0	0	0	0	0	0
	0	**2,447**	**0**	**2,031**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Activity: stormwater quality enhancement

Auckland City Council operates a range of stormwater treatment devices to give Aucklanders safe, clean waterways and to minimise the risks to residents and the environment. These devices treat stormwater to reduce the level of pollutants that are released into the city's natural environment. The council, through its wholly owned water and wastewater company Metro Water Ltd, is investing in an ongoing programme to separate old combined drainage systems into separate stormwater and wastewater systems.

The council's approach to treating stormwater includes measures to reduce the levels of pollutants that make their way into stormwater in the first place. This particularly applies to contaminants such as zinc, which are very difficult to remove once they get into our stormwater.

The council works to reduce the level of pollutants at source through a combination of public education, such as encouraging landowners to look after streams running through their property to reduce erosion and regulatory controls, such as working with the Auckland Regional Council to reduce the use of zinc in roofs and other building products throughout the region. The council provides targeted treatment to remove sediments from stormwater once they have entered the stormwater network. For example, the popular Waiatarua wetland area treats stormwater from the Ellerslie Waiatarua catchment before discharging it into Orakei Basin.

Stormwater quality enhancement at a glance

Stormwater quality enhancement provides one service:

- stormwater quality enhancement.

Benefits

- Stormwater flows are managed so as to reduce adverse impacts on public health, the environment, public and private land and buildings. Auckland's ecological well-being is ensured through habitat and biodiversity protection.

This activity contributes to the following strategic objectives:

Unique features	Sustainable natural environment	Linking people and environment	Quality land and water	Unique gulf islands
QNE1	QNE2	QNE3	QNE4	QNE5
	✓	✓	✓	

Key projects

Metrowater delivers the key projects for this activity. See Council-controlled organisation in part 3 of volume 2.

Measures: how the council checks progress toward achieving its objectives for stormwater quality enhancement

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
QNE2 QNE3 QNE4	Percentage of days isthmus beaches are open as an indicator of our city's water quality	95	97	98	98	98
QNE4	Percentage of customers who think the water quality at Auckland beaches is good	New measure	75	75	75	75

Significant negative impacts

Engineered stormwater systems can have significant negative effects by transporting environmental contaminants to concentrated points of discharge, and diverting water flows to or from natural streams and watercourses.

Financial information

Funding day-to-day activities

The council's stormwater quality enhancement programme is funded by the general rate, as all of the city benefits from cleaner stormwater and a cleaner environment.

Operating expenditure

The operating expenditure for the service under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Stormwater quality enhancement	0	651	631	673	705	729	766	809	855	900	947
	0	**651**	**631**	**673**	**705**	**729**	**766**	**809**	**855**	**900**	**947**
Less depreciation	0	0	0	0	0	0	0	0	0	0	0
Gross operating expenditure less depreciation	**0**	**651**	**631**	**673**	**705**	**729**	**766**	**809**	**855**	**900**	**947**
Operating expenditure funded by											
General rates/(contribution to other activities)	0	651	631	673	705	729	766	809	855	900	947
	0	**651**	**631**	**673**	**705**	**729**	**766**	**809**	**855**	**900**	**947**

Investing in assets

The council is investing in flood alleviation and sewage separation programmes under the stormwater network management activity in the quality built environment strategy. No capital investment is planned for the council's stormwater quality enhancement activity.

Activity: utilities advocacy

The council's water advocacy services contribute to the aims of the regional Three Waters strategy. This strategy represents the Auckland water industry's collective aspirations for the integrated management of water supply, wastewater and stormwater services in the Auckland region.

The council works closely with Metro Water Ltd to develop integrated catchment plans for areas within the city to ensure that both wastewater and stormwater drainage network developments are cost-effective.

Under the Local Government Act 2002, the council must carry out water and sanitary assessments in the city. These assessments look at the impact that water, stormwater and wastewater services have on public health and the environment, and include information about estimated future demand for these services and how the council intends to meet this demand.

Utilities advocacy at a glance

Utilities advocacy provides one service:

- Three Waters policy, advice and advocacy.

Benefit

- Residents and businesses have a safe, clean city and highly valued environment.

This activity contributes to the following strategic objectives:

Unique features	Sustainable natural environment	Linking people and environment	Quality land and water	Unique gulf islands
QNE1	QNE2	QNE3	QNE4	QNE5
✓	✓		✓	

Key projects

There are no major projects for this activity for the period of this plan.

Measures: how the council checks progress toward achieving its objectives for utilities advocacy

No measures have been identified for this activity.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The general rate funds utilities advocacy as it is a public good which benefits the community by promoting high-quality utility services that serve the city's growing business and residential population.

Operating expenditure

The operating expenditure for the service under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Three waters policy, advice and advocacy	1,493	1,168	1,210	1,264	1,319	1,370	1,423	1,468	1,518	1,569	1,603
	1,493	**1,168**	**1,210**	**1,264**	**1,319**	**1,370**	**1,423**	**1,468**	**1,518**	**1,569**	**1,603**
Less depreciation	0	0	0	0	0	0	0	0	0	0	0
Gross operating expenditure less depreciation	**1,493**	**1,168**	**1,210**	**1,264**	**1,319**	**1,370**	**1,423**	**1,468**	**1,518**	**1,569**	**1,603**
Operating expenditure funded by											
General rates/(contribution to other activities)	1,493	1,168	1,210	1,264	1,319	1,370	1,423	1,468	1,518	1,569	1,603
	1,493	**1,168**	**1,210**	**1,264**	**1,319**	**1,370**	**1,423**	**1,468**	**1,518**	**1,569**	**1,603**

Investing in assets

No capital investment is planned for the council's utilities advocacy activities for the period covered by this plan.

Strong and healthy communities strategy

Aucklanders feel a sense of belonging to our neighbourhoods and take pride in our city when our communities are strong and healthy. Cities with strong communities cope well with the changes that result from cities growing and evolving, and have safer neighbourhoods with less crime. Building community spirit and capability is vital to maintaining our levels of volunteers. The more people participate in community life, the more connected they feel to their city and its welfare.

The strong and healthy communities strategy has five objectives: foster connected communities; foster a sense of pride and belonging; make places for people; support safe communities; and support healthy communities.

The council is actively involved in providing community services and libraries, taking care of the street environment and town centres, and ensuring public and environmental health and safety. The council also has statutory roles in emergency and waste management.

We aim to provide opportunities for neighbourhoods to come together for a wide range of social and recreational events during the next 10 years. We will invest about $13 million to renew and redevelop community centres, halls and other facilities across the city.

Our libraries continue to act as important community hubs. As well as providing valued community facilities and meeting spaces, they enable people to meet, exchange ideas, and gain skills and information that are essential to them participating fully in the community. The council takes good care of its library assets and has set aside over $42 million to refresh the libraries' collections and a further $18 million to renew the library buildings and furniture fittings. Additional budget of $8.5 million is set aside for library redevelopments at Otahuhu and Mt Roskill, to be completed in 2014/2015 and 2018/2019 respectively. A further $6.6 million will see the redevelopment and enlargement of the Waiheke Island library and service centre on combined premises at Oneroa. The planned completion date is 2011/2012.

Our town centres are an important indicator of the strength of our communities. Town centres with well-cared-for streets should function as the heart of our neighbourhoods, attracting people to come together to see events, shop and meet friends. Graffiti vandalism detracts from the safe and clean street environment and welcoming centres that the council and communities work hard to achieve. The council is therefore boosting funding in this area with $22 million allocated over the next 10 years for graffiti removal and preventative public education programmes.

Auckland city's rapidly growing population has led to turnover and change in our neighbourhoods and our city. Increasing numbers of our residents are born outside New Zealand. Their different values, cultures and practices have led to some sectors of our communities feeling isolated and disadvantaged in terms of services and access to opportunities. Over the next 10 years, we will be targeting specific sectors of the community to strengthen their feeling of belonging. For example, we will invest $2.6 million in the Wesley Youth Space. This project will improve the quality of life for young people in the area.

Supporting projects that provide facilities and activities to keep young people productively occupied, such as our exercise and school holiday programmes, and that promote healthy lifestyle choices, will be an important aspect of this strategy. We will partner with others to improve our coordination and response to Auckland's safety issues through activities such as the Safer Auckland City programme. Areas of the city and facilities used by the public will be safe, healthy, clean and tidy.

The council ensures the safety of the community in a range of other ways, including managing and monitoring food hygiene and liquor licences, providing a rural fire service for the Hauraki Gulf islands, and facilitating our Safe Swim programme so that residents and visitors can be confident of safe, clean places to swim.

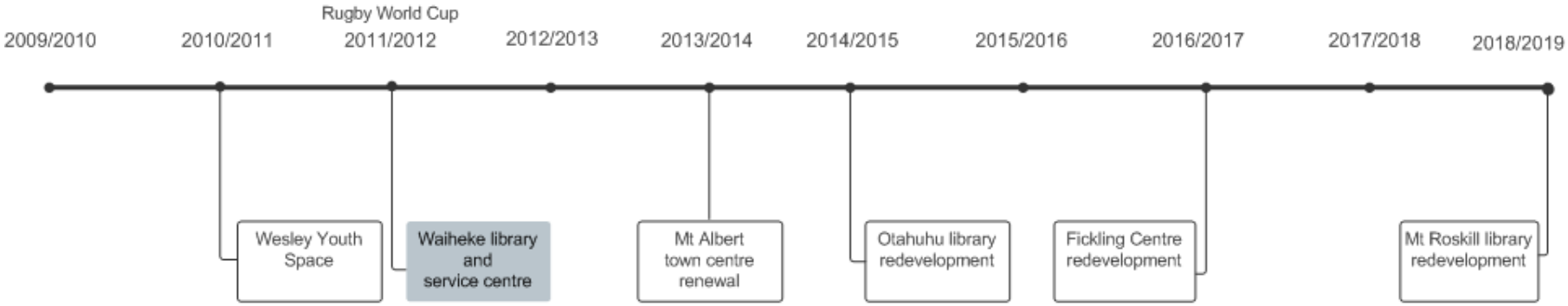
Critical to a community's strength are the opportunities for residents to have their say. The council will continue to ensure local communities have the autonomy and funding to deliver specific initiatives that they believe will improve their own areas. We plan to invest about $38 million through community boards to fund small projects that will improve local areas. By choosing to participate in civic life and the future planning of their city, local residents will feel a more integral part of the wider community.

Community outcomes

Aucklanders have identified 21 outcomes as being important for their city's future. Community outcomes belong to the whole city and their success depends on the efforts of the council, government organisations, iwi, community groups, private businesses and individuals working together. See the appendices to volume 1 for more detail on the community outcomes. Below is a summary of how the strong and healthy communities strategy is helping to achieve some of the community outcomes.

Community outcome	Council's role and contribution	Relevant council activities
Auckland is well cared for	The council provides attractive, well-maintained street environments that are free of litter and graffiti, and make our towns and neighbourhoods pleasant places to be in.	Street environment and town centres
Auckland has successful neighbourhoods	The council upgrades town centres to enhance the character of local neighbourhoods and to provide lively, welcoming and pedestrian-friendly spaces where people can mix.	Street environment and town centres Community services
Auckland has strong communities	The council provides libraries and community facilities as spaces for people to interact, which hold diverse programmes aimed at bringing together people of all ages and backgrounds, and give advice and funding to community groups to help them grow their networks.	Libraries Community services
Auckland is safe	The council uses design principles that promote safety (for example by improving visibility in public spaces), encourages responsible liquor use through regulations and alcohol free zones, and supports collaborative community approaches to combating graffiti and promoting safety, such as through the Safer Auckland Partnership.	Environmental health and licensing Street environment and town centres Community services Civil defence and emergency management
Auckland is beautiful and clean	The council manages the collection, disposal and recycling of waste on behalf of households and customers throughout the city, so that streets are kept clean, and the quality of Auckland's harbours and natural open spaces is protected.	Waste management Street environment and town centres

How things will look different



Ongoing asset maintenance and renewals programmes include:

Citywide
- community centres
- halls
- libraries current use collections
- libraries information technology
- public conveniences

The project benefits can contribute to one or more strategies.
The project highlighted is delivered by:

Efficient, capable and user-friendly council strategy

Financial overview

Funding day-to-day activities

Operating expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Civil defence and emergency management	5,974	1,340	1,340	1,375	1,409	1,448	1,474	1,502	1,536	1,568	1,588
Community services	27,081	29,467	27,914	27,557	28,091	29,913	30,546	32,254	34,448	35,650	36,629
Environmental health and licensing	10,562	9,832	10,012	10,300	10,840	11,276	11,571	11,860	12,236	12,579	12,736
Libraries	31,104	32,804	33,319	34,862	36,624	38,488	40,196	41,890	44,645	46,311	47,762
Street environment and town centres	32,052	29,277	30,609	32,428	34,516	36,444	38,267	39,846	41,731	43,608	44,922
Waste management	23,849	18,923	22,811	23,214	28,375	24,964	30,438	26,738	32,269	28,639	34,431
	130,622	**121,642**	**126,007**	**129,735**	**139,854**	**142,533**	**152,492**	**154,089**	**166,865**	**168,355**	**178,068**
Less depreciation	4,550	4,741	4,427	4,601	5,095	5,699	6,493	7,056	7,573	7,973	8,461
Gross operating expenditure less depreciation	**126,072**	**116,902**	**121,580**	**125,135**	**134,759**	**136,834**	**146,000**	**147,033**	**159,292**	**160,382**	**169,607**
Operating expenditure funded by											
Direct user charges	5,223	4,723	4,841	4,962	5,091	5,223	5,359	5,504	5,652	5,805	5,967
General rates/(contribution to other activities)	92,703	84,108	84,881	87,216	90,829	95,578	98,494	102,389	108,257	112,066	114,516
Grants and subsidies	1,589	1,262	1,296	1,399	1,435	1,473	1,511	1,552	1,594	1,637	1,683
Other operational revenue	2,416	2,147	2,201	2,149	2,205	2,273	2,332	2,397	2,462	2,528	2,599
Penalties and fines	1,732	1,682	1,724	1,767	1,813	1,860	1,909	1,960	2,013	2,067	2,125
Rental revenue	1,070	1,026	1,047	1,066	1,094	1,122	1,152	1,183	1,215	1,247	1,275
Sponsorship income	12	12	12	15	15	16	16	17	17	17	18
Targeted rates	21,327	20,723	20,910	28,635	30,201	31,475	33,043	34,336	35,778	37,446	38,993
Working capital	0	1,219	4,668	(2,075)	2,075	(2,185)	2,185	(2,304)	2,304	(2,431)	2,431
	126,072	**116,902**	**121,580**	**125,135**	**134,759**	**136,834**	**146,000**	**147,033**	**159,292**	**160,382**	**169,607**

Investing in assets

Investment is required to renew assets in order to maintain current service levels; and to acquire new assets to provide for growth and increased demand.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Community services	1,414	6,866	6,045	4,898	4,887	4,923	5,639	5,151	4,630	5,312	5,354
Libraries	5,897	5,882	6,152	5,947	8,700	11,589	10,796	7,937	8,199	11,055	11,577
Street environment and town centres	5,100	3,296	1,672	2,216	3,376	4,006	1,889	1,939	1,992	2,045	2,103
Waste management	5,034	392	502	0	0	0	0	0	0	0	0
	17,445	**16,436**	**14,370**	**13,062**	**16,963**	**20,518**	**18,324**	**15,027**	**14,821**	**18,412**	**19,034**
Capital expenditure funded by											
Borrowings and working capital	12,169	11,016	9,384	7,997	10,608	12,604	9,297	6,197	5,731	8,292	7,641
Depreciation	4,550	4,741	4,427	4,601	5,095	5,699	6,493	7,056	7,573	7,973	8,461
Development contributions	522	246	303	357	421	498	646	792	907	1,037	1,186
General rates/(contribution to other activities)	204	429	204	54	745	1,624	1,795	887	515	1,015	1,652
Targeted rates	0	4	53	53	94	94	94	94	94	94	94
	17,445	**16,436**	**14,370**	**13,062**	**16,963**	**20,518**	**18,324**	**15,027**	**14,821**	**18,412**	**19,034**

Activities

This section provides more detail on the services or groups of activities that the council is involved in which contribute to the strong and healthy communities strategy. These activities describe the difference we are making in people's lives every day as well as the significant projects we deliver which help us make progress towards achieving our vision for Auckland to be First City of the Pacific.

The strong and healthy communities (SHC) strategy has five objectives:

Objective	Abbreviated reference[1]	Ref.
Foster connected communities	Connected communities	SHC1
Foster a sense of pride and belonging	Pride and belonging	SHC2
Make places for people	Places for people	SHC3
Support safe communities	Safe communities	SHC4
Support healthy communities	Healthy communities	SHC5

Note to table

1 This abbreviated reference is used in the tables under each activity.

There are six groups of activities which contribute to strong and healthy communities:

- civil defence and emergency management
- community services
- environmental health and licensing
- libraries
- street environment and town centres
- waste management.

Each activity includes the following information:

- activity overview (including the rationale for the council's involvement)
- benefits to the community from this activity
- key projects
- measures
- significant negative impacts of this activity (if any)
- financial information.

Assets contributing towards the delivery of services

Auckland City Council has a large investment in assets to deliver services to its community. More than $422 million is invested to support the strong and healthy communities strategy and a further $167 million of investment is planned through to 2019.

Planning for replacement and new assets is carried out in 13 asset management plans, three of which relate to strong and healthy communities. They are: community facilities; libraries; and open spaces. For more information about the assets associated with this strategy, see the asset information in part 2 of this volume.

Some assets or groups of assets contribute to more than one strategy. The capital expenditure and operating costs are reported under the principal strategy to which the activity is linked. For example, libraries are linked to strong and healthy communities but also provide recreational opportunities for residents and visitors which is an activity under the lifestyle choices strategy.

Measuring progress

The council reviews progress towards its objectives in a number of ways. Measures which check progress on delivering day-to-day services are listed under each activity. Measures which outline the levels of service for each of the council's major groups of assets are listed under each asset group later in this volume.

Activity: civil defence and emergency management

Auckland City Council is committed to supporting safe communities within the city. One of the fundamental ways it does this is through the civil defence and emergency management activities it is legally required to provide.

Less accessible areas of the city, such as the Hauraki Gulf islands, need special emergency and civil defence arrangements, which the council puts in place, working cooperatively with other emergency services and stakeholders on the islands.

The Local Government Act 2002 requires the council to make sure that water is available for fire-fighting purposes in areas of the city that are connected to the mains supply. The council does this through its wholly-owned subsidiary Metro Water Ltd, which provides hydrants and water mains. The council has previously paid Metrowater to provide this service, but Metrowater will start providing this service at its own cost from 2009/2010. The act also requires the council to provide a rural fire service for the Hauraki Gulf islands. See changes to Metrowater urban fire-fighting water supply under Prudent financial management in volume 3.

Under the Civil Defence Emergency Management Act 2002, the council has to plan for major emergencies in the city and be part of a larger group that plans for regional emergencies. This includes making sure the city is ready for emergencies and civil defence situations, forming partnerships with other emergency services such as the police, fire and health services to ensure a coordinated approach, informing the community about the procedures to follow, responding appropriately to minimise the impact of events, and preparing for recovery following a disaster.

Civil defence and emergency management at a glance

Civil defence and emergency management provides two main services:

- operating a rural fire service for the Hauraki Gulf islands, including Great Barrier Island
- managing business continuity and community and regional civil defence and emergency management services.

Benefits

- The community is prepared and responsive to any civil defence risk that may eventuate.
- Hauraki Gulf islands residents are protected from fire risk due to the rural fire service provided by the council.
- The council can continue to operate essential functions following a disruptive event.

This activity contributes to the following strategic objectives:

Connected communities	Pride and belonging	Places for people	Safe communities	Healthy communities
SHC1	SHC2	SHC3	SHC4	SHC5
✓			✓	

Key projects

There are no major projects for this activity for the period of this plan.

Measures: how the council checks progress toward achieving its objectives for civil defence and emergency management

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
SHC4	The council's emergency operating centre is operational within agreed timeframes in the event of an emergency or civil defence incident	New measure	100	100	100	100

Significant negative impacts

No significant negative impacts have been identified with this activity

Financial information

Funding day-to-day activities

The general rates fully fund civil defence and emergency management as ensuring the city is prepared for recovery in the event of a disaster benefits everyone.

Operating expenditure

The operating expenditure for each of the three services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Civil defence and emergency management	1,364	1,092	1,101	1,131	1,162	1,188	1,213	1,235	1,260	1,284	1,301
Fire service water supply [1]	4,352	0	0	0	0	0	0	0	0	0	0
Hauraki Gulf islands rural fire service	258	248	240	245	247	260	261	267	276	283	287
	5,974	**1,340**	**1,340**	**1,375**	**1,409**	**1,448**	**1,474**	**1,502**	**1,536**	**1,568**	**1,588**
Less depreciation	9	2	0	0	0	0	0	0	0	0	0
Gross operating expenditure less depreciation	**5,965**	**1,338**	**1,340**	**1,375**	**1,409**	**1,448**	**1,474**	**1,502**	**1,536**	**1,568**	**1,588**
Operating expenditure funded by											
General rates/(contribution to other activities)	5,965	1,338	1,340	1,375	1,409	1,448	1,474	1,502	1,536	1,568	1,588
	5,965	**1,338**	**1,340**	**1,375**	**1,409**	**1,448**	**1,474**	**1,502**	**1,536**	**1,568**	**1,588**

Note to table

1 Metrowater will start providing this service at its own cost from 2009/2010. For more information see Prudent financial management in volume 3.

Investing in assets

No capital investment is planned for civil defence and emergency management for the period covered by this plan.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Civil defence and emergency management	0	0	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital expenditure funded by											
Borrowings and working capital	(9)	(2)	0	0	0	0	0	0	0	0	0
Depreciation	9	2	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Activity: community services

Cities with strong communities cope well with change and have safer neighbourhoods. They are more welcoming places to live, where people feel they belong.

Auckland City Council provides assistance and advice to community organisations on planning, funding, networking and project management.

Recognising that the provision of community facilities and venues provides opportunities for groups and individuals to meet in, the council administers about 300 discounted leases for community groups and erects public noticeboards to inform people about what's happening in their local community.

To cater to Auckland's increasingly diverse population, the council runs programmes to strengthen specific sectors of the community that need support. Programmes can be based around geographical areas (eg, the council is currently involved in a project to improve people's well-being in Glen Innes), or population groups within the city (eg, initiatives for youth, ethnic communities, people with disabilities, older people and Maori).

In January 2009, the council entered into a re-negotiated assisted home ownership programme with the New Zealand Housing Foundation (NZHF). Under the agreement, the council will contribute $3.8 million towards the provision of 30 housing units to be delivered by NZHF over three years.

Keeping the city safe is another important way we work with communities. We use environmental design to make the city's public spaces look and feel safer, thereby deterring criminal activity. As a council, we pass bylaws and other regulations to ensure responsible liquor use in the city, and work with communities to address youth alcohol and drug issues. Through the Safer Auckland City partnership, we work with the police, Ngati Whatua o Orakei and other agencies to make Auckland a safe, secure and crime-free city where all people in the community are valued and respected.

Our community services are designed to help the city's communities become stronger, more resilient and better able to meet their needs. Through its involvement, the council seeks to encourage people to get involved in planning the city's future and provides funding for small local improvement projects identified by the community that aim to improve local surroundings or provide opportunities for their communities. Overall, the benefit for communities is that Auckland becomes a better and safer place to live.

Community services at a glance

Community services provide five main services:

- delivering community assistance, support and advice
- providing community centres and halls
- delivering community programmes
- delivering community safety programmes
- supporting small local improvement projects.

Benefits

- Independent and strong communities.
- Communities support the achievement of community outcomes, and share resources and information.
- Increased community action and participation of people in their communities, and reduced isolation (especially among those not in the workforce).
- Increased sense of pride in the city.
- Reduced crime and increased level of safety.

This activity contributes to the following strategic objectives:

Connected communities	Pride and belonging	Places for people	Safe communities	Healthy communities
SHC1	SHC2	SHC3	SHC4	SHC5
✓	✓	✓	✓	✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Wesley Youth Space	The project will provide a safe space for youth in Wesley to meet in and use.	$2.6 million	The quality of life of young people in Wesley will be improved by having a dedicated facility for their use and an increase in youth programmes in the area. Local community concerns about antisocial behaviour and safety will be addressed. Wesley's community hub will be strengthened.	2009/2010-2010/2011
Community centres, halls and other facilities	Renewals and redevelopments are planned for buildings, furnishings and fittings at community centres, halls and other facilities throughout the city.	$13 million	Communities and groups will have local places available for their use. People will be able to take part in locally offered activities and events. People will have opportunities to get involved in and shape their own communities. Community centres and halls offer programmes that are tailored to their local community's needs.	2009/2010-2018/2019
Community board project funding	Funding (known as small local improvement project or SLIPs funding) is provided to all of the city's community boards for projects to enhance their wards.	$38.1 million	Local projects are funded that meet community needs. Communities are enhanced in appropriate ways.	2009/2010-2018/2019

Measures: how the council checks progress toward achieving its objectives for community services

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
SHC1 SHC2 SHC4	Percentage of graffiti removal requests resolved within specified timeframes	New measure	95	95	95	95
SHC2 SHC3	Percentage of sessions that community halls and centres are in use:					
	• Morning	New measure	27	27	27	27
	• Afternoon	New measure	30	30	30	30
	• Evening	New measure	55	55	55	55
	• Weekend	New measure	65	65	65	65
	Number of community centre and hall users	2,000,000	2,153,000	2,196,000	2,229,000	2,229,000
	Average Auckland City subsidy per community hall user	New measure	$3.20	$3.20	$3.20	$3.20
SHC2 SHC5	Number of participants in community development programmes	New measure	40,000	50,000	60,000	60,000
	Number of community development programmes delivered by council	New measure	45	45	45	45

For further levels of service measures refer to the community facilities asset information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The general rates mainly fund the council's community services activities, as they benefit all Aucklanders through the strengthening and development of the city's communities. However, people who use or lease the council's community halls, centres and other facilities and gain a direct benefit from their use are charged fees and rents. This is an effective way of partly funding community facilities' costs, while still acknowledging their benefits to the city as a whole. The council also receives a grant from the New Zealand Police and the crime prevention unit of the Ministry of Justice, which partly funds the Safer Auckland City partnership. The council also receives some funding from other operational revenue.

Operating expenditure

The operating expenditure for each of the five services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Community assistance, support and advice	6,730	4,716	4,319	3,992	4,001	4,133	4,155	4,204	4,293	4,355	4,380
Community centres and halls	7,983	10,988	11,766	12,544	13,186	13,805	14,512	15,165	15,859	16,636	17,442
Community programmes	8,529	7,874	5,823	4,821	4,377	5,218	4,885	5,708	6,927	7,102	7,182
Community safety programmes	2,120	3,386	3,414	3,489	3,690	3,807	3,927	4,016	4,124	4,228	4,269
Small local improvement projects	1,719	2,503	2,592	2,711	2,836	2,950	3,068	3,161	3,246	3,328	3,356
	27,081	**29,467**	**27,914**	**27,557**	**28,091**	**29,913**	**30,546**	**32,254**	**34,448**	**35,650**	**36,629**
Less depreciation	117	149	193	230	245	270	303	349	385	388	424
Gross operating expenditure less depreciation	**26,964**	**29,319**	**27,721**	**27,328**	**27,845**	**29,642**	**30,243**	**31,904**	**34,063**	**35,262**	**36,206**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
General rates/(contribution to other activities)	24,792	26,278	25,618	25,222	25,685	27,426	27,970	29,569	31,665	32,799	33,674
Grants and subsidies	847	771	793	883	906	930	954	980	1,006	1,033	1,062
Other operational revenue	259	259	266	156	160	165	169	173	178	183	188
Rental revenue	1,053	1,012	1,032	1,051	1,078	1,106	1,135	1,166	1,197	1,229	1,264
Sponsorship income	12	12	12	15	15	16	16	17	17	17	18
Working capital	0	986	0	0	0	0	0	0	0	0	0
	26,964	**29,319**	**27,721**	**27,328**	**27,845**	**29,642**	**30,243**	**31,904**	**34,063**	**35,262**	**36,206**

Investing in assets

The capital investment for the council's community services new assets will be funded by borrowings and general rates as they provide long-term benefits for the city. Renewals will be funded from depreciation as well-maintained assets benefit the city. Development contributions fund the assets that cater for population growth.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Community services	1,414	6,866	6,045	4,898	4,887	4,923	5,639	5,151	4,630	5,312	5,354
	1,414	**6,866**	**6,045**	**4,898**	**4,887**	**4,923**	**5,639**	**5,151**	**4,630**	**5,312**	**5,354**
Capital expenditure funded by											
Borrowings and working capital	1,058	6,432	5,633	4,493	4,246	4,055	4,511	4,157	3,694	4,189	3,966
Depreciation	117	149	193	230	245	270	303	349	385	388	424
Development contributions	225	107	132	155	183	217	281	345	395	451	517
General rates/(contribution to other activities)	14	179	86	20	212	382	544	299	157	284	448
	1,414	**6,866**	**6,045**	**4,898**	**4,887**	**4,923**	**5,639**	**5,151**	**4,630**	**5,312**	**5,354**

Activity: environmental health and licensing

Certain places and activities within the city require regulating and monitoring if Auckland's communities are to remain clean, safe and healthy places for people to live.

The Dog Control Act 1996 makes Auckland City Council responsible for controlling dogs within the city. The council does this by issuing dog licences and monitoring dogs.

The council manages noise nuisance using provisions in the Resource Management Act 1991 and provisions in the district plans. The council also provides beach water quality testing services so that the city's beaches are safe, clean places for people to enjoy. The council acts and informs the public when water quality is found to be unacceptable.

The Health Act 1956, Food Hygiene Regulations 1974 and the Sale of Liquor Act 1989 require the council to protect the public's health by ensuring that food and hygiene standards are maintained within the city. The council provides licences for premises that prepare food, serve or sell liquor, or otherwise engage in activities where public safety may be an issue, such as skin piercing. Once licensed, premises are monitored to ensure standards are maintained. The council can take enforcement actions if there are breaches.

The council manages other environmental incidents, usually following a complaint from a member of the public. This involves monitoring compliance and following up on breaches of various legislation and regulations, including local bylaws, the district plan and the Resource Management Act 1991. The council responded to more than 25,000 incidents in 2007/2008, mostly related to noise nuisance. To improve the response to residents' complaints, the council has increased the budget for dealing with noise complaints by $200,000 in 2009/2010 and $300,000 each year after that.

Environmental health and licensing at a glance

Environmental health and licensing activities provide five main services:

- controlling animals within the city
- inspecting and monitoring consents for noise and contaminated sites
- managing and monitoring health and safety licences
- managing environment incidents and complaints, including health nuisances, noise and water quality
- providing public environmental health education.

Benefits

- Public health and safety is improved as a result of ensuring food premises meet high-quality hygiene standards, and premises selling liquor operate in a responsible manner.
- Public health and safety is improved by making sure land use consents effectively manage adverse environmental and health impacts.
- Public health is improved by providing information to the community on beach water quality.
- Public safety is improved as a result of the council dealing with dangerous or aggressive dogs.

This activity contributes to the following strategic objectives:

Connected communities	Pride and belonging	Places for people	Safe communities	Healthy communities
SHC1	SHC2	SHC3	SHC4	SHC5
			✓	✓

Key projects

There are no major projects for this activity for the period of this plan.

Measures: how the council checks progress toward achieving its objectives for environmental health and licensing

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
SHC4 SHC5	Percentage of food premises with a Gold A, A or B grading	New measure	95	95	95	95
	Percentage of liquor licence applications processed within 30 working days	New measure	80	80	80	80
	Percentage of health incidents resolved within 10 working days	New measure	70	70	70	70
SHC5	Percentage of known dogs registered by 30 June	New measure	100	100	100	100

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The council's environmental health and licensing activities are mostly funded through a combination of user charges and general rates. Penalties and fines contribute a small amount of funding.

User charges for food and liquor licences and public health courses are set at levels that cover associated costs and encourage compliance. The council considers this appropriate given that individuals benefit from licences granted to premises selling food or alcohol. Individuals attending food education courses also benefit directly.

The costs of issuing environmental health licences to premises, and monitoring to ensure these licences are complied with, are fully covered by the licensing fees charged.

The costs of animal control services are mostly funded from fees charged for animal licences. A small portion of these services is funded from the general rate. The council considers this is acceptable, given that its control and education services benefit everyone in the city, not just dog owners, and encourage compliance.

The council's beach water quality monitoring activities are funded entirely from general rates as everyone in the city benefits from having access to clean beaches and it would not be practical to charge individual beach users.

The costs of managing environmental incidents and complaints are partially funded by user charges, with the bulk of the funding coming from general rates as the council is not always able to identify who causes the incident. Penalties and fines are imposed where the council is able to identify who caused the incident. The council also receives some funding from other operational revenue.

Operating expenditure

The operating expenditure for each of the five services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Animal control	3,362	3,242	3,320	3,442	3,565	3,685	3,796	3,882	3,989	4,090	4,131
Compliance inspections and monitoring	1,052	678	683	705	969	1,003	1,028	1,052	1,082	1,110	1,126
Health and safety licences	3,517	3,174	3,176	3,290	3,391	3,575	3,663	3,773	3,919	4,050	4,121
Management of environment incidents and complaints	2,407	2,532	2,635	2,661	2,712	2,798	2,869	2,933	3,018	3,095	3,122
Provision of public health courses	224	205	198	202	203	215	215	220	228	234	236
	10,562	**9,832**	**10,012**	**10,300**	**10,840**	**11,276**	**11,571**	**11,860**	**12,236**	**12,579**	**12,736**
Less depreciation	3	1	0	0	0	0	0	0	0	0	0
Gross operating expenditure less depreciation	**10,559**	**9,831**	**10,012**	**10,300**	**10,840**	**11,276**	**11,571**	**11,860**	**12,236**	**12,579**	**12,736**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
Direct user charges	5,183	4,683	4,800	4,920	5,048	5,179	5,314	5,457	5,605	5,756	5,917
General rates/(contribution to other activities)	4,270	4,242	4,284	4,428	4,816	5,096	5,229	5,348	5,548	5,710	5,675
Other operational revenue	206	206	211	216	222	227	233	240	246	253	260
Penalties and fines	900	700	717	735	754	774	794	816	838	860	884
	10,559	**9,831**	**10,012**	**10,300**	**10,840**	**11,276**	**11,571**	**11,860**	**12,236**	**12,579**	**12,736**

Investing in assets

No capital investment is planned for environmental health and licensing for the period covered by this plan.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Environmental health and licensing	0	0	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital expenditure funded by											
Borrowings and working capital	(3)	(1)	0	0	0	0	0	0	0	0	0
Depreciation	3	1	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Activity: libraries

Auckland City Council provides a wide range of library and information services for the city's residents and visitors. A thriving library network is a crucial part of building resilient and inclusive communities, where people can get involved and have a sense of belonging. Auckland's libraries are not just about books and lending. They enable people to gain skills and information, explore and exchange ideas and extend their own and other people's knowledge. Libraries are the most heavily used of the council's community facilities and are utilised by a wide cross-section of people.

The council provides library services for the city through caring for and developing the libraries' collections of books, periodicals, CDs, maps, photographs and other formats. As at June 2008, these collections were valued at about $157 million, and are made up of about 1.7 million items. This includes the heritage collection valued at $149 million. Over the next 10 years we will invest $42 million to ensure collections remain up to date and continue to meet customers' needs in all libraries and in particular at Otahuhu and Waiheke community libraries.

Libraries have a focus on providing sufficient and easy to use tools (including the website) to enable people to access library collections and information. For this reason, a variety of IT-based projects will be carried out at libraries citywide over the period of this plan. The libraries' rare and valuable heritage collections will become more accessible through the investment of about $6 million to gradually digitise these unique items. In addition to providing information and research services and lending and reader advisory services, libraries run programmes for people of all ages to improve their reading and information literacy skills.

Auckland City Libraries consists of 16 community libraries and a mobile library. An investment of $18 million in renewals of library buildings, furniture and fittings is planned for the next 10 years. There are also library redevelopments planned for Waiheke Island, Otahuhu and Mt Roskill, with completion dates of 2011/2012, 2014/2015 and 2018/2019 respectively.

Libraries provide non-commercial venues for people to get together, formally or informally, and encourage this by making rooms available, and staging an annual programme of events and exhibitions to encourage people to visit.

Libraries at a glance

Libraries provide eight main services:

- caring for the libraries' collections
- providing community meeting spaces
- developing the libraries' collections
- delivering events and exhibitions
- delivering information and research services
- delivering information skill and literacy programmes
- providing lender and reader advisory services
- providing tools to access information.

Benefits

- Users can research and access information, read for work or pleasure, and pursue their own learning in their own time outside the constraints of library opening hours using the library website.
- The community has access to a wide range of reading materials regardless of income, language or reading formats required.
- Users have ongoing access to collection items, including out of print and posterity items not easily available elsewhere.
- Libraries provide a place for communities of common interest to meet, formally and informally.
- People can view rare collection items.

This activity contributes to the following strategic objectives:

Connected communities	Pride and belonging	Places for people	Safe communities	Healthy communities
SHC1	SHC2	SHC3	SHC4	SHC5
✓	✓	✓		✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Current collections	Ongoing refreshing of the libraries' current collections, in particular collections held at Otahuhu and Waiheke Island community libraries.	$42.2 million	Current collections will remain up-to-date and continue to meet customers' needs.	2009/2010-2018/2019
Heritage collection	Auckland City Libraries will gradually digitise its unique heritage resources to improve access and preservation.	$5.5 million	The libraries' rare and valuable heritage collections will become more accessible and remain available for current and future library users.	2009/2010-2018/2019
Libraries information technology	The libraries' computer system and modules will be replaced and updated, and a variety of IT-based development and renewal projects (including for the libraries' website) will be carried out at libraries citywide.	$13.1 million	The libraries' computer facilities and IT systems will remain up to date and efficient for staff and customers.	2009/2010-2018/2019
Furniture and fittings	Furniture and fittings at some libraries will be replaced or renewed as necessary.	$3.3 million	The libraries will be maintained as attractive and welcoming places for customers and communities.	2009/2010-2018/2019
Library redevelopments	Library redevelopments are planned for Waiheke Island, Otahuhu and Mt Roskill. A new library and service centre in combined premises at Oneroa is planned under the Waiheke Island development.	$15.1 million[1]	Libraries will remain relevant, attractive and well-used places, able to accommodate the wide range of library services offered.	Waiheke 2009/2010-2011/2012 Otahuhu 2012/2013-2014/2015 Mt Roskill 2017/2018-2018/2019
Building renewals	Buildings will be renewed as required.	$14.8 million	Libraries will remain relevant, attractive and well-used places, able to accommodate the wide range of library services offered.	2009/2010-2018/2019

Note to table

1 Total includes the budget of $6.6 million for the combined Waiheke Island library and service centre which is held under the Efficient, capable and user-friendly council strategy.

Measures: how the council checks progress toward achieving its objectives for libraries

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
SHC1 SHC3 SHC5	Number of participants in events and information skill programmes	120,000	121,200	122,400	123,600	124,800
SHC1 SHC2 SHC3 SHC5	Number of visits to libraries	3,850,000	3,980,000	4,020,000	4,060,000	4,100,000
SHC1 SHC3	Number of items borrowed	5,100,000	5,390,000	5,440,000	5,500,000	5,550,000
	Number of visits to the library website	2,100,000	2,330,000	2,440,000	2,560,000	3,610,000

For further levels of service measures refer to the libraries asset information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The Local Government Act 2002 prohibits the council from charging library membership fees to residents. Therefore the majority of funding for libraries' activities comes from general rates, as everyone in the city benefits, either directly or indirectly, from the education, lifelong learning and recreation opportunities that libraries provide, and from their role in helping to build strong communities. However, fees are charged for non-core and specialised services (such as research services) and for borrowing best-sellers and items other than books (such as CDs and DVDs). Penalties and fines are also applied for lost and overdue items, and this is a cost-effective and transparent way of recovering their cost. The libraries also receive a small amount of funding through grants.

Operating expenditure

The operating expenditure for each of the eight services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Care for the libraries' collections	1,254	1,641	1,678	1,733	1,800	1,852	1,916	1,969	2,015	2,061	2,088
Community meeting space	1,081	7,512	7,700	7,913	8,167	8,412	8,644	8,916	9,115	9,334	9,516
Develop the libraries' collections	6,175	6,952	6,962	7,207	7,602	8,224	8,619	9,066	10,580	11,057	11,375
Events and exhibitions	1,096	710	719	746	778	805	833	861	887	910	926
Information and research services	7,851	4,909	5,143	5,620	6,030	6,391	6,717	6,865	7,043	7,249	7,358
Information skill and literacy programme	2,175	1,574	1,588	1,653	1,726	1,787	1,855	1,921	1,983	2,036	2,076
Lending and reader advisory services	8,859	7,046	7,135	7,507	7,911	8,305	8,749	9,292	9,887	10,435	11,127
Tools to access information	2,614	2,460	2,394	2,482	2,610	2,712	2,862	3,000	3,134	3,230	3,295
	31,104	**32,804**	**33,319**	**34,862**	**36,624**	**38,488**	**40,196**	**41,890**	**44,645**	**46,311**	**47,762**
Less depreciation	4,190	4,286	3,945	4,079	4,539	5,053	5,716	6,260	6,730	7,115	7,553
Gross operating expenditure less depreciation	**26,913**	**28,518**	**29,374**	**30,783**	**32,085**	**33,435**	**34,481**	**35,629**	**37,915**	**39,197**	**40,208**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
Direct user charges	40	40	41	42	43	44	45	46	47	49	50
General rates/(contribution to other activities)	25,019	26,467	27,273	28,619	29,865	31,148	32,134	33,216	35,437	36,652	37,592
Grants and subsidies	116	116	118	121	125	128	131	135	138	142	146
Other operational revenue	901	905	928	960	985	1,021	1,047	1,078	1,107	1,137	1,169
Penalties and fines	832	982	1,007	1,032	1,059	1,086	1,114	1,144	1,175	1,207	1,241
Rental revenue	6	8	8	9	9	9	9	9	10	10	10
	26,913	**28,518**	**29,374**	**30,783**	**32,085**	**33,435**	**34,481**	**35,629**	**37,915**	**39,197**	**40,208**

Investing in assets

The capital investment for new assets will be funded by borrowings and general rates, as they provide long-term benefits for the city. Renewals will be funded from depreciation as well-maintained assets benefit the city. Development contributions fund the council's investments that cater for population growth.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Libraries	5,897	5,882	6,152	5,947	8,700	11,589	10,796	7,937	8,199	11,055	11,577
	5,897	**5,882**	**6,152**	**5,947**	**8,700**	**11,589**	**10,796**	**7,937**	**8,199**	**11,055**	**11,577**
Capital expenditure funded by											
Borrowings and working capital	1,342	1,305	1,949	1,642	3,542	5,339	3,657	763	672	2,742	2,345
Depreciation	4,190	4,286	3,945	4,079	4,539	5,053	5,716	6,260	6,730	7,115	7,553
Development contributions	297	139	171	202	238	281	364	447	512	586	670
General rates/(contribution to other activities)	67	152	87	24	381	917	1,059	467	285	612	1,010
	5,897	**5,882**	**6,152**	**5,947**	**8,700**	**11,589**	**10,796**	**7,937**	**8,199**	**11,055**	**11,577**

Activity: street environment and town centres

Attractive, well-maintained streets are crucial within a large city, where streets not only cater for pedestrians and vehicles, but have an important function as public open spaces. Similarly, town centres often serve as neighbourhood hubs with distinctive characters and features that communities can be proud of.

The council is responsible for maintaining streets and town centres across the isthmus and Hauraki Gulf islands to provide open spaces that meet the community's needs, and services that keep the city's streets safe, attractive and clean. The focus is on creating pedestrian-friendly environments that reflect each centre's distinctive identity and heritage.

The street services provided include looking after 113 public artworks, mowing grass verges, collecting litter and emptying public bins, tending street gardens, maintaining public toilets, installing street furniture, and maintaining more than 140,000 trees in Auckland's streets and parks. The council responds to about 20,000 requests and notifications about the street environment from residents each year.

Well-maintained streets and town centres create attractive public spaces in the city where Aucklanders can enjoy a wide range of recreational opportunities and events. People are drawn to lively, well-patronised town centres where they can shop, relax and socialise in a safe, clean environment. The orderly services are provided across all main commercial shopping areas to ensure they are clean and tidy.

Graffiti vandalism remains a particular challenge. The council offers a free graffiti removal service for residential and small business owners and other initiatives such as graffiti awareness education and a volunteer programme.

Street environment and town centres at a glance

Street environment and town centre activities provide two main services:

- street environment development
- street environment and town centres.

Benefits

- Well-cared-for streets and town centres create more opportunities for integrating work and leisure.
- Clean roads prevent pollutants from being discharged into our waterways.
- Town centres support events, recreation and activity.
- Town centres generate pride and a sense of place and belonging.

This activity contributes to the following strategic objectives:

Connected communities	Pride and belonging	Places for people	Safe communities	Healthy communities
SHC1	SHC2	SHC3	SHC4	SHC5
✓	✓	✓	✓	✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Mt Albert town centre	Public open space areas in Mt Albert town centre will be renewed.	$4.1 million	Mt Albert town centre is an attractive place for the local community and visitors. Mt Albert town centre's heritage and character are retained and enhanced.	2011/2012-2013/2014
Public conveniences/ toilets	These are regular renewals to keep the city's public conveniences in good condition. In particular, improvements will be made to the toilets and changing rooms at Blockhouse Bay and the toilets at Captain Springs Reserve.	$17.3 million	The public has ready access to high-quality public conveniences around the city. The city's streets and public conveniences are kept clean.	2009/2010-2018/2019
Graffiti	The council offers a free graffiti removal service for residential and small business owners and other initiatives such as graffiti awareness education and a volunteer programme.	$21.9 million	People feel safer and have more pride in their community.	2009/2010-2018/2019

Measures: how the council checks progress toward achieving its objectives for street environment and town centres

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
SHC1 SHC2 SHC3 SHC4 SHC5	Percentage of residents satisfied with the cleanliness of their local town centre	New measure	85	90	88	86
SHC1 SHC2 SHC3 SHC4	Percentage of residents satisfied with quality and maintenance of the street environment	80	85	90	88	86

For further levels of service measures refer to the open spaces asset information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

Funding for the council's street environment and town centres activities comes mainly from the general rates, with some funding from subsidies as cleaning and maintaining the city's streets and town centres is one of the council's core activities which benefits the community as a whole. The council also receives some funding from other operational revenue.

Operating expenditure

The operating expenditure for each of the two services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Street environment development	1,067	960	977	969	930	1,023	982	1,000	1,049	1,075	1,083
Street environment and town centres	30,985	28,317	29,633	31,459	33,586	35,421	37,285	38,846	40,682	42,532	43,839
	32,052	**29,277**	**30,609**	**32,428**	**34,516**	**36,444**	**38,267**	**39,846**	**41,731**	**43,608**	**44,922**
Less depreciation	231	304	288	292	311	376	474	447	459	471	484
Gross operating expenditure less depreciation	**31,821**	**28,974**	**30,321**	**32,136**	**34,205**	**36,068**	**37,792**	**39,399**	**41,272**	**43,137**	**44,438**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
General rates/(contribution to other activities)	30,634	28,314	29,645	31,443	33,494	35,339	37,044	38,631	40,483	42,326	43,612
Grants and subsidies	627	376	385	395	405	415	426	438	449	462	475
Other operational revenue	550	277	284	291	299	307	315	323	332	341	350
Rental revenue	11	7	7	7	7	7	7	8	8	8	1
	31,821	**28,974**	**30,321**	**32,136**	**34,205**	**36,068**	**37,792**	**39,399**	**41,272**	**43,137**	**44,438**

Investing in assets

The capital expenditure for the council's street environment and town centres activities will be funded by borrowings and general rates, as they provide long-term benefits for the city. Renewals will be funded from depreciation as well-maintained assets benefit the city.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Street environment and town centres	5,100	3,296	1,672	2,216	3,376	4,006	1,889	1,939	1,992	2,045	2,103
	5,100	**3,296**	**1,672**	**2,216**	**3,376**	**4,006**	**1,889**	**1,939**	**1,992**	**2,045**	**2,103**
Capital expenditure funded by											
Borrowings and working capital	4,808	2,905	1,359	1,915	2,914	3,305	1,223	1,372	1,459	1,455	1,424
Depreciation	231	304	288	292	311	376	474	447	459	471	484
General rates/(contribution to other activities)	61	87	24	9	152	325	192	121	74	120	195
	5,100	**3,296**	**1,672**	**2,216**	**3,376**	**4,006**	**1,889**	**1,939**	**1,992**	**2,045**	**2,103**

Activity: waste management

Auckland is a clean and beautiful city and Auckland City Council is committed to keeping it that way.

The council collects and disposes of domestic refuse throughout the city (including the Hauraki Gulf islands). This includes a weekly kerbside collection which is supported by the biennial inorganic collection, a contribution to the HazMobile service for hazardous waste, Waiheke Island waste management initiatives and the operation of a small landfill on Great Barrier Island. The council also attends to illegally dumped rubbish including abandoned vehicles. In this way, the council contributes to a clean and beautiful city. It fulfils the council's statutory obligations under the Health Act 1956 and Local Government Act 2002 to reduce public health risks and keep public spaces clean, and the Waste Management Act 2008 which is aimed at reducing waste to landfill.

In conjunction with the council's recycling service, we provide community advice and education so that residents can take their own steps to minimise waste. The council's WasteWise programme is aimed at schools. Create your own Eden is a programme targeted at community groups which encourages residents to compost their food and green waste.

Planning for the provision of these services and promotional activities falls under the council's waste management and minimisation plan. The Waste Minimisation Act 2008 requires all councils to adopt a waste minimisation plan which is focused on reducing the amount of waste ending up in landfills. This plan must also have regard to the New Zealand Waste Strategy 2002 and be completed by 2012. For an update on the Waste management plan see Volume 3.

The management of our waste ultimately helps maintain Auckland air, land and water quality, and its reputation as an attractive well-cared for place.

(See recycling services activity under Quality natural environment strategy.)

Waste management at a glance

Waste management activities provide three main services:

- providing refuse services
- Waiheke Island transfer station and Great Barrier landfill
- waste management and minimisation planning and education.

Benefits

- Risks to public health and the environment minimised.
- Public spaces are kept clean from illegal dumping.

This activity contributes to the following strategic objectives:

Connected communities	Pride and belonging	Places for people	Safe communities	Healthy communities
SHC1	SHC2	SHC3	SHC4	SHC5
				✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Waiheke Island waste minimisation initiatives	The council is putting in place several initiatives to minimise waste on the island.	$0.9 million	The island's residents will enjoy better and more convenient refuse services. More recyclable materials will be collected and processed from the island. Incidents of illegal dumping will be reduced.	2009/2010-2010/2011

Measures: how the council checks progress toward achieving its objectives for waste management

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
SHC5	Kilograms of refuse sent to landfill per household[1]	500	490	480	478	476
	Percentage of waste[2] collected that is sent to landfill per household	64	63	62	61	61
	Percentage of consumers satisfied with their refuse collection service	80	80	85	85	90

Notes to table

1 Household defined as "households paying full targeted rate".

2 Waste comprises refuse and recycling.

For further levels of service measures refer to the closed landfills asset information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The council's waste management activities are principally paid for from a targeted rate and sales revenue, as users of the council's waste services benefit from being able to dispose of their household waste. The cost of removing illegally dumped rubbish and cars is funded from general rates, as reducing public health risks and keeping public spaces clean benefits the city. All liable properties generally have the same level of access to a similar waste service, and should therefore pay the same amount. A portion of the council's waste services are funded from user charges for additional bins or bags and from charges collected at the Waiheke Island transfer station.

Funding for Auckland City Council's waste management activities is used for providing domestic refuse collection and disposal services throughout the city (including the Hauraki Gulf islands), operating the Waiheke Island transfer station and Great Barrier Island landfill, planning ways to manage and minimise the city's waste, and community education initiatives.

Operating expenditure

The operating expenditure for each of the three services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Refuse services	22,610	17,742	21,601	21,969	27,095	23,647	29,085	25,350	30,844	27,176	32,936
Waiheke transfer station	230	0	0	0	0	0	0	0	0	0	0
Waste management planning and implementation	1,009	1,181	1,210	1,244	1,281	1,317	1,353	1,388	1,426	1,463	1,495
	23,849	**18,923**	**22,811**	**23,214**	**28,375**	**24,964**	**30,438**	**26,738**	**32,269**	**28,639**	**34,431**
Less depreciation	0	0	0	0	0	0	0	0	0	0	0
Gross operating expenditure less depreciation	**23,849**	**18,923**	**22,811**	**23,214**	**28,375**	**24,964**	**30,438**	**26,738**	**32,269**	**28,639**	**34,431**

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure funded by											
General rates/(contribution to other activities)	2,022	(2,533)	(3,279)	(3,871)	(4,440)	(4,879)	(5,357)	(5,877)	(6,411)	(6,990)	(7,625)
Other operational revenue	500	500	513	525	539	553	567	583	598	615	632
Targeted rates	21,327	20,723	20,910	28,635	30,201	31,475	33,043	34,336	35,778	37,446	38,993
Working capital	0	232	4,668	(2,075)	2,075	(2,185)	2,185	(2,304)	2,304	(2,431)	2,431
	23,849	**18,923**	**22,811**	**23,214**	**28,375**	**24,964**	**30,438**	**26,738**	**32,269**	**28,639**	**34,431**

Investing in assets

Capital investment for new assets for waste management will be funded by borrowings, general rates and targeted rates as they provide long-term benefits for all refuse users and the city. Renewals will be funded from the refuse collection targeted rate with some funding from the general rates.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Waste management	5,034	392	502	0	0	0	0	0	0	0	0
	5,034	**392**	**502**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital expenditure funded by											
Borrowings and working capital	4,973	377	442	(53)	(94)	(94)	(94)	(94)	(94)	(94)	(94)
General rates/(contribution to other activities)	61	10	7	0	0	0	0	0	0	0	0
Targeted rates	0	4	53	53	94	94	94	94	94	94	94
	5,034	**392**	**502**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Transport choices strategy

A city that offers good transport options is more attractive to residents, businesses and visitors.

The transport choices strategy has five objectives: an efficient transport network that provides sustainable travel choices; a safe and secure transport system; transport provision that enhances quality of life and reduces adverse impacts on the built and natural environment; transport investment that provides a catalyst for economic growth; and an integrated approach to transport planning, delivery and operation.

Auckland city will become more appealing as a place to live, work, visit, study and get around in, due to transport improvements delivered under this strategy. Businesses will be able to move their goods around the city more efficiently and better travel options will make travel times more consistent.

Our environment will be healthier due to reduced carbon emissions as more people walk, cycle, carpool or use public transport. This healthier environment will have a positive impact on the health and well-being of Auckland residents.

Investing in transport and network planning will enable economic growth. Transport options are a key deciding factor in where businesses choose to locate their premises. The council will make it easy for people to travel across the city and between key business areas, such as the port and airport. Enabling the efficient movement of freight and people will help to open up further opportunities.

In delivering improved transport choices for our residents, business and visitors, the council carries out a number of transport infrastructure projects, ranging from cycling initiatives to intersection improvements. We carry out major roading schemes such as the Auckland-Manukau Eastern Transport Initiative and work with the NZ Transport Agency (NZTA) on the State Highway 20 extensions.

Significant population growth in Auckland continues to place pressure on our roads and public transport. The transport choices strategy aims to deliver improvement in safety around schools, and an efficient and affordable transport network that provides sustainable travel choices. Upgrading existing roads and streetscapes, and making it easier for people to move around using a variety of transport options will result in a more connected city. We plan to invest $458 million to improve and renew the city's road network. This will ensure the roads are high standard, safe and effective. We will improve the quality of the footpaths citywide through an investment of $240 million. This will improve accessibility and encourage more people to walk. During the next three years, more than $5 million is set aside for improvements to cycleways and walkways, providing more options for getting around the city.

The council is involved in managing on- and off-street parking. This helps to ensure the traffic on our roads keeps flowing and residents, workers and visitors have a range of safe, affordable and convenient parking options available to them.

Auckland is faced with a range of challenges in providing an integrated and affordable transport service. We are not responsible for the delivery of all of your transport needs and must work with a number of agencies, such as the NZ Transport Association and the Auckland Regional Transport Authority, to advocate for the best possible solutions. Our transport planning has to take account of other factors. These include the supply and funding of transport services, reliability of fuel sources and fluctuating oil prices.

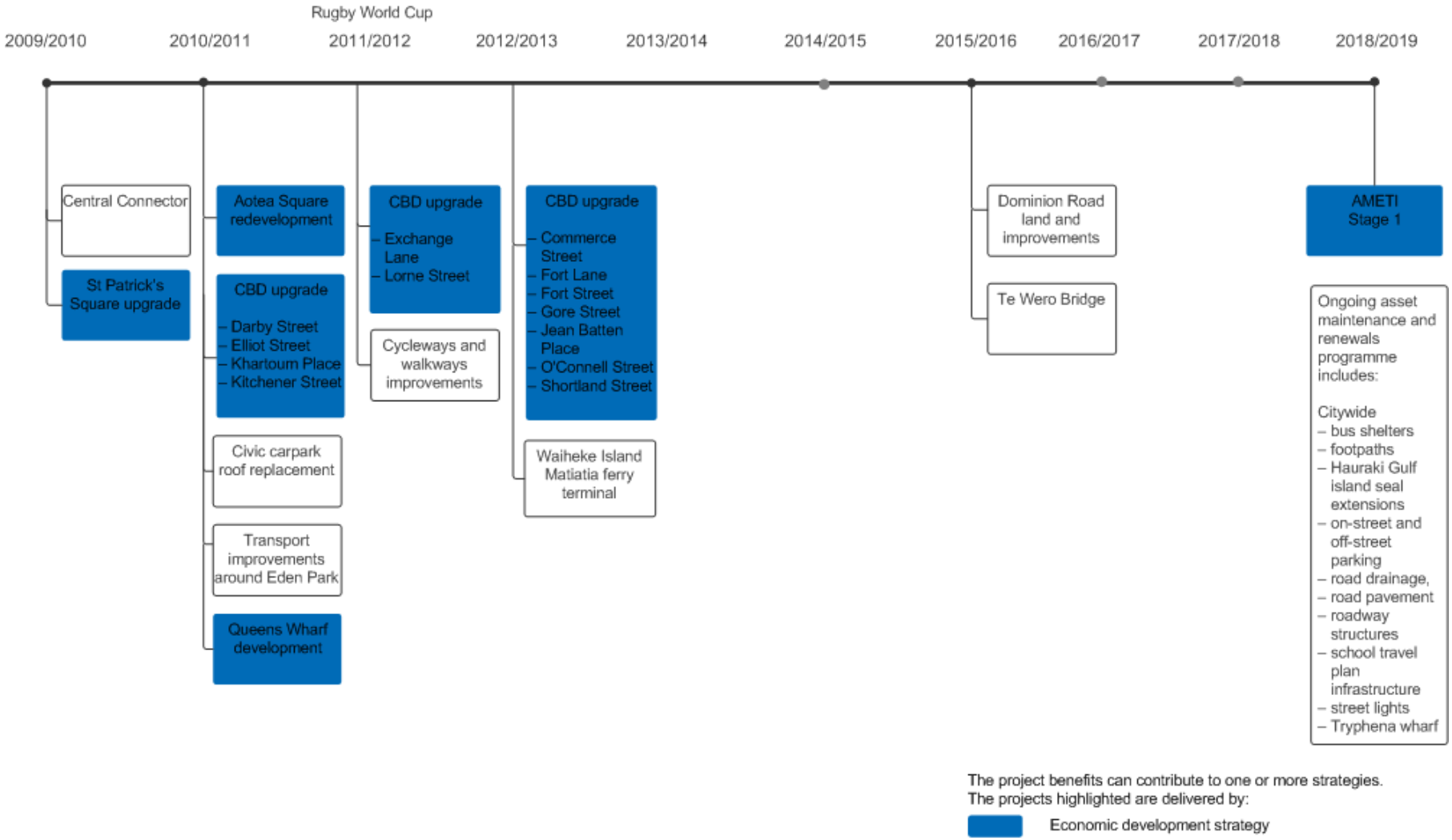
Developing and maintaining a safe and secure transport system is essential to increasing public safety and to making people feel more secure in their use of local transport facilities. Over the next 10 years we will improve areas of safety concern by investing approximately $46 million in the city's roads. This will lead to fewer crashes and injuries. We plan to invest approximately $33 million in school safety initiatives.

Community outcomes

Aucklanders have identified 21 outcomes as being important for their city's future. Community outcomes belong to the whole city and their success depends on the efforts of the council, government organisations, iwi, community groups, private businesses and individuals working together. See volume 1 for more detail on the community outcomes. Below is a summary of how the transport choices strategy is helping to achieve some of the community outcomes.

Community outcome	Council's role and contribution	Relevant council activities
Aucklanders have real transport choices	The council works to ensure that Aucklanders have access to a range of options for getting around the city, whether by bus, rail, ferry, bicycle, foot or car, and that it is easy, safe, convenient and affordable to do so.	Transport infrastructure Parking
Auckland is safe	The council makes the design and quality of roads safer for pedestrians, cyclists and drivers, as well as maintaining other structures such as bridges, street lights, bus shelters and kerbs to minimise potential hazards in the road network.	Transport infrastructure
Auckland is a great place for business	The council ensures there is a well-connected network throughout the city that fosters business activity by encouraging the free flow of people and goods, as well as by managing parking spaces around town centres and the CBD to make it convenient for people to shop, do business and socialise.	Transport infrastructure Parking
Auckland is well cared for	The council advocates and develops transport solutions that meet the needs of present and future residents of Auckland city, taking into account the city's future growth, as well as the need to find less energy intensive, cleaner and more environmentally friendly options for getting around.	Transport infrastructure
Aucklanders work together	The council partners with other agencies to deliver overall transport infrastructure and services for the city and region, including the NZ Transport Agency, the Auckland Regional Transport Authority, other regional and local councils, and Ontrack.	Transport infrastructure

How things will look different



Financial overview

Funding day-to-day activities

Operating expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Parking	32,485	31,804	34,260	35,190	37,464	38,373	39,711	40,687	41,558	42,958	44,033
Transport infrastructure	130,324	124,267	129,957	138,271	149,591	159,753	167,072	178,353	188,213	195,632	208,398
	162,809	**156,071**	**164,217**	**173,461**	**187,055**	**198,126**	**206,782**	**219,040**	**229,772**	**238,590**	**252,432**
Less depreciation	71,900	69,509	71,713	78,842	84,910	89,598	94,877	100,280	103,729	108,692	114,289
Gross operating expenditure less depreciation	**90,909**	**86,562**	**92,504**	**94,619**	**102,145**	**108,528**	**111,905**	**118,760**	**126,043**	**129,898**	**138,143**
Operating expenditure funded by											
Direct user charges	32,024	32,247	33,381	34,058	35,536	36,981	38,599	40,662	43,086	45,746	48,689
General rates/(contribution to other activities)	14,578	8,744	9,440	4,157	2,590	(6,482)	(9,298)	(8,006)	(7,467)	(9,508)	(9,823)
Grants and subsidies	12,270	13,968	14,416	15,030	15,674	16,294	16,834	17,624	18,170	18,841	20,908
Other operational revenue	5,433	7,027	9,363	12,726	17,436	29,430	32,382	33,511	35,611	36,344	37,941
Penalties and fines	22,918	20,800	21,894	22,620	23,930	24,698	25,616	27,023	28,513	30,158	31,908
Petrol tax and royalties	225	269	269	269	269	269	269	269	269	269	269
Rental revenue	501	535	548	562	577	596	617	639	666	693	725
Targeted rates	2,959	2,971	3,192	5,196	6,132	6,742	6,885	7,038	7,194	7,355	7,526
	90,909	**86,562**	**92,504**	**94,619**	**102,145**	**108,528**	**111,905**	**118,760**	**126,043**	**129,898**	**138,143**

Investing in assets

Investment is required to renew assets in order to maintain current service levels; and to acquire new assets to provide for growth and increased demand.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Parking	20,345	23,739	19,873	6,909	4,982	5,126	5,252	5,394	5,547	5,689	5,848
Transport infrastructure	141,298	128,632	103,348	103,934	111,400	114,017	126,188	132,397	93,627	97,026	99,378
	161,643	**152,371**	**123,220**	**110,843**	**116,382**	**119,143**	**131,440**	**137,791**	**99,175**	**102,715**	**105,226**
Capital expenditure funded by											
Borrowings and working capital	47,870	25,630	17,956	(2,377)	(10,244)	(16,738)	(17,983)	(9,046)	(41,975)	(45,324)	(52,360)
Depreciation	71,900	68,780	70,979	78,064	84,105	88,727	93,903	99,207	102,685	107,665	113,271
Development contributions	3,347	1,134	1,399	1,649	1,945	2,929	4,452	5,330	6,025	6,816	7,715
Fees and charges	545	729	734	779	805	871	974	1,073	1,044	1,027	1,018
General rates/(contribution to other activities)	1,458	2,571	1,311	323	3,485	6,353	8,578	5,991	2,334	3,869	6,213
Grants and subsidies	36,523	53,527	30,841	32,405	36,287	37,001	41,517	35,236	29,062	28,663	29,370
	161,643	**152,371**	**123,220**	**110,843**	**116,382**	**119,143**	**131,440**	**137,791**	**99,175**	**102,715**	**105,226**

Activities

This section provides more detail on the services or groups of activities that the council is involved in which contribute to the transport choices strategy. These activities describe the difference we are making in people's lives every day, as well as the significant projects we deliver which help us make progress towards achieving our vision for Auckland to be First City of the Pacific.

The transport choices (TC) strategy has five objectives:

Objective	Abbreviated reference[1]	Ref.
An efficient transport network that provides sustainable travel choices	Efficient and sustainable	TC1
A safe and secure transport system	Safe and secure	TC2
Transport provision enhances quality of life and reduces adverse impacts on the built and natural environment	Quality of life	TC3
Transport investment provides a catalyst for economic growth	Economic growth	TC4
An integrated approach to transport planning, delivery and operation	Integration	TC5

Note to table
1 This abbreviated reference is used in the tables under each activity.

Two groups of activities contribute to transport choices:

- parking
- transport infrastructure.

Each activity includes the following information:

- activity overview (including the rationale for the council's involvement)
- benefits to the community from this activity
- key projects
- measures
- significant negative impacts of this activity (if any)
- financial information.

Assets contributing towards the delivery of services

Auckland City has a large investment in assets to deliver the services to its community. More than $4.2 billion is invested to support the transport choices strategy and a further $1.2 billion of investment is planned through to 2019.

Planning for replacement and new assets is carried out in 13 asset management plans. One asset management plan, Transport, relates to the transport choices strategy. For more information about the assets associated with these activities, see assets in part 2 of the volume.

Some assets or groups of assets contribute to more than one strategy. For example, the AMETI project is being undertaken to unlock economic potential in the Tamaki region. The capital expenditure therefore appears under the economic development strategy. When the road and transport assets are constructed they will form part of the city's transport network under the transport choices strategy.

Measuring progress

The council reviews progress towards its objectives in a number of ways. Measures which check progress on delivering day-to-day services are listed under each activity. Measures which outline the levels of service for each of the council's major groups of assets are listed under each asset group later in this volume.

Activity: parking

Auckland City Council provides parking activities to ensure there is sufficient parking available in the city, and to give people and businesses fair access to on-street parking spaces, particularly in high-demand areas. It also offers parking services in safe and secure parking buildings, with an emphasis on short-term requirements.

To make it clear where people are legally allowed to park, the council provides information about parking, as well as signs and road markings. It also enforces parking restrictions, clearways and bus lanes in the city, other bylaw restrictions, and issues and reviews infringement notices as necessary. Under the Transport Act 1962 the council must make sure there is a fair process in place for dealing with infringements and fines.

The council manages six parking buildings, 59 open air car parks and three park-and-ride facilities throughout the city. These car parks provide more than 9000 spaces on a time-restricted, unrestricted, casual hourly rate and monthly lease basis. In addition to this, there are about 650km of restricted or pay-and-display kerbside parking in the city, which need to be monitored and enforced to ensure fair use of road space and regular turnover of parking spaces.

The council uses parking availability to influence people's transport choices, especially during peak travel times. For example, parking fees and the availability of free parking spaces in council car parks for motorbikes and bicycles encourage more people to use public transport or cycle to work.

The council's parking services benefit the community by keeping traffic flowing freely, providing affordable, convenient, safe parking to encourage people to visit town centres, maintaining public safety through restricted parking schemes, and providing better access for businesses to move services and freight.

Parking at a glance

Parking activities provide two main services:

- enforcement
- parking services.

Benefits

- There is fair and equitable access to parking provided in Auckland city.
- Visitors, residents and workers have a range of parking options and solutions available to them.
- There is a fair and robust process in place for dealing with infringements and fines.
- The availability of affordable, convenient and safe parking encourages people to visit town centres, with flow-on social and economic benefits.

This activity contributes to the following strategic objectives:

Efficient and sustainable	Safe and secure	Quality of life	Economic growth	Integration
TC1	TC2	TC3	TC4	TC5
✓	✓		✓	

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Off-street parking and Civic car park roof replacement	The council's parking buildings, pay-and-display and restricted off-street car parks will be renewed as required. This includes the Civic car park roof replacement project ($16.1 million in 2008/2009 and $29.5 million in 2009/2010-2010/2011), which forms part of the overall Aotea Square redevelopment project – see Economic development strategy.	$63 million	Auckland will retain an adequate supply of parking, particularly in areas of high demand and limited availability. Residents, workers and visitors will have a range of safe, affordable and convenient parking options available to them. The council's car parks will be maintained to a high standard.	Civic car park roof replacement project will be completed by 2010/2011; other work 2009/2010-2018/2019
On-street parking	The council's pay-and-display and restricted on-street car parks will be renewed as required.	$24.8 million	Auckland will retain an adequate supply of parking, particularly in areas of high demand and limited availability. Residents, workers and visitors will have a range of safe, affordable and convenient parking options available to them. Drivers will be provided with clear information about where they are legally allowed to park.	2009/2010-2018/2019
Parking enforcement	Assets used by the council for parking enforcement will be updated and renewed as required.	$0.5 million	Auckland will retain an adequate supply of parking, particularly in areas of high demand and limited availability. The council will be able to efficiently and fairly enforce parking restrictions within the city.	2009/2010

Measures: how the council checks progress toward achieving its objectives for parking

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
TC1	Percentage of drivers complying with parking restrictions	75	80.25	80.5	80.75	81-82.5
	Percentage of on-street parking occupied	New Measure	No more than 85	No more than 85	No more than 85	No more than 85

For further levels of service measures refer to the transport asset information in part 2 of volume 2.

Significant negative impacts

Setting aside space for car parks reduces road space for other purposes such as moving people and goods. Parking enforcement may also discourage customers from using the CBD, therefore negatively affecting businesses.

Financial information

Funding day-to-day activities

Auckland City Council's parking activities are fully funded through user charges and fines. This includes fees and rents for parking spaces in the council's parking buildings and car parks, fees for on-street restricted or pay-and-display spaces, and money collected from infringement fines. User charges are a fair way to fund the council's parking activities as the provision of convenient, safe parking spaces directly benefits those who use them. The council enforces bylaw-related restrictions, such as bus lanes and clearways, to ensure the smooth and safe flow of traffic within the city. The council receives some funding from other operational revenue. Money collected from parking services and enforcement receipts exceeds costs and contributes to funding of the council's other activities.

Operating expenditure

The operating expenditure for each of the two services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Enforcement	16,113	14,966	16,332	16,257	18,110	18,761	19,676	20,496	21,376	22,323	23,055
Parking services	16,372	16,837	17,928	18,933	19,354	19,612	20,035	20,191	20,183	20,635	20,978
	32,485	**31,804**	**34,260**	**35,190**	**37,464**	**38,373**	**39,711**	**40,687**	**41,558**	**42,958**	**44,033**
Less depreciation	2,433	2,442	2,507	2,544	2,535	2,512	2,554	2,474	2,105	2,159	2,219
Gross operating expenditure less depreciation	**30,052**	**29,361**	**31,753**	**32,646**	**34,929**	**35,861**	**37,156**	**38,213**	**39,453**	**40,799**	**41,814**
Operating expenditure funded by											
Direct user charges	31,593	31,880	33,005	33,673	35,141	36,575	38,182	40,235	42,647	45,295	48,225
General rates/(contribution to other activities)	(25,146)	(28,061)	(30,160)	(33,881)	(39,089)	(52,285)	(56,401)	(59,852)	(64,551)	(68,164)	(73,359)
Other operational revenue	224	4,253	6,511	9,720	14,418	26,327	29,193	30,221	32,232	32,872	34,372
Penalties and fines	22,918	20,800	21,894	22,620	23,930	24,698	25,616	27,023	28,513	30,158	31,908
Rental revenue	463	490	502	515	528	546	566	586	612	638	668
	30,052	**29,361**	**31,753**	**32,646**	**34,929**	**35,861**	**37,156**	**38,213**	**39,453**	**40,799**	**41,814**

Investing in assets

Capital investment for new assets for parking activities will be funded by borrowings and general rates as they provide long-term benefits to the city and users. Renewals will be funded from depreciation as well-maintained assets benefit the city and users.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Parking	20,345	23,739	19,873	6,909	4,982	5,126	5,252	5,394	5,547	5,689	5,848
	20,345	**23,739**	**19,873**	**6,909**	**4,982**	**5,126**	**5,252**	**5,394**	**5,547**	**5,689**	**5,848**
Capital expenditure funded by											
Borrowings and working capital	17,667	20,668	17,077	4,336	2,223	2,199	2,164	2,584	3,237	3,197	3,088
Depreciation	2,433	2,442	2,507	2,544	2,535	2,512	2,554	2,474	2,105	2,159	2,219
General rates/(contribution to other activities)	245	629	289	29	224	416	533	336	205	332	541
	20,345	**23,739**	**19,873**	**6,909**	**4,982**	**5,126**	**5,252**	**5,394**	**5,547**	**5,689**	**5,848**

Activity: transport infrastructure

For Auckland to flourish socially, economically and environmentally, it needs a first-class transport network to make it easier for people and vehicles to get around and to promote safe and sustainable transport choices.

The council designs and constructs transport infrastructure projects in the city, from routine road maintenance to multimillion-dollar road and intersection upgrades. The central connector busway will be completed in the first year of the plan and will provide more efficient and reduced travel time between the CBD and Newmarket. The Dominion Road project, an investment of $84 million, will fulfil growing passenger transportation demands and result in an improved pedestrian and streetscape environment by 2015/2016.

The council manages its transport assets to ensure that the network remains efficient and safe. Over the next 10 years the council will spend $444 million on renewing the road network and a further $240 million on the footpaths to ensure their accessibility and safety levels are maintained. Renewals of street lighting, traffic control systems and structures at a cost of $108 million will enable the road network to perform at optimum efficiency.

Road safety is an important issue for the council and it applies standards and specifications in its design for safe network operation, and provides public education campaigns designed to give people safer travel choices. We plan to invest $78.7 million in improving safety on the city's roads, particularly on current black spots and around schools. Our walking school buses programme improves safety getting to and from school.

Ensuring that the network operates with maximum access and minimum disruption is a council service, carried out in collaboration with utility companies and other stakeholders. The council is required by various laws and central government to carry out its transport infrastructure activities. It operates at a strategic level to evaluate and develop transport solutions to accommodate Auckland's future growth. This includes improving transport infrastructure and choices within the city. These choices include development of travel plans with organisations and development of options such as car pooling to reduce congestion. The council works closely with other stakeholders (including the NZ Transport Agency, the Auckland Regional Transport Authority, Auckland Regional Council, other local authorities and Ontrack), as the network has impacts and significance reaching far beyond the city's physical boundaries.

Transport infrastructure at a glance

Transport infrastructure activities provide six main services:

- infrastructure delivery
- infrastructure management
- network operations
- new infrastructure
- road safety
- strategy and policy.

Benefits

- Auckland will be better connected, making it easy for people to get to where they live, work and play, and making it easier for businesses to transport their goods.
- Key destinations within the city are well-serviced by various modes of transport.
- Sustainable transport options will lead to a cleaner natural environment and healthier lifestyles for residents.
- The city will receive the best-value transport infrastructure possible for the funds available.
- The community will enjoy better transport safety (in particular fewer crashes and injuries) and the transport network will operate more efficiently and effectively.

This activity contributes to the following strategic objectives:

Efficient and sustainable	Safe and secure	Quality of life	Economic growth	Integration
TC1	TC2	TC3	TC4	TC5
✓	✓	✓	✓	✓

Key projects

See the appendices to this volume for full details on planned investment in Rugby World Cup 2011-related projects, including the Te Wero bridge.

Project name	Brief project description	Project cost	Project benefits	Timing
Central Connector	A dedicated bus route that will improve travel between the CBD and Newmarket and link to the Northern Busway at Britomart.	$22.9 million (excludes 2008/2009 budget of $21.3 million)	More efficient and reduced travel time between the CBD and Newmarket.	2009/2010
Dominion Road land and improvements	The Dominion Road project envisages a widened carriageway (excluding the village centres) along the length of Dominion Road, to provide full-time shared bus and cycle lanes (brought up to Australasian standards) and a much-improved pedestrian and streetscape environment.	$84 million	Much-improved bus reliability and performance on this strategically important passenger transport corridor, increased provision for cyclists and a significantly enhanced pedestrian environment and streetscape to encourage growth and investment.	2009/2010-2015/2016
Seal extensions – Great Barrier and Waiheke islands	Sealing work on currently unsealed roads on the islands.	$10 million	The quality, safety and accessibility of roads on the islands will be improved.	2009/2010-2018/2019
Road renewals	Ongoing renewals to maintain the city's road network.	$444.2 million	The standard, value, safety and effectiveness of the city's roads will be maintained.	2009/2010-2018/2019
Footpath renewals	Ongoing programme to improve the quality of footpaths citywide.	$239.7 million	Footpaths throughout the city will be safer and better maintained, improving access and encouraging more people to walk.	2009/2010-2018/2019
Other road renewals	Renewals to street lighting, traffic control systems and structures.	$108.4 million	The road network will perform at optimum efficiency when all complementary peripherals are in place and functioning as planned.	2009/2010-2018/2019
Road safety works	Ongoing works to improve the safety of the city's roads.	$78.7 million	The safety of the city's roads will be maintained, leading to fewer crashes and injuries, and safer travel options for residents and visitors.	2009/2010-2018/2019
Road improvements	Corridors and intersection improvements.	$14.2 million	The standard, value, safety and effectiveness of the city's roads will be maintained.	2009/2010-2018/2019

Measures: how the council checks progress toward achieving its objectives for transport infrastructure

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
TC1 TC3 TC5	Number of trips taken on passenger transport (million)	New measure	60	65	80	83-105
TC1 TC3 TC4	Travel time on selected routes	New measure	85% of routes measures are within target	85% of routes measures are within target	85% of routes measures are within target	85% of routes measures are within target
TC2	Number of reported crashes per 100 million vehicle kilometres travelled on city roads including pedestrian and cyclist injuries and fatalities	Fewer than 39	Fewer than 43	Fewer than 42	Fewer than 41	Between 35 and 40
	Percentage of footpaths assessed as moderate or better on AMEM Pedestrian Environment survey	73	73	73	73	75
	Percentage of roads assessed as moderate or better on AMEM Traffic Environment survey	78	79	80	80	80

For further levels of service measures refer to the transport asset information in part 2 of volume 2.

Significant negative impacts

Providing transport infrastructure such as roads can have significant local environmental and community effects such as the relocation of property owners, increased traffic flows and increased traffic safety management issues.

Potential negative effects include disruption to residents, businesses and the travelling public during maintenance and utility works.

Financial information

Funding day-to-day activities

The council receives partial funding of its transport infrastructure from road users through subsidies received from NZ Transport Agency. The majority of funding is from general rates as the council does not have any other funding tools (congestion charging, tolling or its own petrol tax) to directly fund this expenditure from road users.

Footpaths, street lights and street signs are provided for all people in the city and are public goods by nature and are funded from the general rate. Wharf fees are considered an efficient and transparent method of funding the costs of wharves management as these services directly benefit wharf users. The council receives revenue from advertisers for use of its bus shelter panels, other operational expenditure, the local authority petroleum tax, and charges and rents from those who use the road reserve. The CBD targeted rate funds some of the transport infrastructure in the CBD as CBD ratepayers gain a greater benefit from the improved amenity.

Funding for Auckland City Council's transport infrastructure activities is used to pay for strategy and policy work relating to the transport network, managing, maintaining and developing transport infrastructure, managing network operations to maximise the efficiency of the network and minimise disruptions, and for road and transport safety initiatives.

Operating expenditure

The operating expenditure for each of the six services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Infrastructure delivery	7,330	6,527	6,694	7,315	7,518	8,841	8,275	8,466	8,941	9,160	10,159
Infrastructure management	109,254	107,406	112,641	120,656	130,793	138,243	145,461	155,277	163,451	169,836	180,680
Network operations	2,287	2,086	2,135	1,691	1,765	2,073	2,080	2,377	2,655	2,720	2,740
New infrastructure	2,366	1,059	954	989	1,045	1,077	1,098	1,118	1,136	1,156	1,164
Road safety	3,897	4,025	4,119	3,612	3,689	4,061	4,116	4,480	4,826	4,950	5,030
Strategy and policy	5,191	3,164	3,413	4,009	4,780	5,459	6,040	6,635	7,204	7,811	8,624
	130,324	**124,267**	**129,957**	**138,271**	**149,591**	**159,753**	**167,072**	**178,353**	**188,213**	**195,632**	**208,398**
Less depreciation	69,467	67,066	69,206	76,298	82,375	87,086	92,322	97,806	101,624	106,533	112,070
Gross operating expenditure less depreciation	**60,857**	**57,201**	**60,751**	**61,973**	**67,216**	**72,667**	**74,749**	**80,547**	**86,589**	**89,099**	**96,328**
Operating expenditure funded by											
Direct user charges	431	367	376	386	396	406	416	428	439	451	464
General rates/(contribution to other activities)	39,725	36,805	39,599	38,039	41,679	45,803	47,103	51,846	57,084	58,656	63,536
Grants and subsidies	12,270	13,968	14,416	15,030	15,674	16,294	16,834	17,624	18,170	18,841	20,908
Other operational revenue	5,209	2,774	2,852	3,006	3,018	3,103	3,189	3,290	3,379	3,471	3,569
Petrol tax and royalties	225	269	269	269	269	269	269	269	269	269	269
Rental revenue	38	45	46	47	49	50	51	52	54	55	57
Targeted rates	2,959	2,971	3,192	5,196	6,132	6,742	6,885	7,038	7,194	7,355	7,526
	60,857	**57,201**	**60,751**	**61,973**	**67,216**	**72,667**	**74,749**	**80,547**	**86,589**	**89,099**	**96,328**

Investing in assets

The capital investment for transport infrastructure that caters for population growth is partly funded from development contributions. This contribution takes into account NZ Transport Agency grants received for that investment. The remaining capital investment for new assets for transport infrastructure will be funded from borrowings, general rates and from NZ Transport Agency grants, as they provide long-term benefits to road users and the city. However, wharf user fees are used to fund some of the capital investment for development of wharves. Renewals will be funded from depreciation and NZ Transport Agency grants, as well-maintained assets provide benefits for road users and the city.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Transport infrastructure	141,298	128,632	103,348	103,934	111,400	114,017	126,188	132,397	93,627	97,026	99,378
	141,298	**128,632**	**103,348**	**103,934**	**111,400**	**114,017**	**126,188**	**132,397**	**93,627**	**97,026**	**99,378**
Capital expenditure funded by											
Borrowings and working capital	30,203	4,963	879	(6,713)	(12,467)	(18,937)	(20,148)	(11,630)	(45,212)	(48,522)	(55,448)
Depreciation	69,467	66,338	68,472	75,520	81,570	86,216	91,348	96,733	100,580	105,506	111,052
Development contributions	3,347	1,134	1,399	1,649	1,945	2,929	4,452	5,330	6,025	6,816	7,715
Fees and charges	545	729	734	779	805	871	974	1,073	1,044	1,027	1,018
General rates/(contribution to other activities)	1,213	1,942	1,022	294	3,260	5,938	8,044	5,655	2,129	3,537	5,671
Grants and subsidies	36,523	53,527	30,841	32,405	36,287	37,001	41,517	35,236	29,062	28,663	29,370
	141,298	**128,632**	**103,348**	**103,934**	**111,400**	**114,017**	**126,188**	**132,397**	**93,627**	**97,026**	**99,378**

Efficient, capable and user-friendly council strategy

The efficient, capable and user-friendly council strategy is fundamental to achieving the council's vision and all our other strategies. It is critical to achieving Auckland's aspiration of being an attractive city in which people choose to live, play, visit, and conduct their business – a city where everyone feels safe and secure, and people and goods can move freely.

The efficient, capable and user-friendly council strategy has six objectives which relate to our customers and constituents, our partners, our organisation, our culture, our leadership and our staff.

As we provide day-to-day services to Aucklanders and deliver significant projects for the city, we will continue to place emphasis on effective and inspirational leadership that provides clear vision and direction. A clear vision enables us to manage risks and opportunities responsibly, and make effective decisions.

Under this strategy, we will continue to improve leadership, management and technical capabilities within Auckland City Council, giving you increased confidence in the council's performance, and greater satisfaction with the way we deliver our services. Our ability to deliver a more effective service to residents and ratepayers enables a more transparent and accessible democratic process.

Over the next three years, we will focus on our Customer First programme which will make available the best tools for delivering excellent service to our customers and constituents. The programme will foster a greater customer service culture within the organisation. This will ensure that you receive a consistently high standard of service from every area of the council, which not only meets your expectations but exceeds them. By having the right systems and processes in place, we aim to make it faster and easier for you to do business with us.

Increasing our staff capability and efficiency will lead to better decision making, resulting in ratepayers' money being spent more effectively. We have introduced a three-year programme to improve the commercial performance of the organisation. Improvements to the efficiency and quality of our performance will increase public confidence in our leadership and staff.

The council may from time-to-time buy, sell or dispose of assets (including land and interests in land) in the normal course of business, to facilitate the activities described in this 10-year plan, including the transfer of assets to trust or similar governance arrangements. The power to do so may be delegated by the council.

The council does not operate alone. We will continue to strengthen partnerships with iwi and Pacific peoples, as well as work with regional stakeholders such as the Auckland Regional Council and Auckland Regional Transport Authority.

As Auckland's population has grown in numbers and diversity, the council has been called upon to do more to meet the new demands of this growing city. Our challenge as an organisation is to plan effectively for this change.

Community outcomes

Aucklanders have identified 21 outcomes as being important for their city's future. Community outcomes belong to the whole city and their success depends on the efforts of the council, government organisations, iwi, community groups, private businesses and individuals working together. See volume 1 for more detail on the community outcomes. Below is a summary of how the efficient, capable and user-friendly council strategy is helping to achieve some of the community outcomes.

Community outcome	Council's role and contribution	Relevant council activities
Aucklanders trust in leadership	The council has a clear vision that is intended to inspire confidence in Aucklanders about where their city is heading, provides effective, transparent processes for how political decisions are made, and has the right systems and staff training in place to deliver consistently high standards of service to the community.	Efficient and capable council Representation
Aucklanders participate	The council supports the right of residents to have their say by coordinating local government elections every three years; by enabling people to influence political decisions by having their views heard; and by providing support services to elected representatives so they can be effective advocates for their communities.	Representation
Aucklanders have faith in the future	The council ensures that all its activities are aligned to a clear vision and strategic direction, so that long-term decisions are made taking into account not just what Auckland needs now, but also what will be needed by future generations.	Efficient and capable council
Aucklanders work together	The council strengthens partnerships with stakeholders, iwi, Maori and Pacific peoples, and takes proactive leadership on issues for the Auckland region together with other partners.	Efficient and capable council Representation

Financial overview

Funding day-to-day activities

Operating expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Efficient and capable council	40,039	62,746	61,137	71,409	75,433	78,617	83,573	86,611	91,335	96,519	100,343
Representation	9,818	9,432	10,458	9,712	10,138	11,389	10,698	11,192	12,516	11,783	12,265
	49,857	**72,179**	**71,595**	**81,122**	**85,571**	**90,006**	**94,272**	**97,803**	**103,851**	**108,302**	**112,608**
Less depreciation	30,041	29,891	33,435	41,122	45,372	47,415	49,568	49,187	50,491	50,268	48,279
Gross operating expenditure less depreciation	**19,816**	**42,288**	**38,160**	**39,999**	**40,199**	**42,591**	**44,704**	**48,616**	**53,360**	**58,034**	**64,329**
Operating expenditure funded by											
Direct user charges	0	(2)	41	42	43	44	46	47	48	49	51
General rates/(contribution to other activities)	(35,669)	(19,504)	(28,357)	(28,869)	(32,584)	(34,354)	(35,771)	(36,530)	(35,142)	(34,685)	(33,261)
Grants and subsidies	140	140	144	147	151	155	159	163	168	172	177
Other operational revenue	3,564	8,564	11,056	11,540	12,146	12,470	12,802	13,155	13,518	13,891	14,289
Other revenue	27,875	32,920	35,245	37,301	40,176	43,477	47,048	50,821	53,147	56,400	60,241
Petrol tax and royalties	3,000	3,300	3,200	3,100	3,000	2,900	2,900	2,800	2,800	2,700	2,600
Recoveries	409	298	299	300	300	301	301	302	303	304	304
Rental revenue	15,092	16,572	16,533	16,439	16,967	17,599	17,219	17,858	18,519	19,202	19,928
Targeted rates	5,405	0	0	0	0	0	0	0	0	0	0
	19,816	**42,288**	**38,160**	**39,999**	**40,199**	**42,591**	**44,704**	**48,616**	**53,360**	**58,034**	**64,329**

Investing in assets

Investment is required to renew assets in order to maintain current service levels; and to acquire new assets to provide for growth and increased demand.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Efficient and capable council	44,281	54,224	54,316	37,201	22,971	26,803	26,474	28,423	21,695	32,904	44,295
Representation	0	0	0	0	0	0	0	0	0	0	0
	44,281	**54,224**	**54,316**	**37,201**	**22,971**	**26,803**	**26,474**	**28,423**	**21,695**	**32,904**	**44,295**
Capital expenditure funded by											
Borrowings and working capital	13,518	22,713	19,906	(4,268)	(23,618)	(22,962)	(25,954)	(22,717)	(29,784)	(19,471)	(8,260)
Depreciation	30,041	29,891	33,435	41,122	45,372	47,415	49,568	49,187	50,491	50,268	48,279
General rates/(contribution to other activities)	530	1,433	786	157	1,026	2,158	2,668	1,759	796	1,912	4,082
Grants and subsidies	192	187	188	189	191	192	193	194	192	196	195
	44,281	**54,224**	**54,316**	**37,201**	**22,971**	**26,803**	**26,474**	**28,423**	**21,695**	**32,904**	**44,295**

Activities

This section provides more detail on the services or groups of activities that council is involved in which contribute to the efficient, capable and user-friendly council strategy. These activities describe the difference we are making in people's lives every day as well as the significant projects we deliver which help us to make progress towards achieving our vision for Auckland to be First City of the Pacific.

The efficient, capable and user-friendly council (ECC) strategy has six objectives:

Objective	Abbreviated reference[1]	Ref.
We have high credibility with our customers and constituents through the value we provide, resulting in an improved reputation.	Our customers and constituents	ECC1
We have mutually beneficial relationships with a network of partners.	Our partners	ECC2
We have an efficient and effective structure, systems, policies and processes.	Our organisation	ECC3
We have a great culture, which cultivates an environment that brings out the best in our people, partners and customers.	Our culture	ECC4
We have an inspiring leadership, which provides quality advice in the context of a clear vision and direction.	Our leadership	ECC5
We have motivated, capable and high-performing staff in the right positions.	Our staff	ECC6

Note to table

1 This abbreviated reference is used in the tables under each activity.

There are two groups of activities which contribute to efficient, capable and user-friendly council:

- efficient and capable council
- representation.

Each activity includes the following information:

- activity overview (including the rationale for the council's involvement)
- benefits to the community from this activity
- key projects
- measures
- significant negative impacts of this activity (if any)
- financial information.

Assets contributing towards the delivery of services

Auckland City Council has a large investment in assets to deliver services to its community. More than $337 million is invested to support the efficient, capable and user-friendly council strategy and a further $349 million of investment is planned through to 2019.

Planning for replacement and new assets is carried out in 13 asset management plans, two of which relate to the efficient, capable, and user-friendly council strategy. They are: information technology; and property. For more information about the assets associated with this strategy, see the asset information in part 2 of this volume.

Some assets or groups of assets contribute to more than one strategy. The capital expenditure and operating costs are reported under the principal strategy to which the activity is linked. For example, the information technology capital expenditure is reported under the efficient, capable and user-friendly council strategy. The investment supports all council activities and contributes to all seven strategies.

Measuring progress

The council reviews progress towards its objectives in a number of ways. Measures which check progress on delivering day-to-day services are listed under each activity. Measures which outline the levels of service for each of the council's major groups of assets are listed under each asset group later in this volume.

Activity: efficient and capable council

Through its strategy of being efficient, capable and user-friendly, the council ensures that its services are up-to-date, efficient, demonstrate best practice, and deliver a consistent and high standard of service.

The council is a complex, dynamic organisation that provides leadership, and works with and serves a diverse range of ratepayers and stakeholders citywide. It employs about 2,400 staff in five administration buildings and 13 depot and wharf buildings.

The services we provide include:

- prudent and accountable stewardship for the council's subsidiaries, boards and major shareholdings
- leadership and direction for the organisation
- managing an independent parks maintenance business unit run commercially
- managing the council's assets, property and investments
- carrying out accurate rating valuations of all properties within Auckland city, maintaining a rates database, and billing and collecting rates
- marketing and communications services to inform people of the council's role
- developing relationships with iwi and Maori communities, and providing bicultural education for staff
- preparing and publishing the council's long-term and annual plans, annual reports, asset management plans, and other statutory documents and public reports.

We have projects under way to give customers a more positive experience whenever they interact with the council.

The council provides its efficient, capable and user-friendly council services in response to our desire to be New Zealand's leading city, and the community's demand for consistent and high-quality customer services, as well as for statutory reasons.

Efficient and capable council at a glance

Efficient and capable council provides six main services:

- corporate services
- executive leadership
- property ownership and data management
- public information
- strategic external relations
- strategic policy and planning.

Benefits

- Public confidence in the council's leadership, staff, efficiency and performance.
- Satisfaction among the council's customers as they experience council services that meet or exceed their expectations.
- Informed decision making by the council.
- The council is an effective, customer-focused organisation that listens and communicates with its stakeholders.

This activity contributes to the following strategic objectives:

Our customers and constituents	Our partners	Our organisation	Our culture	Our leadership	Our staff
ECC1	ECC2	ECC3	ECC4	ECC5	ECC6
✓	✓	✓	✓	✓	✓

Key projects

Project name	Brief project description	Project cost	Project benefits	Timing
Information technology core infrastructure	Maintaining and improving the council's information technology hardware and software.	$72.6 million	Improved system performance to deliver vital organisation and public information and to minimise risk of system failure.	2009/2010-2018/2019
Customer First programme	This programme will provide the council with a framework for monitoring and improving customer service.	$23.6 million	Our customers will receive a consistent, high-quality experience, regardless of which part of the council they are dealing with. Customers will view the council as easy to do business with and as providing good value for money. All customer interaction and engagement with the council will be managed and carried out fairly and efficiently.	2009/2010-2011/2012
Business systems and process improvements	Improvement to the council's business systems to provide better customer service and organisational efficiency	$38.6 million	The council's staff is provided with appropriate systems to deliver services to customers and residents.	2009/2010-2018/2019
Property refurbishments	Refurbishment of the council's administration, commercial and residential buildings.	$111 million	Maintain health and safety standard, ensuring buildings meet all regulatory standards and all building are suitable for intended use.	2009/2010-2018/2019

Measures: how the council checks progress toward achieving its objectives for efficient and capable council

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
ECC6	Percentage of employees voluntarily leaving the organisation	17	14	12	12	12
ECC1 ECC3	Percentage of customer enquiries received by the call centre resolved at first point of contact	85	85	85	85	85
	Percentage of results in organisation-wide customer experience surveys that are either good or excellent	New measure	80	82.5	85	85-90

For further levels of service measures refer to the information technology and property assets information in part 2 of volume 2.

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

The majority of the council's efficient and capable council activities are funded from its investments in commercial operations.

These include:

- the council receives a dividend from its shareholding in Auckland International Airport Limited
- the council charges market rental to tenants of its community and commercial property, as they gain a direct benefit from their use
- the council's City Parks Services, which operates on a commercial basis, contracting and charging fees for its services to other council groups, and external councils and organisations. City Parks Services' revenue exceeds its costs
- the council's copy centre, which recovers its costs through fees charged for documents used at hearings
- local authority petrol tax which helps fund transport-related activities
- other operational revenue
- some funding from grants
- recoveries from council subsidiaries.

These sources of funding generate a surplus which is used to fund other council activities.

Operating expenditure

The operating expenditure for each of the six services under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Corporate services	6,309	34,382	32,775	35,987	38,859	40,447	43,383	46,422	49,592	52,504	55,207
Executive leadership	16,285	14,156	10,541	10,844	11,184	11,589	11,826	11,981	12,249	12,529	12,733
Property ownership and data management	7,085	1,897	5,362	11,334	12,074	12,776	13,741	13,760	14,625	15,678	16,911
Public information	6,261	8,683	8,740	9,417	9,384	9,735	10,456	10,182	10,481	11,305	10,919
Strategic external relations	999	955	979	1,012	1,047	1,078	1,111	1,137	1,168	1,197	1,215
Strategic policy and planning	3,100	2,674	2,740	2,815	2,885	2,992	3,056	3,129	3,221	3,305	3,358
	40,039	**62,746**	**61,137**	**71,409**	**75,433**	**78,617**	**83,573**	**86,611**	**91,335**	**96,519**	**100,343**
Less depreciation	29,939	29,853	33,425	41,116	45,368	47,415	49,568	49,187	50,491	50,268	48,279
Gross operating expenditure less depreciation	**10,100**	**32,894**	**27,712**	**30,293**	**30,065**	**31,202**	**34,006**	**37,424**	**40,844**	**46,251**	**52,064**
Operating expenditure funded by											
Direct user charges	0	(2)	41	42	43	44	46	47	48	49	51
General rates/(contribution to other activities)	(45,345)	(28,879)	(38,785)	(38,554)	(42,697)	(45,721)	(46,447)	(47,699)	(47,634)	(46,443)	(45,500)
Grants and subsidies	120	120	123	126	129	133	136	140	144	147	152
Other operational revenue	3,544	8,564	11,056	11,540	12,146	12,470	12,802	13,155	13,518	13,891	14,289
Other revenue	27,875	32,920	35,245	37,301	40,176	43,477	47,048	50,821	53,147	56,400	60,241
Petrol tax and royalties	3,000	3,300	3,200	3,100	3,000	2,900	2,900	2,800	2,800	2,700	2,600
Recoveries	409	298	299	300	300	301	301	302	303	304	304
Rental revenue	15,092	16,572	16,533	16,439	16,967	17,599	17,219	17,858	18,519	19,202	19,928
Targeted rates	5,405	0	0	0	0	0	0	0	0	0	0
	10,100	**32,894**	**27,712**	**30,293**	**30,065**	**31,202**	**34,006**	**37,424**	**40,844**	**46,251**	**52,064**

Investing in assets

In general, capital investment for new assets for Auckland City Council's efficient and capable council activities will be funded by borrowings and general rates, as they provide long-term benefits for the city. Renewals will be funded from depreciation as well-maintained assets benefit the city. Capital investment for some of the council's property services will be funded from the sale of fixed assets. Capital investment for City Parks Services will be mostly funded from borrowings recovered from future user charges.

Capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Efficient and capable	44,281	54,224	54,316	37,201	22,971	26,803	26,474	28,423	21,695	32,904	44,295
	44,281	**54,224**	**54,316**	**37,201**	**22,971**	**26,803**	**26,474**	**28,423**	**21,695**	**32,904**	**44,295**
Capital expenditure funded by											
Borrowings and working capital	13,619	22,751	19,917	(4,261)	(23,614)	(22,962)	(25,954)	(22,717)	(29,784)	(19,471)	(8,260)
Depreciation	29,939	29,853	33,425	41,116	45,368	47,415	49,568	49,187	50,491	50,268	48,279
General rates/(contribution to other activities)	530	1,433	786	157	1,026	2,158	2,668	1,759	796	1,912	4,082
Grants and subsidies	192	187	188	189	191	192	193	194	192	196	195
	44,281	**54,224**	**54,316**	**37,201**	**22,971**	**26,803**	**26,474**	**28,423**	**21,695**	**32,904**	**44,295**

Activity: representation

The council delivers effective and inspirational leadership to provide clear vision and direction for the city, leading to greater public confidence in the council and better decision making. All these things require a transparent and accessible process as their foundation. This enables the community to understand, take part and feel involved in what the council is trying to achieve.

The council is governed by a democratically elected council. The organisation works to ensure that there are robust processes and systems for electing the council and its community boards. The organisation supports their work, consultation with the community and the empowerment of people to take part in decision-making processes (see part 3 of volume 1).

This includes coordinating and managing local government elections (held every three years) and by-elections (held as needed). The council is required to provide these services under the Local Electoral Act 2001 and the Local Government Act 2002.

A key part of the council's representation work is to ensure that council, committee and community board meetings are well run and managed. Council staff provide advice, information and administrative support. They make sure that the meetings follow correct processes and comply with legislation, recording decisions and communicating them to the community and other stakeholders.

As a result, both elected representatives and the community know how meetings and elections work, and how people can have a say and get involved. Elected representatives are supported in their role so they can do a better job. At a local level, people have ready access to a forum where they can raise issues and concerns, and elected representatives have the opportunity to hear them. This enables community views to be reflected at all levels of the council's decision making.

Representation at a glance

Representation provides one main service:

- citizen and community representation.

Benefits

- The community has a transparent election system and a say in who will represent them.
- Elections and meetings operate legally and effectively, and the community has confidence in them.
- Elected representatives have the information they need to make decisions and are supported in their role as city leaders and community advocates.
- The community knows how to be involved in decisions that affect them and the city as a whole.
- The community has a local forum (community boards) for raising issues and concerns, and elected representatives have the opportunity to hear these.
- The community trusts council processes, decisions and activities.

This activity contributes to the following strategic objectives:

Our customers and constituents	Our partners	Our organisation	Our culture	Our leadership	Our staff
ECC1	ECC2	ECC3	ECC4	ECC5	ECC6
✓	✓	✓			

Key projects

There are no major projects for this activity for the period of this plan.

Measures: how the council checks progress toward achieving its objectives for representation

Ref.	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
ECC1 ECC3	Percentage of stakeholders who believe they have appropriate opportunities to participate in Auckland City Council's decision-making process.	68	68	68	68	68
	Percentage of council and committee minutes publicly available within four working days.	100	100	100	100	100

Significant negative impacts

No significant negative impacts have been identified with this activity.

Financial information

Funding day-to-day activities

Auckland City Council's representation activities are almost fully funded from general rates as its residents, ratepayers and communities, benefit from the city having robust and transparent democratic processes, and from being able to take part in decision making. The council also receives a small subsidy to help fund costs.

Operational expenditure

The operating expenditure for the service under this activity is detailed below.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Operating expenditure on											
Elections	480	192	950	65	207	1,025	70	223	1,109	76	242
Citizen and community representation	9,338	9,241	9,509	9,648	9,931	10,364	10,628	10,968	11,407	11,707	12,023
	9,818	**9,432**	**10,458**	**9,712**	**10,138**	**11,389**	**10,698**	**11,192**	**12,516**	**11,783**	**12,265**
Less depreciation	101	38	11	6	4	0	0	0	0	0	0
Gross operating expenditure less depreciation	**9,716**	**9,394**	**10,448**	**9,706**	**10,134**	**11,389**	**10,698**	**11,192**	**12,516**	**11,783**	**12,265**
Operating expenditure funded by											
General rates/(contribution to other activities)	9,676	9,374	10,427	9,685	10,112	11,367	10,676	11,168	12,492	11,758	12,240
Grants and subsidies	20	20	21	21	22	22	23	23	24	25	25
Other operational revenue	20	0	0	0	0	0	0	0	0	0	0
	9,716	**9,394**	**10,448**	**9,706**	**10,134**	**11,389**	**10,698**	**11,192**	**12,516**	**11,783**	**12,265**

Investing in assets

No capital investment is planned for the council's representation activities for the period covered by this plan.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Capital expenditure on											
Representation	0	0	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital expenditure funded by											
Borrowings and working capital	(101)	(38)	(11)	(6)	(4)	0	0	0	0	0	0
Depreciation	101	38	11	6	4	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Part 2

Assets

Assets overview	190
Financial overview	195
Auckland Art Gallery Toi o Tamaki	198
Auckland Zoo	201
Closed landfills	204
Community facilities	208
Information technology	212
Leisure facilities	215
Libraries	219
Marinas	222
Open spaces	225
Property	231
Stormwater	234
The Edge®	237
Transport	240

Assets overview

Auckland City Council has about $8.4 billion invested in assets as at 30 June 2008. These assets belong to the Auckland community and we are responsible for making sure they are functional and well managed. Some of these assets enable us to deliver core services to the community such as road networks and stormwater systems. The assets vary from buildings and stormwater pipes to animals at Auckland Zoo. The diversity of assets requires specialised staff to maintain them to current service levels and plan for future growth.

The council has 13 asset management plans, one for each major group of assets. The asset management plans include detailed information about services provided, strategies and initiatives to cope with demand and growth, asset conditions, maintenance management and funding required. These plans are reviewed at least every three years. The council owns other, secondary assets such as office furniture and equipment, vehicles and minor plant items. These are not covered by asset management plans.

Asset profiles at a glance

Asset	Quantity
Administration buildings	5
Art gallery collections	14,143
Art gallery heritage building	1
Auckland Zoo	135 species
Bridges, structures	72 bridges
Closed landfills	46
Commercial buildings	69
Community facilities[1]	126 buildings
Community libraries	16
Footpaths	2,200km
Information technology	6,401 items of equipment
Leisure facilities	37 buildings
Library collections	about 1.7 million items
Marinas	1,455 berths
Open space network [2]	2,479ha
Parking buildings	5,000 spaces, 6 buildings
Residential buildings	90
Road drainage[3]	2,514km
Road network[4]	1,420km
Stormwater network	1,362km pipes
The Edge®	3 venues
Wharves and airfields	10 wharves, 2 airfields

Notes to table

1 Community facilities include centres, halls, leases.

2 Open space network includes parks, coast and beaches, volcanic cones, streets and town centres on the isthmus and Hauraki Gulf islands.

3 Road drainage includes kerbing.

4 Road network includes associated assets.

Linking assets to strategies and activities

The benefits from a group of assets can accrue to one or more strategies. For example, the transport asset management plan, which includes the footpaths asset, contributes to the objectives of both the transport choices strategy and the economic development strategy. It contributes to one of the objectives of the transport choices strategy by providing alternative modes of transport, such as walking. The footpaths asset also contributes to one of the objectives of the economic development strategy by providing infrastructure that enables economic growth. Capital expenditure is charged back to both of these strategies, in varying proportions. In this example, the transport choices strategy share is charged to the transport infrastructure activity. In the economic development strategy, it is charged to the economic growth and development activity.

The list below details the major groups of assets and the strategy and activities associated with them, delivering a diversity of services and activities for our community.

Asset management plan	Types of assets	Link to strategies	Activities	Projects in 2009-2019
Auckland Zoo	Animals Auckland Zoo buildings Enclosures Features Infrastructure Land	Lifestyle choices	Auckland Zoo	Te Wao Nui Regular renewals
Auckland Art Gallery Toi o Tamaki	Art collections Gallery heritage building	Lifestyle choices	Auckland Art Gallery	Art gallery heritage building development Collection development Framing artworks Regular furniture, equipment and building maintenance
Closed landfills	Capping Detention basins Land Leachate diversion infrastructure Monitoring boreholes Pump stations Retaining walls Rock reefs Seawalls Treatment wetlands Wildlife habitat and enclosure	Quality natural environment	Closed landfills management	Remediation of sites
			Recycling services	Galway recycling facility

Asset management plan	Types of assets	Link to strategies	Activities	Projects in 2009-2019
Community facilities	Community centres Community halls Community leases Community noticeboards	Strong and healthy communities	Community services	Community centre renewals Wesley Youth Space
Information technology	Information technology hardware Information technology software	Efficient, capable and user-friendly council	Efficient and capable council	Business systems and process improvements Customer First programme Information technology core infrastructure
Leisure facilities	Aquatic facilities Recreation centres Recreational lease buildings Special leisure facilities council owned	Lifestyle choices	Recreation	Citywide pools renewals Facilities partnerships Recreation buildings Western Springs
			Arts and cultural facilities and programmes	Q Theatre
Libraries	Buildings Current use collections Furniture and fittings Heritage collections Information technology	Strong and healthy communities	Libraries	Current collections Furniture and fittings Heritage collections Information technology Library building renewals
Marinas	Boat ramps and breakwater barriers Floating structures	Lifestyle choices	Marinas	Westhaven Marina pier renewals

Asset management plan	Types of assets	Link to strategies	Activities	Projects in 2009-2019
Open spaces	Art works Cemeteries Park and street furniture Park utilities Play facilities Public conveniences Public squares	Economic growth and development strategy	Economic growth and development	Aotea Square redevelopment
		Lifestyle choices	Arts and cultural facilities and programmes	Citywide artworks
		Quality natural environment	Parks	Bastion Point whenua rangatira Citywide beaches Onehunga Bay foreshore upgrade Parks Playgrounds Sports parks Volcanic cones experience
		Strong and healthy communities	Street environment and town centres	Mt Albert town centre Public conveniences
Property	Administration buildings Commercial buildings Depot and wharf buildings Off-street car parking Residential buildings	Quality built environment	Development with Vision	Land purchase and development
		Efficient, capable and user-friendly council	Efficient, capable and user-friendly council	Building renewals Waiheke Island library and service centre
Stormwater	Pipes, manholes Ponds and treatment devices	Quality built environment	Stormwater network management	Cox's Creek rehabilitation project Ellerslie Waiatarua catchment drainage upgrade Grafton Gully main drainage system upgrade Herne Bay (Marine Parade) flood alleviation and overflow mitigation Motions Creek main drainage upgrade and sewage separation Newmarket main drainage upgrade Stanley catchment drainage main upgrade Stormwater drainage relocation as part of the railway electrification

Asset management plan	Types of assets	Link to strategies	Activities	Projects in 2009-2019
The Edge®	Aotea Centre Auckland Town Hall The Civic theatre	Lifestyle choices	Arts and cultural facilities and programmes	Auckland Town Hall and Aotea Centre renewals
Transport	Bridges, structures Bus shelters Cycleways Footpaths Kerbs, drainage Parking Roads, pavements Street lighting Traffic control equipment Wharves and airfields	Economic growth and development strategy	AMETI	Arterial roading Land acquisition Panmure transport plan
			Economic growth and development	St Patrick's Square
		Transport choices	Parking	Off-street parking and Civic car park roof replacement On-street parking Parking enforcement
			Transport infrastructure	Dominion Road land and improvements Seal extensions Great Barrier and Waiheke islands Road and footpath renewals Road safety works Te Wero Bridge

Financial overview

The financial information presented in this section consolidates information on the total cost for new work, renewals and maintenance. The breakdown of the expenditure and funding sources are detailed under each activity. See Part 1 of this volume for more information on each activity.

	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
New works due to growth and demand				
Auckland Art Gallery	7,740	4,163	1,350	2,400
Community facilities	1,047	694	0	0
Leisure facilities	0	0	0	12,473
Libraries	98	423	123	3,016
Marinas	0	0	0	0
Non-assets	5,020	3,408	3,648	27,919
Open spaces	72,505	129,737	15,693	164,914
Property	4,417	11,535	7,289	55,549
Stormwater	9,823	10,087	11,722	77,286
Transport	39,336	34,262	38,928	364,369
	139,985	**194,309**	**78,754**	**707,926**

	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
New works due to need to improve service levels				
Auckland Zoo	0	9,632	2,468	0
Closed landfills	5,874	2,521	3,496	13,133
Community facilities	515	342	0	3
Information technology	20,977	18,387	19,862	62,319
Leisure facilities	4,265	5,740	2,101	27,003
Libraries	357	223	288	4,868
Marinas	837	1,038	1,064	2,604
Non-assets	13,222	13,201	4,517	35,879
Open spaces	32,821	17,047	1,649	18,687
Property	3,815	9,936	6,351	60,646
Stormwater	11,532	11,841	13,761	90,727
The Edge®	73	1,320	399	4,007
Transport	49,202	47,198	24,951	110,924
	143,490	**138,426**	**80,908**	**430,800**

	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals				
Auckland Art Gallery	34,147	18,073	5,343	7,520
Auckland Zoo	2,295	2,114	1,410	16,061
Community facilities	1,268	1,601	1,405	8,716
Information technology	1,178	1,207	1,237	9,627
Leisure facilities	9,736	3,934	2,276	18,440
Libraries	5,427	5,506	5,536	61,969
Marinas	1,649	3,167	3,352	9,253
Non-assets	4,849	3,955	3,254	26,808
Open spaces	18,085	10,095	9,808	73,164
Property	12,350	14,411	6,360	63,092
Stormwater	1,468	1,505	1,543	12,001
The Edge®	4,182	8,174	7,572	63,177
Transport	101,075	98,584	89,776	629,181
	197,708	**172,327**	**138,872**	**999,009**
Total capital investment	**481,183**	**505,062**	**298,534**	**2,137,735**

	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Maintenance[1]				
Auckland Art Gallery	0	34	84	822
Auckland Zoo	1,076	1,103	1,130	8,794
Closed landfills	1,386	1,163	845	9,863
Community facilities	653	670	686	5,339
Information technology	2,377	2,426	2,493	19,439
Leisure facilities	461	472	484	3,765
Libraries	469	481	493	3,836
Marinas	246	252	258	2,011
Non-assets	1,385	1,485	1,522	11,839
Open spaces	41,631	42,621	43,685	340,274
Property	1,530	1,568	1,607	12,500
Stormwater	3,060	3,413	3,478	27,072
The Edge®	2,122	2,175	2,230	17,347
Transport	26,075	26,449	26,822	232,089
	82,472	**84,314**	**85,817**	**694,989**

Note to table

1 This is the total cost of maintaining the physical assets owned by the council. It is treated as an operating expense.

Asset management plans

The following section lists the council's 13 asset management plans. It includes:

- an asset profile which lists the key group of assets, quantity or capacity and replacement cost
- a summary of the framework and significant aspects that are taken into account when planning for future demand and growth, renewals, maintenance and levels of service
- levels of service measures have been reviewed and we have replaced the ineffective measures with new ones. The new measures focus on measuring community satisfaction with the service delivered. They are designed to help achieve the council's long-term vision
- summary of works planned for new assets due to demand and growth and to improve levels of service. The table also shows the groups of assets affected by these works and overall funding required to meet future needs
- summary of works planned for existing assets due to renewals and maintenance of assets. The table also shows the groups of assets that will be affected by these works and overall funding required to improve their condition and minimise risk of failure.

The rationale and sources of funding under each "Investing for the future" section is detailed under the related activity in part 1 of this volume. For more information about the funding policies, refer to volume 3.

Auckland Art Gallery Toi o Tamaki

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Gallery heritage building under restoration/expansion	1	$121.1 million[1]
Art collections	14,143	$352 million[2]

Notes

1 This value is the total cost of the development project.

2 This is insured/ replacement value.

The groups of assets used by the art gallery have been identified and assessed under the art gallery asset management plan 2009. Art gallery assets include the main gallery building – a category 1 listed heritage building which dates from 1887, and the collections which comprise over 14,000 works of national and international art dating from the 14th to the 21st century and which are of national significance.

Planning for future demand and growth

As well as predicted population growth for the region, the impact of tourism visitor trends affects demand management planning for the art gallery.

Historically, approximately 23 per cent of patrons are international visitors. About 10 per cent are domestic visitors from outside the Auckland region, and the remaining 67 per cent are domestic visitors from the Auckland region.

These figures changed markedly in 2007/2008. About 37 per cent were international visitors, 15 per cent were domestic visitors from outside the Auckland region and 48 per cent were from the Auckland region.

This contrasts sharply with data showing that domestic visitors to Auckland from outside the Auckland region outnumber international visitors to Auckland by five to one, which indicates that visiting the art gallery is an activity undertaken more regularly by international visitors than by domestic visitors.

The ability to view the collections online through the gallery's website is expected to encourage a greater number of actual visits to the gallery.

Projects to address future demand and growth and a predicted increase in visitors to 450,000 annually, include developing the main gallery building, extending the current off-site storage for art works (currently unfunded) and increasing the acquisitions budget for collection growth (currently unfunded).

Renewals and maintenance

The art gallery's assets are managed for the long-term benefit of Aucklanders, acknowledging the historical significance of the building and of the largest and most valuable group of public art collections in New Zealand.

The building's renewal and maintenance plan takes into account the building's condition, building codes, asset failure and shortcomings. The building is undergoing major development and expansion. Construction for the $121.1 million project began in September 2008, with completion and re-opening scheduled for early 2011. Previous condition reports, the need to seismically strengthen the building and the opportunity to restore and expand the building supported the need for the development project – a combination of lifecycle and catch-up renewals and new works.

The collections plan takes into account condition, value and completeness of representation. The condition of works for display is assessed, and where necessary they are treated and conserved. The overall condition of the collection is good, and 70 per cent of the works could be displayed without further conservation treatment.

Levels of service

Service levels are expected to be lower during the development of the main gallery building, a reflection of the reduced floor space for exhibitions. Service levels should lift significantly after the main gallery building is re-opened in 2011. The art gallery's service levels are based on surveyed customer expectations, benchmarking with other fine art galleries, strategic objectives, legislative requirements and financial constraints. Auckland Art Gallery also follows International Council of Museums standards for fine art museums and galleries.

Levels of service measures

The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we will measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Art gallery	Promote visible expressions of the city's culture and heritage in the public realm	Percentage of visitors satisfied with the art gallery	92	92	95	95	95
	Reflect Auckland's diversity in the annual programme; develop arts and cultural precincts	Number of visits to the art gallery	75,000	75,000	230,000	450,000	450,000

Investing for the future

This table summarises the information in the art gallery asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Demand and growth Building Main gallery building development	• Restore and expand the heritage building as part of the renewals works	7,740	4,163	1,350	2,400

This table summarises the information in the art gallery asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected by	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals Buildings (Main gallery building development) Art collection	• Restore and expand the heritage building • Maintain the gallery building by carrying out internal renewals • Maintain the currency and pre-eminence of the collection and its cultural value and significance to current and future generations. It includes: – development of collection – art collection framing	34,147	18,073	5,343	7,520
Maintenance Equipment and public furniture renewals	• To adequately house, maintain and display the city's art collection by providing specialist equipment and public furniture	0	34	84	822

Auckland Zoo

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Land	16ha	$11.5 million
Buildings	23	$8.7 million
Enclosures	60	$14.1 million
Features	15	$2.7 million
Animals	135 species	not valued

The groups of assets used by Auckland Zoo activity has been identified and assessed under the zoo asset management plan 2009. Zoo assets include the public buildings, animal enclosures, walk-through exhibits, unique features and infrastructure within the zoo boundary. International zoo protocol precludes the valuation of animal collections.

Planning for future demand and growth

The zoo is committed to improving its facilities in response to increasing competition for disposable income and a discerning public that demands the highest standard of service, value for money and better recreational opportunities with increased variety.

The zoo plans to meet future demand for its services with high quality amenities and a series of new exhibits to draw repeat attendance. Wildlife conservation priorities will change the future composition of the animal collection, and restricted opportunities to acquire and dispose of animals will cause great demand and changes to the zoo's assets.

As the zoo continues to grow, its infrastructure, much of which is underground, will be tested. A project is planned during 2009 to incorporate all infrastructure data into the council's database systems where it will be used to determine capacity and plan for growth. The depreciation budget will increase once these assets have been identified, measured and valued, creating a fund for renewal of the infrastructure assets. Car parking is at a premium in the location as the popularity of the Western Springs precinct grows. Strategies need to be put in place to provide transport choices for visitors to the area.

Renewals and maintenance

Over the past six years the zoo has implemented renewals work that has dramatically improved the condition of assets while capping unplanned maintenance costs. This has enabled more funds to be used to create new assets and make further improvements to existing assets.

With its unique features and environment, the zoo's assets must be constructed from a diverse – and sometimes rare – range of materials. Quite often, the aesthetics of the material can outweigh its durability and life expectancy, necessitating more frequent renewals. Capital renewal has top priority in this 10-year plan, which aims to keep all assets at the desired level of service, functionality and capacity. Overall asset condition is generally rated as good.

Levels of service

The zoo's levels of service are identified and measured through visitor research, legislative compliance, and performance against the council's and the zoo's strategic goals. Service performance is measured using market research. To ensure that a zoo is part of a larger cooperative whole, accreditation to the regional membership body Australasian Regional Association of Zoological Parks and Aquaria (ARAZPA) is necessary. Members adhere to the highest legal, ethical and professional standards in the care and treatment of captive wildlife.

World-class zoos are expected to excel in exhibit design, animal management, research, conservation and education. To maintain levels of service, the zoo relies on major new developments opening every four years with smaller exhibits constructed annually. This strategy has been extremely successful, and over the last 10 years the zoo has experienced sustained growth in revenue primarily through increasing admissions. The construction of the Te Wao Nui exhibit in 2011 is expected to further increase admissions.

Levels of service measures

The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Auckland Zoo	Social well-being, strong and safe communities, Aucklanders have an opportunity to learn about fauna and flora	Number of education visitors	60,000	50,000	50,000	50,000	50,000
	To maintain and develop the asset so that it is accessible to residents and visitors	Number of visitors to the zoo	600,000	600,000	600,000	700,000	700,000
		Percentage of zoo environment offering natural habitats, visitor immersion and quality amenities	37	39	41	41	50
		Subsidy provided by Auckland City Council to fund operational costs	20%	20%	20%	20%	20%
	To maximise wildlife conservation, research and education	Number of species including fish and invertebrates	135	135	135	180	180
		Number of species in cooperative management plan	45	45	45	94	94

Investing for the future

This table summarises the information in the zoo asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Service levels Exhibits and enclosures	• Construct new Te Wao Nui exhibit	0	9,632	2,468	0

This table summarises the information in the zoo asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals Buildings Exhibits and enclosures Features Services General fixed assets	• Renewals of existing assets to improve their condition and reduce unplanned maintenance costs	2,295	2,114	1,410	16,061
Maintenance Zoo assets	• Maintain current levels of service through planned routine maintenance, unplanned (failure) maintenance works, cleaning, utilities, vehicles and staff wages	1,076	1,103	1,130	8,794

Closed landfills

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
High-priority closed landfill assets	14	$79.7 million
Lower-priority closed landfill assets, capping component only	32	$137.8 million
Total closed landfill assets	46	$217.5 million

The group of assets associated with the management of council-owned closed landfills has been identified and assessed under the closed landfills asset management plan (CLAMP) 2009. These assets all relate to managing or mitigating the public health and environmental risks presented by 46 council-owned closed landfill sites. The assets associated with these sites include: clay capping; leachate diversion pipes; gas or leachate monitoring boreholes; retaining walls and barrier systems; seawalls; constructed wetlands; and leachate interception/treatment systems.

Planning for future demand and growth

Auckland city's current growth in population has led to a decline in the ratio of open space to population. Since 1993 this ratio has declined from 5.2ha per thousand people to 4.5ha per thousand people.

With 18 million visits made each year to Auckland city's parks, and less new land likely to become available for public use, best practice management of closed landfill sites could potentially make some of these sites suitable for development and use as active or passive recreation areas.

Demand management strategies look at ways to modify customer/stakeholder demand to maximise the use of existing assets, thereby deferring or reducing the need for new assets. Strategies include public education and awareness, compliance with existing and new legislative requirements, and maximising funding for remedial capital works.

Renewals and maintenance

The council's closed landfills management programme is based on improving existing service levels through dealing with a backlog of historic landfill sites, and addressing their environmental and public health impacts. At the time of operation and closure these landfills used poor engineering practices and thus the majority of assets on the sites have been installed in recent years under the CLAMP. As most of these are long-life assets, only a small percentage of new works will be associated with maintaining them. The majority of new capital investment relates to the installation of new assets at these sites to proactively address risk factors.

As landfills contain potentially hazardous buried materials, any attempt to inspect assets below ground level may be difficult and dangerous. There are significant gaps in knowledge about the condition, location and effectiveness of these assets, many of which have only recently been addressed with the development of a closed landfills asset register.

Closed landfill asset maintenance allocations are largely based on maintaining adequate levels of service. They do not currently include any contingency for addressing unexpected failures of a health and safety or environmental nature, or for addressing increased levels of service.

Levels of service

The management of closed landfills is driven mainly by the desire to prevent damage to public health and the environment. The key community outcome from the long-term plan is: "Auckland is beautiful and clean" which in turn contributes to the outcome: "Management of any council-contaminated land to reduce adverse impacts on public health and the environment". Addressing these outcomes forms the core of the asset management plan and the relevant levels of service.

Council policy and operations cannot reduce all the factors contributing to environmental and public health and safety risks. However, the council is responsible for assessing risks to best manage any risks that the closed landfills may cause. Proactive remedial measures on high-priority sites will greatly reduce the likelihood of major risk events occurring.

Levels of service measures

We are implementing the following measures for closed landfills, contaminated land and the council's operational Claris landfill on Great Barrier Island. The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year. Levels of service have been amended this year based on the evolving nature of the closed landfills asset management plan, which now encompasses closed landfills, contaminated land and the Claris landfill. The new levels of service also consider new developments in national and regional environmental legislation, as well as recent Auckland City Council policy development and experience in dealing with closed landfills and contaminated land.

Activity	What we want to achieve	How we will measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Closed landfills	Reduce adverse impacts on public health and the environment	Response rate to issues and complaints received about closed landfills and contaminated land based on the level of urgency and risk	100%	100%	100%	100%	100%

Investing for the future

This table summarises the information in the closed landfills asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Service levels High-priority closed landfill assets Contaminated land Galway recycling project	• Forward remedial design and new works consents acquisition for highest-priority closed landfills (3) and general capital works on other closed landfills (43). The three highest-priority closed landfills scheduled for new remedial works from 2009-2019 are: – Newmarket Park (6.9ha, completion by 2012) – Waikowhai Park (23.6ha, completion by 2016) – Meola Reef (16.5ha, completion by 2018) • Comprehensively remediate and stabilise the failing southern slope of the Newmarket Park closed landfill to prevent further slips occurring; reduce leachate release; and ensure long-term public safety and environmental protection at the site • Remediate council-owned contaminated land found to present a risk to public health • Acquire/develop/remediate land near the Materials Recovery Facility for recycling/waste operations-related activity	5,874	2,521	3,496	13,133

This table summarises the information in the closed landfills asset management plan for renewals and maintenance work. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Maintenance High-priority closed landfill assets Lower-priority closed landfill assets	• Ongoing maintenance of closed landfill assets at high-priority closed landfills including Seaside Park, Motions Road, Meola Reef, Galway Street, Waikowhai Park, Phyllis Reserve, Ngahue Reserve and Riddell Road • Monitoring of discharge consents to conform with consent conditions and proactive monitoring of landfill gas discharges • Monitoring of remediated childcare centres and remediated park areas to maintain compliance with consent conditions and ensure safety of site users • Policy and minor studies	1,386	1,163	845	9,863

Community facilities

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Community centres	20	$26 .7 million
Community halls	29	$22.8 million
Community noticeboards	30	$12.4 million
Community leases	77	$1.8 million

The groups of assets used by the arts and cultural facilities and programmes, community services, and recreation activities have been identified and assessed under the community facilities asset management plan 2009. The community facilities asset management plan covers community centres, halls, noticeboards and leases (land and/or buildings). In 2008, hall facilities were used mostly for social functions and community education. Centres were used mostly for physical education, sports groups and community education.

The goal of the community facilities strategy is to ensure a network of venues across the city for leisure, arts, cultural, educational, sporting and community activities.

Planning for future demand and growth

A projected population rise in Auckland city indicates a probable increase in demand for community facilities. While this might suggest that more floor space is required, increasing the use of available space may provide a more effective approach to meeting the demands of growth. A review of community facilities is being carried out in 2009 to determine future direction, and to provide better information to guide decision making for purchase, development, building or disposal options.

The Facility Partnership Policy 1999, reviewed in 2005, and the community group accommodation support fund, encourage use of facilities by the community. These enable groups to provide programmes and activities that are appropriate and responsive to the needs of communities.

Renewals and maintenance

The council is committed to delivering a service in a manner that is cost effective over the long term. Asset condition information is used to prepare work programmes to replace existing assets. Regular asset inspections of community halls and centres have been established to assess asset performance in relation to service. These ensure that asset renewals are planned at all facilities to provide efficient and uninterrupted service. Facility maintenance is outsourced and deals with small-value response maintenance repairs for health and safety or asset protection.

Levels of service

Auckland City Council is committed to providing community facilities that meet the needs of its customers and stakeholders. The community facilities asset management plan links its levels of service measures to four of the council's strategies: strong and healthy communities; lifestyle choices; efficient, capable and user-friendly council; and quality built environment. Customer feedback about the council's facilities and programmes is collected through annual customer satisfaction surveys carried out at all main venues. These surveys provide information about what customers value so we can adjust our service levels to meet changing expectations.

Levels of service measures

Auckland City Council is committed to providing community facilities that meet the needs of its customers and stakeholders, providing lifestyle choices and promoting strong and healthy communities. The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we will measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Community services	Users are satisfied with the overall condition, availability, amenities and affordability of community centres and halls	Percentage of user satisfaction with community centres and halls	90	80	80	80	80
	Community halls are an integral part of community activities	Number of community centre and hall users	2,000,000	2,153,000	2,196,000	2,229,000	2,229,000
		Number of groups booking the use of community facilities	53,500	53,500	54,000	54,500	55,000
	Community centres and halls provide a safe and healthy environment for users	Percentage of maintenance standards achieved at community centres and halls	95	95	95	95	95

Investing for the future

This table summarises the information in the community facilities asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Demand and growth		1,047	694	0	0
Community centre	Wesley Youth Space				
Service levels		515	342	0	3
Community centre	Wesley Youth Space				

This table summarises the information in the community facilities asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals Community centres Community halls Community noticeboards Community leases	• Maintain service levels and achieve agreed standards through carrying out renewals of community facilities assets across the city. This includes: – noticeboards, office and rental renewals – Community centre renewals for: Avondale, Blockhouse Bay, Orakei, Riverside community centre, Mt Roskill War Memorial Hall, Blockhouse Bay, and Meadowbank.	1,268	1,601	1,405	8,716
Maintenance Community centres Community halls Community noticeboards Community leases	• Maintain service levels and achieve agreed standards by implementing the maintenance through all community facilities assets	653	670	686	5,339

Information technology

Asset profile as at 30 June 2008

Asset group	Quantity	Book value
IT core infrastructure		
Network/telephony	2,810	
Servers	167	
Storage	53	
Office automation	As required by the organisation	
PCs, laptops and printers	3371	$4.9 million
IT core applications (software)		
Enterprise (Cornerstone) applications	As required by the organisation	$7.8 million

The groups of assets associated with council activities have been identified and assessed under the information technology asset management plan 2009. Information technology hardware assets include private branch exchanges (PABX), desk phones, network switches and routers, network cabling, servers, data storage, PCs, laptops and printers. Software assets include licences for the enterprise applications used to provide council services to its customers. Some council activities manage their own specialised software that is not included in the IT asset management plan.

The services that are provided to support this asset include procurement, project management, product and supplier selection, testing and implementation, upgrade and maintenance, operations, IT consulting, support and training. Services in support of regional initiatives which impact on the IT infrastructure are also provided.

Planning for future demand and growth

Planning for growth and demand for IT infrastructure meets customer expectations and reflects a number of internal and external drivers. The internal drivers include the demand for technology to enable internal processes to be more efficient, IT systems to ensure the most cost-effective means of providing business services, governance technical expertise and the need for consistent information management. External drivers include increasing expectations from customers and the workforce, demographic diversity, and participation in the democratic process.

Renewals and maintenance

The budget for renewals and maintenance of IT assets remains constant over the period of the plan. This is possible because of the use of technology innovation, supplier management and non-asset solutions to mitigate the costs of future demand and growth. The council has a renewal strategy that aims to replace 20 per cent of the PC assets in the organisation every financial year. Market price and /or significant changes in staff may result in deferral of the replacement strategy for periods during any one financial year, and where growth and demands exceeds the funds available due to unforseen circumstances. The IT infrastructure asset condition is maintained to minimise the risk of failure. Various strategies are used to maintain this condition. For example, the council follows the standard back-up and recovery strategy for its applications and data, so users are able to recover lost data.

Levels of service

The council is committed to providing IT services that meet the needs of users and stakeholders. This is done by improving performance, increasing capacity, keeping software updated, and expanding and leveraging systems. Incremental investment in IT infrastructure ensures optimum availability, reliability and responsiveness. Investing in software and hardware meets the growth in demand from users. Upgrading software retains currency and the ability to support programs, and ensures compatibility across the organisation and with external users. Adding new capability to existing systems by expanding them or redeveloping them at the end of their life improves overall service to users and is cost-effective.

Levels of service measures

The key level of service measure for external customers of the IT infrastructure asset is availability. The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we measure it	Target 2008/2009	Target 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
All council activities	To maximise benefit from the organisation's IT investment by ensuring that users are trained effectively, maximum use is made of the functionality available, problems are resolved quickly and the system continues to evolve to meet the needs of the organisation	Percentage of time the IT system is scheduled to be online and available to users (scheduled uptime)	99.4	99.4	99.4	99.4	99.4
		Percentage of internal users' satisfaction with communication, the appropriate skills, timeliness of the IT support centre	65	80	80	80	80

Investing for the future

This table summarises the information in the information technology asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Service levels IT core infrastructure IT core applications	• Support the organisational development portfolio of initiatives to meet customers' expectations using the existing IT infrastructure asset in the areas of performance, capacity, version upgrades, expansion and lifecycle replacement. This includes the Customer First programme	20,977	18,387	19,862	62,319

This table summarises the information in the information technology asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals IT core infrastructure	• Carry out the rolling 5-year replacement strategy for desktop assets (PCs, laptops, printers)	1,178	1,207	1,237	9,627
Maintenance IT core infrastructure IT core applications	• Routine maintenance for the IT infrastructure	2,377	2,426	2,493	19,439

Leisure facilities

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Aquatic facilities	9	$54.5 million
Recreation centres	6	$24.1 million
Special council-owned leisure facilities	5	$11.9 million
Recreational lease buildings	17	$6.8 million

The groups of assets used by the arts and cultural facilities and programmes, and recreation activities have been identified and assessed under the leisure facilities asset management plan 2009. The leisure facilities asset management plan includes swimming pools and other aquatic facilities, recreation centres, special leisure facilities and recreational lease buildings.

Recreation facilities across the city provide opportunities for Aucklanders to be more active more often. One of the council's goals within the Active Auckland recreation plan is to ensure there is a range of places where Aucklanders can be active. "There should be enough facilities for different needs that are high-quality, well located and efficiently operated " (Auckland City Council's recreation plan, Active Auckland 2007).

Planning for future demand and growth

An increasing population is one of the factors driving the push for more recreation facilities. With limited green field areas available for urban development, the city will need to accommodate growth through intensification. Priority growth areas have been identified where increased development can be absorbed more easily. Population and urban intensification in these areas will reduce private recreation space for many households, which is expected to increase the demand for public recreational facilities. Increasing population diversity will also contribute to a changing demand for recreation options and opportunities. The challenge is to understand the preferences and demands of our growing and increasingly diverse population.

Renewals and maintenance

Regular asset inspections of recreational centres and aquatic facilities have been established to assess asset performance in relation to service levels, especially the critical assets identified at the aquatic facilities. The city's aquatic facilities require ongoing investment towards their maintenance and renewal to deliver the required service levels, as the facilities range in age from 36 to 97 years.

Levels of service

The council is committed to providing leisure services that meet the needs of its customers and stakeholders, providing lifestyle choices, and strong and healthy communities. Annual customer satisfaction surveys are carried out at all main venues as one way of gaining customer feedback about the facilities and programmes on offer. These surveys provide great information about what customers value so we can adjust our service levels to meet changing expectations.

Levels of service measures

The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we will measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Recreation	Social well-being, strong and safe communities, Aucklanders are healthy, Aucklanders have the opportunity to learn	Percentage of customers satisfied with swimming pools	80	82	82	84	84
		Percentage of customers satisfied with recreation centres	80	82	82	85	85
		Percentage of customers satisfied with Chamberlain park golf course	85	85	85	85	90
Arts and culture	Social well-being, strong and safe communities, Aucklanders are healthy, Aucklanders have the opportunity to learn	Percentage of customers satisfied with Artstation	85	85	85	90	90

Investing for the future

This table summarises the information in the leisure facilities asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected by	New works planned	How much it will cost $000			
		Budget 2009/2010	Budget 2010/2011	Projection 2011/2012	Projection 2012-2019
Demand and growth	No works are planned for the next three years	0	0	0	12,473
Service levels Non-council-owned facilities Special leisure facilities	• Improve the service level provided by leisure facilities and meet future increased demand. This includes: – support arts and culture by providing access to a new theatre (Q Theatre) flexible staging and seating for 350 people. This project was originally planned for 2009. It involves a grant towards the extension of the NZ National Maritime Museum complex to house NZL32 and the Peter Blake exhibition – continue to support the facility partnership scheme through grants that enable community and non-profit organisations to carry out developments that will benefit the wider community – Improve Artstation accessibility by providing lift access	4,265	5,740	2,101	27,003

This table summarises the information in the leisure facilities asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Asset affected by	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Budget 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals Aquatic facilities Recreation facilities Special leisure facilities	• Achieve agreed standards and service levels through renewals that will minimise risk of failure and provide a cost-effective, high-level service. These include: – renew building and plant room equipment for aquatic facilities – renew building and fittings for recreation facilities – renew buildings and sport facilities for special leisure facilities	9,736	3,934	2,276	18,440
Maintenance Aquatic facilities Recreation facilities Special leisure facilities Recreational lease buildings	• Achieve agreed standards and service levels through maintenance programmes that will minimise risk of failure and provide a cost-effective, high-level service. These include: – increase efficiency and saving through sustainable practices – implement an integrated framework for all leisure facilities assets	461	472	484	3,765

Libraries

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Buildings	16	$109 million
Furniture and fittings	n/a	$3.8 million[1]
Information technology	n/a	$6.8 million
Current use collections	1,086,689	$35.3 million
Heritage collections	600,000 plus	$149.1 million

Notes

1 Based on 2006 information.

The groups of assets used to deliver library activities have been identified and assessed in the Auckland City Libraries asset management plan 2009. Libraries' assets include:

- 17 buildings – (16 owned, 1 leased)
- furniture and fittings for displaying collections and customer use
- information technology including computers, website, self-service and other infrastructure
- current use collections – all items for reference and borrowing
- heritage collections – Special Collections and Auckland Research Centre collections.

Planning for future demand and growth

The use of library services is projected to increase over the next 10 years, based on community demand reflected in current use trends; population growth; economic conditions (library use has been known to increase during periods of economic downturn); and the location of most libraries in areas of population growth. Website visits and use of online services are projected to increase by 5 to 10 per cent each year and there is growing customer demand for digital access, especially to content that is unique to Auckland City Libraries.

The initiatives planned for the next 10 years aim to achieve affordable growth and maintain existing service levels where possible. The initiatives aim to provide improvements to existing buildings, maximise use of technology by providing alternative access to library content, and meet changing community needs by reallocating collection budgets. No provision is made for additional library buildings or collections to meet projected growth.

Renewals and maintenance

Buildings are maintained through maintenance agreements, with much of the work associated with building operation and maintenance outsourced. Information technology assets are generally replaced and/or redeveloped every three to five years. Furniture is also maintained and replaced as required. Collection items are maintained through initial processing to protect the item and repair by library staff. Items that are not worth the cost of repair are withdrawn. The library has its own preservation unit with special storage, handling and use conditions to protect heritage collections. Original copies of books, manuscripts and rare printed materials are digitised to protect original works and improve access. Overall, library assets are in good condition.

Levels of service

Libraries intend to maintain past levels of service in most areas. Service levels relating to the use of library services, measured by library visits and the number of items borrowed, are expected to increase. Other service levels will be reduced in line with the council's commitment to affordable progress – building development will occur at a slower pace than previously planned, and the number of new collection items purchased per person will have a small reduction. Assets may be subject to greater wear and tear as a result of greater use.

Levels of service measures

The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we will measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Libraries	A wide range of up-to-date material is available in a variety of formats and relevant to the community	Percentage of customers satisfied with collections	79	78	77	77	77
		Number of items borrowed	5,100,000	5,390,000	5,440,000	5,500,000	5,550,000
		Number of new collection items purchased per capita per annum	0.399	0.392	0.386	0.379	0.431
	There are sufficient tools available to access library collections and information that are easy for customers to use	Percentage of customers satisfied with information access tools	80	80	80	80	80
		Number of online public access computers per 10,000 capita	4	4	4	4	4
	Customers have a range of options for accessing and participating in library services	Number of visits to libraries	3,850,000	3,980,000	4,020,000	4,060,000	4,100,000
		m^2 of public floor space per capita	0.036	0.035	0.034	0.033	0.030
		Percentage of customers satisfied with library buildings	86	85	84	83	82
		Number of visits to the library website	2,100,000	2,330,000	2,440,000	2,560,000	3,610,000

Investing for the future

This table summarises the information in the Auckland City Libraries asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Demand and growth Buildings Furniture	• Provide buildings, furniture and collections to cater for some growth and change in demographics. This includes: – redevelopment of library buildings for Waiheke Island, Otahuhu and Mt Roskill	98	423	123	3,016
Service level Heritage collections	• Improve access to libraries' unique heritage material through making it available online in digital format	357	223	288	4,868

This table summarises the information in the library asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewal Buildings Collections Furniture and fittings IT infrastructure	• Ensure assets continue to provide targeted levels of service that are affordable. This includes renewals for: – citywide libraries buildings – current use collection – information technology – furniture for display of collections and customer use	5,427	5,506	5,536	61,969
Maintenance Buildings Collections	• Extend the life of collections to maximise service levels • Ensure safety and delivery of service by the assets • Ensure prompt and effective response to unpredictable failure	469	481	493	3,836

Marinas

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Westhaven Marina	1432 berths	$26 million
Hobson West Marina	23 berths	$3.2 million

The group of assets associated with the marina activity has been identified and assessed under the Westhaven and Hobson West marinas' asset management plans 2009. These marina assets include:

- Westhaven Marina land-based structures such as boat ramps and breakwater barriers
- Westhaven Marina floating structures including piers, pontoons, jetties and access bridges
- Hobson West Marina floating structures including piers and pontoons.

Auckland City Council owns other marina-based assets not included in this plan, such as the Viaduct Harbour Marina Village and The Landing. They are included in other asset management plans, depending on the group of assets and the service they deliver. Westhaven commercial buildings and ground leases owned by the council are identified under the property asset management plan.

For information about governance changes for Westhaven Marina see part 1 of volume 3.

Planning for future demand and growth

New Zealand has one of the highest ratios of boat ownership per capita in the world. In the Auckland region, the boat stock is expected to increase by 1.5 to 2 per cent a year. This is due to growth in demand and the increasing durability and life expectancy of modern boats through better building techniques and materials.

Westhaven Marina has the potential to expand berth numbers, especially for larger boats. Options include transforming the pile mooring areas into piers and developing the area currently occupied by swing moorings. These options will be developed further as part of the design and development phase of the CBD waterfront master plan.

Renewals and maintenance

This asset management plan uses a condition database and marina operator knowledge as the primary sources of information to develop the 10-year renewal plan. The need to carry out projects was confirmed by visual inspection, risk and criticality analysis of the asset, and comparing known economic life cycles where applicable. The condition of marina pier assets ranges from new to poor.

Levels of service

Service levels are based on the assumption that marina environments on Auckland's waterfront are world-class, and the adjacent marina berths are run in a professional manner. Where appropriate, planned renewals will incorporate new technology that improves some service levels. The levels of service may also be reviewed as a result of the CBD waterfront master plan project implementation.

Levels of service measures

We are implementing the following measures for the Westhaven and Hobson West asset management plan. All measures are new, as this is the first AMP for marina-based assets. The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we will measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Marinas	The marina is a safe environment and is Occupational Safety and Health compliant	Percentage of marina assets compliant with relative building codes and safety standards	100	100	100	100	100
	Assets are maintained effectively and efficiently	Percentage of marina assets in good condition or better	75	75	75	75	75
	Customers are satisfied with the levels of service provided to marina users	Percentage of marina users surveyed happy with the service provided	80	80	80	80	80
	Occupancy of council assets is maximised	Percentage of marina berth occupancy	90	90	90	90	90

Investing for the future

This table summarises the information in the Westhaven and Hobson West asset management plans for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Service level improvement Westhaven Marina	• Improve pier condition and make berths more attractive to rent to ensure continuing the viability of piers • Improve security system by upgrading the CCTV	837	1,038	1,064	2,604

This table lists the groups of assets that will be affected by the renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals Westhaven Marina	• Replace piers and components at the end of their economic life	1,649	3,167	3,352	9,253
Maintenance Westhaven Marina	• Maintain current assets in sufficient condition to enable delivery of stated service levels	246	252	258	2,011

Open spaces

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Open space network[1]		$242.9 million
Active recreation parks[2]	95	
Community neighbourhood parks[2]	301	
Environmental/heritage parks[2]	308	

Notes

1 Green assets are non-depreciable, the only asset type that has been valued in the horticultural/vegetation asset group is sand fields.

2 Due to recent changes in park classification, a breakdown valuation is not currently available.

The group of assets associated with the arts and cultural facilities and programmes; economic growth and development; parks; street environment and town centres; and marinas activities have been identified and assessed under the open spaces asset management plan 2009.

The open spaces asset management plan includes parks, coasts and beaches, volcanic landscapes, the street environment, public squares and town centres on the isthmus and on the Hauraki Gulf islands. Within these locations, the council owns and manages public conveniences, structures, parks and street furniture, horticultural and vegetation assets, art works, play and sports facilities, paved areas, cemeteries, and park utilities.

Planning for future demand and growth

Open spaces provide places for passive and active recreation, and link the places where people live, work and play. They also provide ecological benefits, protect significant heritage features, and contribute to the city's general attractiveness and amenity. Population growth and intensification, the region's expanding economy, changes to population profiles and lifestyle trends are all factors that place demand on the city's open spaces.

The challenge is to provide a well-connected open space network that addresses future demand, benefits people, protects wildlife and natural ecosystems, and also protects environmental and heritage values. Recognising that it faces resource constraints, the council tries to reduce or defer the need for new assets to manage future demand by optimising the use of existing assets. The council also forms partnerships with other organisations and the community to provide non-asset solutions. Over the next three years, the council plans to acquire and develop land for public open space and also undertake improvements in existing parks in the city's areas of change.

Renewals and maintenance

The council is committed to delivering a service in a manner that is cost-effective over the long term. Asset condition information is used to prepare work programmes to replace existing assets. Sometimes assets are replaced earlier than anticipated due to vandalism or the need to synchronise with other new or renewal projects. This ensures that they continue to provide a cost-effective service. Maintenance of open spaces is outsourced. Contracts are in place that cover all routine scheduled work and ensure service standards are maintained. The contracts are long term and performance is audited on a regular basis.

Levels of service

Auckland City Council is committed to providing services that meet the needs of its customers and stakeholders, lifestyle choices and strong and healthy communities. Annual customer surveys are carried out as one way of gaining customer feedback. These surveys provide information about what customers value so we can adjust our service to meet changing expectations.

Levels of service measures

The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Arts and culture Street environment and town centres	Meet local demand and reflect Auckland's unique environment and identity	Percentage of people satisfied with provision and maintenance of art works in public open spaces	New measure	90	90	90	90
Parks	Develop and enhance our parks to meet local demand and reflect Auckland's unique environment and identity	Percentage of residents satisfied with quality and maintenance of parks	90	90	90	90	90
	Protect and celebrate beaches and coastal margins	Percentage of people satisfied with quality of Auckland city's coastal land and beaches	80	90	90	90	90
	Protect and celebrate the unique natural environment of the Hauraki Gulf islands	Percentage of people satisfied with quality of open spaces in Hauraki Gulf islands	New measure	80	85	85	85
	Protect and celebrate volcanic landscapes	Percentage of people satisfied with protection of the volcanic landscape	New measure	80	80	80	80
	Integrated network of open spaces, accessible to all, with a diverse range of facilities	Percentage of people satisfied with accessibility of open spaces	80	90	90	90	90
	Open spaces are managed to protect and enhance environmental values	Percentage of open spaces maintenance standards achieved	90	95	95	95	95

Activity	What we want to achieve	How we measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Parks Street environment and town centres	Open spaces are safe	Percentage of people that feel safe in open spaces	New measure	90	90	90	90
	Meet local demand and reflect Auckland's unique environment and identity	Percentage of people satisfied with the quality of public toilets	85	85	85	85	85
	Develop the urban forest to reflect Auckland's unique sense of place and identity	Percentage of people satisfied with trees that line city streets and in parks	90	90	90	90	90
	Enhance credibility with our customers	Percentage of people satisfied with reliability and responsiveness to requests for service	New measure	90	90	90	90
Street environment and town centres	Clean, tidy and well cared for places across the city	Percentage of people satisfied with quality and maintenance of street and town centre environments	80	85	90	88	86

Investing for the future

This table summarises the information in the open spaces asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012- 2019
Demand and growth Premier parks Neighbourhood parks Streetscapes Land Cemeteries (active) Sports parks Art works	• Meet future increased demand due to changes in population and lifestyle. This includes: – acquisition of land for development of open spaces in Captain Springs, Barrack Road, Eastern Bays and Hillsborough – development of Great Barrier walkways to create a loop walkway around the island – citywide beach improvements and upgrades – development of open space at Stonefields in Mt Wellington – development of Churchill Park (Eastern Bays) including fences, park entrances, paths and plants – Onehunga Bay foreshore upgrade including play/fitness facilities, improved access to the beaches and water, enhanced plantings and installation of a feature artwork – improve access to Pt England Reserve by installing a car park – new burial plots for Waikaraka cemetery (Onehunga) – sports field development at Michaels Avenue reserve in Ellerslie	72,505	129,737	15,693	164,914

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012- 2019
Service levels Land Neighbourhood parks Premier parks Sports parks Streetscapes Urban open spaces	• Improve the service level provided by open space and meet future increased demand. This includes: – improvements to volcanic cones assets and facilities – redevelopment of Aotea Square and Aotea Centre facade to enhance the civic and cultural heart of the city – improvements to car park, toilets and roads at Bastion Point/Whenua Rangatira (Orakei) – providing a high-quality visitor centre and associated infrastructure for visitors to Maungawhau (Mt Eden) volcanic cone – Auckland Domain sand carpet installation including replacing stormwater reticulation to duck ponds, installing underground electrical system for concerts, and upgrading ramp to improve vehicle access to staging area – constructing a mountain bike trail for Arch Hill scenic reserve in Grey Lynn – upgrading Lumsden Green reserve in Newmarket including paths, re-contouring and new furniture – providing a loop walkway on Great Barrier Island and in Parnell from Hobson Bay to Pt Resolution – upgrading the Wintergardens' fernery security	32,821	17,047	1,649	18,687

This table summarises the information in the community facilities asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals Cemeteries (active) Neighbourhood parks Premier parks Sports parks Streetscapes Urban open spaces	• Agreed standards and service levels will be maintained. This will help to provide a cost-effective and high-level service	18,085	10,095	9,808	73,164
Maintenance Cemeteries (active) Land Neighbourhood parks Premier parks Sports parks Streetscapes Urban forest	• Agreed standards and service levels will be maintained. This will help to provide a cost-effective and high-level service	41,631	42,621	43,685	340,274

Property

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Administration buildings	5	$77.4 million
Residential buildings	90	$13.5 million
Commercial buildings	69	$64.5 million
Depot and wharf buildings	13	$23.6 million
Off-street car parking	20	$0.65 million

The group of assets associated with economic growth and development, Development with Vision, parks, and efficient, capable and user-friendly council activities have been identified and assessed under the property asset management plan 2009. Property assets include administration, residential, commercial, depot and wharf buildings, including any off-street car parks associated with them. The commercial and residential properties are held temporarily in the property asset management plan until they are required for the intended council project, eg, developing the Auckland-Manukau Eastern Transport Initiative (AMETI).

Planning for future demand and growth

Growth planning within the city is undertaken by the council's planning and policy groups. The property asset management plan does not provide community services directly to the council's customers. The property asset management plan has two main functions:

- acquiring and managing properties on behalf of the council's planning and policy groups
- providing accommodation appropriate for a public service organisation which allows the council to attract and retain motivated and high-performing staff.

The council has averaged 5 per cent growth per annum in staff over the last five years, making its administration buildings close to full capacity. The lease-in of additional office space at 360 Queen Street has provided temporary staff accommodation while the council completes its office refurbishment programme over the next three years. The new Waiheke Island service centre will cater for future growth in council services and replace the current service centre which is currently at capacity.

Renewals and maintenance

Commercial and residential properties are maintained at required expenditure levels to meet lease conditions. Many of these properties will be developed in the latter years of the 10-year plan. Building renewals are carried out in the meantime so they can be leased out to provide income until required for development. By 2011, all CBD council-owned administration buildings will be refurbished, completing the accommodation refurbishment programme. Floor refits are expected to have a 16-year useful life. The administration buildings are maintained through service maintenance contracts.

Levels of service

The property asset management plan provides two distinct types of services:

- leasing out the commercial and residential buildings held in the property asset management plan portfolio at market rates to obtain income prior to their development
- managing and maintaining administration buildings to provide staff accommodation needs appropriate to a public organisation.

For this 2009-2019 planning period, levels of service for the administration buildings are planned to remain unchanged other than for service level improvements to minimise resource and energy use supporting a more sustainable community and workplace environment. Our other key levels of service aim to maintain buildings to meet the conditions of the lease agreements and comply with legislative requirements.

Levels of service measures

The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Efficient, capable and user-friendly council	Meet the conditions of the lease agreement and comply with legislative requirements	Percentage of lease renewals and rental reviews completed within three months of the due date	100	100	100	100	100
	Provide staff accommodation needs appropriate to a public service organisation	Percentage of users that feel council buildings are a safe, healthy environment, well-maintained with good security	70	70	70	70	70
		Percentage of council staff that feel they are provided with accommodation that meets their needs and is appropriate to a public service organisation	70	70	70	70	70

Investing for the future

This table summarises the information in the property asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Demand and growth Administration buildings	• Build new Waiheke Island service centre (the council already owns the land) • Purchase and develop strategic sites to support urban growth	4,417	11,535	7,289	55,549
Service levels Administration buildings	• Improve standards of administration buildings by providing adequate access and environmentally sustainable development initiatives which minimise resource and energy use to create a more sustainable community and workplace environment	3,815	9,936	6,351	60,646

This table summarises the information in the property asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals Administration buildings Residential Commercial Depot and wharf buildings Off-street car parks	• Refurbishment of administration buildings to maintain standards and provide a suitable workplace for staff • Refurbishment of commercial and residential buildings to ensure standards are maintained to obtain maximum return of commercial leases • Refurbishment of depots, wharves and off-street car parks	12,350	14,411	6,360	63,092
Maintenance Administration buildings Residential Commercial Depot and wharf buildings Off-street car parks	• Maintenance of standard levels of service to meet lease obligations for commercial and residential buildings • Maintenance of administration, depot and wharf buildings, including off-street car parks to enable the assets to provide ongoing service levels over their life, eg, administration buildings are maintained such that staff can provide the council's administrative and regulatory services	1,530	1,568	1,607	12,500

Stormwater

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Stormwater network	1104km	$1.3 billion
Combined network	258km	$0.3 billion

The groups of assets used by stormwater which are reported under stormwater network management and stormwater quality enhancement activities have been identified and assessed under the stormwater asset management plan 2009. Stormwater assets include about 1300km of stormwater and combined system pipes, as well as associated manholes, soak holes and treatment devices.

Planning for future demand and growth

Auckland City is one of the fastest growing cities in New Zealand, with much of this growth being accommodated through intensified development in specified growth areas. The increase in hard surfaces such as driveways and roofs places additional demand on stormwater assets that are already at capacity. The council manages the impact of growth on the stormwater network in two ways:

- by upgrading and building new infrastructure to carry the increased stormwater peak flow generated by infill development
- by managing the quantity of stormwater discharging to the network from new developments.

Renewals and maintenance

The council aims to manage its stormwater assets to deliver the levels of service in the most cost-effective way over the long term. By understanding and managing asset risk at the outset, the council can avoid spending more in the long term responding to asset failures. For example, the council carries out regular inspection of critical pipelines and watercourses, detention ponds and treatment devices to minimise the risk of flooding due to poor maintenance.

Stormwater assets are generally long-life (up to 200 years) concrete structures that degrade very slowly over time. The condition assessment of the network carried out to date indicates that about 80 per cent of the pipe network is in moderate to very good condition.

Levels of service

The council aims to manage the stormwater activity to provide a safe environment for the whole community, reducing the detrimental effect of stormwater on the natural environment and minimising the disruption during the construction of improvements to the network. The council's strategic focus for stormwater is, over a reasonable timeframe, to eliminate risk of flooding to habitable floors in a once-in-a-50-year storm (with an initial focus on growth areas), and in the medium term, to support Metrowater in reducing wet weather overflows from the combined sewer system.

Levels of service measures

The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we will measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Stormwater network management	Provide infrastructure that supports sustainable growth and minimises adverse environment impacts	Percentage of flooding incidents attended and situation made safe in four hours or less	95	95	95	95	95
		Percentage of blocked drain incidents attended and situation made safe in four hours or less	98	98	98	98	98
Stormwater quality enhancement	Improve the quality and reduce the quantity of stormwater entering our coast and waterways	Reduction of the 2006 estimated overflow volume (1.5 million m^3) by 35 per cent by 2012 (jointly with Metrowater)	125,000	225,000	375,000	525,000	New target

Investing for the future

This table summarises the information in the stormwater asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Demand and growth Stormwater network	• Provide new infrastructure (pipes) to provide for increased stormwater flows from new development, prioritised to growth areas. This includes: – flood mitigation – sewage overflow mitigation	9,823	10,087	11,722	77,286
Service levels Stormwater network	• Provide new infrastructure (pipes) to provide for increased stormwater flows from existing development, prioritised to growth areas to improve existing service levels. This includes: – flood mitigation – sewage overflow mitigation	11,532	11,841	13,761	90,727

This table summarises the information in the stormwater asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals Stormwater network	• Replace assets that are uneconomic to maintain	1,468	1,505	1,543	12,001
Maintenance Stormwater network	• Ongoing maintenance to ensure the stormwater network functions at a high level to ensure service levels are met	3,060	3,413	3,478	27,072

The Edge®

Asset profile as at 30 June 2008

Asset	Capacity	Value
Aotea Centre	3750 attendees	$242 million
Auckland Town Hall	2240 attendees	$45 million
The Civic	3050 attendees	$53 million

Note

Approximated numbers were used for the total capacity of the theatre venues.

The groups of assets associated with the arts and culture facilities and programmes activity have been identified and assessed under The Edge® asset management plan 2009. The Edge® assets include Aotea Centre, Auckland Town Hall and The Civic.

This asset plan has been prepared by The Edge®, which is an autonomous organisation responsible to its own board of management. Auckland City Council and The Edge® agree an annual budget in advance of each financial year.

Planning for future demand and growth

Increasing population is likely to attract more international performers, which will increase demand for The Edge® facilities.

Other sources of growth and demand may come from population growth, economic trends, local and international competition, community strategies, and outcome priorities driven by local and central government.

Currently about 75 per cent of business is commercial, the balance is public programmes that do not return a profit. Any increase in public programmes will lead to a decrease in revenues from these assets to the council.

Demand is measured through business management systems that record the number of event attendees and event days. Growth projections for the plan period are based on a theoretical maximum possible uptake of event days at the venues.

Renewals and maintenance

Asset life cycle management strategies and work programmes are based on asset performance measures (customer and technical levels of service). Specific metrics and cost models for maintenance, renewal and acquisitions are currently being developed. At present these assets are in very good condition.

Levels of service

The Edge® has a mix of asset and outcome drivers for levels of service and expenditure. Levels of service are only one of the inputs providing direction to the future of The Edge®. In some cases, outcomes may be a more significant driving force of expectation than asset life cycle.

A service level agreement is in place for renewal expenditure on The Edge® assets. This agreement describes the processes and measures around capital renewal planning.

Levels of service measures

The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How we will measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Arts and culture facilities and programme	The buildings are a safe and healthy environment for users	Percentage of users that consider the buildings are a safe and healthy environment	80	80	80	80	80
	The buildings are managed efficiently	Percentage of users that consider the buildings are managed efficiently	70	70	70	70	70
		Percentage of buildings in good condition (grade 2 or better)	75	75	75	75	80
	The buildings provide the facilities that users require	Percentage of users that consider the buildings provide the facilities they require	80	80	80	80	80
	The buildings provide a quality experience for users and customers	Percentage of users that consider the buildings provide a quality experience	80	80	80	80	80

Investing for the future

This table summarises the information in The Edge® asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Service levels Auckland Town Hall Aotea Centre	• Refurbishment of the ASB Theatre, including service level improvements to meet current customer expectations • Improvement works on heating and cooling services at all sites	73	1,320	399	4,007

This table summarises the information in The Edge® asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals All sites	• Major renewals of the ASB Theatre to provide a cost-effective and high-level service, meeting customer expectations and requirements • Renewal of the Great Hall in the Auckland Town Hall • Renewal of heating and cooling services at all sites	4,182	8,174	7,572	63,177
Maintenance All sites	• Achievement of agreed standards and service levels through building maintenance programmes that will minimise risk of failure and provide a cost-effective, high-level service	2,122	2,175	2,230	17,347

Transport

Asset profile as at 30 June 2008

Asset	Quantity	Replacement cost
Total transport network	excluding land	$2,978 million
Roads, pavements	1420km	$1,452 million
Kerbs, drainage	2514km	$735 million
Footpaths	2200km	$344 million
Bridges, structures	72 bridges	$205 million
Parking	5000 spaces, 6 buildings	$87 million
Traffic control equipment	340 signal intersections	$61 million
Street lighting	over 30,000	$41 million
Wharves and airfields	10 wharves, 2 airfields	$36 million
Bus shelters	318	$6 million
Cycleways	7km	$6 million
Signs (ADS) and markings (thermo)	270, 168km	$5 million

The groups of assets associated with economic growth and development, transport infrastructure, AMETI, and parking activities have been identified and assessed under the transport asset management plan 2009. Transport infrastructure assets include roads, kerbs, surface drainage, footpaths, bridges and retaining structures, on-road drainage, on-street and off-street parking, traffic control equipment and structures, street lighting, signs and markings, cycleways, bus shelters, wharves, airfields and quarries.

Planning for future demand and growth

Auckland's transport network is the largest in the country administered by a local authority. Traffic volume in the Auckland region is predicted to increase 22 per cent above 2005 levels, by 2016. The city's traffic volume in 2005 was 2.7 billion vehicle-kilometres travelled.

The city has limited land available to cope with the demand this will place on transport infrastructure and other services. Some estimates put the cost of congested roads to the regional economy at $700 million to $1 billion each year.

Other transport demand issues include residential areas of growth, location of community infrastructure (such as Auckland Zoo, museums), employment areas, town centres and the Hauraki Gulf islands.

The council has developed seven strategic plans to cope with growth. They include: management of arterial roads, identifying key CBD routes for all users, public transport, walking, cycling, road corridor management, and improving transport infrastructure on the Hauraki Gulf islands.

Renewals and maintenance

Overall, the city's transport assets are in a satisfactory condition. Assets that are below standard will be improved by investment over the next 10 years (such as arterial roads, footpaths and drainage).

Maintenance is the regular ongoing day-to-day work that is necessary to keep the asset operating and to make it operational again where portions of the asset fail and need immediate repair. This work can be either proactive (planned) or reactive (fixing failures).

Renewals are the progressive replacement of individual assets which have reached the end of their useful life and are no longer economical to maintain or which pose too high a risk of failure. The renewals programme is determined by needs and is based on asset age, asset condition (data from inspections), performance, ongoing maintenance demand, and useful lives of individual assets. The programme prioritises work in higher use areas and reflects a "whole of street" approach to minimise public inconvenience and achieve best value for money.

Levels of service

The council, through its transport division, has identified eight key service areas provided to transport users: managing the city's road network; encouraging walking and cycling; providing sustainable public transport choices; managing demand for parking; improving transport safety; and getting to and from the Hauraki Gulf islands via wharves and airfields. Service levels have been assigned to each service area to measure and monitor how well the community is being served.

The council sets and modifies levels of service in consultation with its customers to agree the desired best-value level and cost of service. This agreement is encompassed in customer-related service level statements and is supported by technical service levels that relate to the assets.

Levels of service measures

The table below lists the measures and targets for the next three years, and projections for the following seven years. It also shows the target for the 2008/2009 year.

Activity	What we want to achieve	How will measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Transport infrastructure	Roads are safe to use and provide a comfortable and reliable means of travel	Percentage of roads in moderate condition or better on AMEM Traffic Environment survey	78	79	80	80	80
	The footpath network is considered to be suitable, accessible, safe and well maintained	Percentage of users that are satisfied with the quality and comfort of the walking facility	New measure	62	62	62	62
		Percentage of footpaths in moderate condition or better on AMEM Pedestrian Environment survey	73	73	73	73	75
	Roadsides are safely managed	Percentage of customers satisfied with the manner in which their requests for services are processed	70	71	72	73	75
	Off-road cycleways in Auckland are accessible and safe to use	Percentage of cycleway users that feel cycleways are easily accessible and that the surface is safe and easy to ride on	New measure	62	62	62	62
Parking	Parking is easy to use and is rationed fairly and equitably	Percentage of on-street parking occupied	New measure	No more than 85	No more than 85	No more than 85	No more than 85

Investing for the future

This table summarises the information in the transport asset management plan for demand and growth and service levels. It shows what investment is planned by groups of assets to deliver new capital works to meet future needs.

Assets affected	New works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Demand and growth Land Parking Public transport Road pavements Structures	• Improve overall citywide accessibility and reduce the reliability on private cars • Increase land acquisition to secure small lots of land for transport purposes • Implement the Auckland-Manukau Eastern Transport Initiative (AMETI) to Auckland and Manukau cities through the eastern suburbs, including land acquisition • Implement the Te Wero Bridge project connecting Wynyard Quarter across the Viaduct Harbour to Quay Street	39,336	34,262	38,928	364,369
Service levels Airfields Cycleways Footpaths Land Parking services Public transport Road drainage Road pavements Street lighting Structures Traffic control equipment and structures Traffic signs and marking Wharves	• Improve safety around schools and black spots • Upgrade the footpaths along St Patrick's Square • Widen Dominion Road to allow busways to fulfil growing passenger transport demand • Provide users with different transport choices and infrastructure, such as new cycleways, new bus lanes and bus shelters • Improve access to Great Barrier Island by developing Tryphena wharf • Reduce congestion and parking issues at Matiatia ferry terminal (Waiheke Island) through development of transport and parking management plan • Reduce travel times in public transport by projects such as the Central Connector busway to provide quicker, more efficient travel between the CBD and Newmarket via key locations such as Auckland Hospital and The University of Auckland, as well as the widening of Dominion Road	49,202	47,198	24,951	110,924

This table summarises the information in the transport asset management plan for renewals and maintenance works that we plan to carry out. It shows what investment is planned by groups of assets to improve their condition and minimise risk of failure.

Assets affected	Renewals and maintenance works planned	How much it will cost $000			
		Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012-2019
Renewals Cycleways Footpaths and vehicle crossings Parking services Public transport Road drainage Road pavements Street lighting Structures Traffic control equipment and structures Traffic signs and marking Wharves	• Maintain accessibility and safety for road users by timely renewal of road pavements and road assets • Maintain accessibility and safety for footpath users by timely renewal of footpaths • Renew road drainage assets to maintain flood-free roads, acceptable quality of stormwater runoff into watercourses, and to seal and preserve the road structure • Replace The Civic car park roof concurrent with the redevelopment of Aotea Square • Provide long-term savings in energy costs by upgrading street lights to more power-efficient lamps.	101,075	98,584	89,776	629,181
Maintenance Cycleways Footpaths On-road drainage Parking services Road networks – surfaces Roadway structures Street lighting Traffic control equipment and structures Traffic signs and marking Wharves	• Maintain accessibility and safety for road, footpath and wharf users by the timely maintenance of assets to keep them at the required service level • Repair faults in a timely manner to reduce future lifecycle costs • Carry out timely road, pavement and surface maintenance (excluding resurfacing and pavement reconstruction which are included in renewals).	26,075	26,449	26,822	232,089

Part 3

Council-controlled organisation

Council-controlled organisation 246
Activity: Metrowater 247
Assets: Metrowater 250

Council-controlled organisation

Under the Local Government Act 2002, council-controlled organisations (CCOs) must develop a statement of intent in consultation with the council (unless exempted by the council under specific guidelines). This statement sets out:

- the organisation's objectives
- the nature and scope of its activities
- the performance targets and measures by which it can be judged.

The Local Government Act 2002 permits local authorities to exempt "small" organisations from CCO status if applying the required level of monitoring would be onerous. The council has exempted the following organisations from CCO status on these grounds:

- ARTNL Britomart Ltd
- ARTNL Harbour Berths Ltd
- ARTNL Metro Ltd
- Arts Regional Trust
- Auckland City Water Ltd
- Downtown Marinas Ltd
- Metrowater Community Trust
- Mt Albert Grammar School Community Swimming Pool Trust Board
- Museum of Transport and Technology Board (Motat)
- Westhaven (Existing Marina) Trust
- Westhaven (Marina Extension) Trust
- Westhaven Marina Ltd.

The most significant council-controlled organisation is Metrowater, which produces an asset management plan and a funding plan every three years that the council reviews. The council examines Metrowater's asset management plan to ensure an appropriate capital programme and the long-term integrity of the company's assets. The funding plan is examined to ensure that Metrowater's pricing is appropriate. Metrowater produces an annual business plan and statement of intent, which is scrutinised by the council's Finance and Strategy Committee.

The following pages give:

- an overview of Metrowater
- benefits to the community from this activity
- rationale for the council's involvement
- measures
- significant negative effects of this activity (if any)
- financial information.

Activity: Metrowater

Safe drinking water, and clean waterways and beaches are key measures of a city's liveability. Metrowater provides safe, healthy drinking water and high-quality wastewater services that are economically viable, environmentally sound and responsive to customer needs.

Under the Local Government Act 2002, the council is required to make broad assessments of the needs of their communities for water, wastewater and other sanitary services. The act also requires the council to provide water services and maintain the capacity to provide those services.

Metro Water Ltd, a 100 per cent Auckland City Council-owned and controlled organisation, was established as a service provider, and to provide the focus and long-term planning capacity necessary to ensure that the city's water and wastewater networks are managed in a cost-effective, environmentally sound and sustainable manner.

Metrowater owns and manages the local water and wastewater networks within Auckland city's territorial area, and provides water and wastewater services for 142,000 homes and businesses in Auckland city. It provides stormwater asset management services and maintenance expertise to Auckland City Council. Within Auckland city, 15 per cent of the drainage network is still combined – transporting stormwater and wastewater in the same pipes. Although the combined network is owned by the council, Metrowater is responsible for the management and maintenance of that network and the sewer separation programme, which reduces wastewater overflows into the harbour.

A high priority for Metrowater is to reduce water leakages and losses, known as unaccounted for water. Unaccounted for water is wasteful and has an economic cost. Metrowater aims to reduce leakage from water mains to a level that balances the investment required and the benefits achieved.

Metrowater at a glance

Metrowater provides three main services:

- delivering clean and safe drinking water to residents and businesses
- collecting and transporting wastewater en route to treatment by Watercare at the Mangere treatment plant
- separating the city's combined wastewater and stormwater pipes to help prevent overflows.

Benefits

- Residents and businesses have access to safe, affordable drinking water at good pressure, and a high level of service reliability.
- Public health is protected by the collection and transportation of wastewater to the Mangere treatment plant.
- Environmental impacts are minimised by sound management of the wastewater and stormwater networks, and by investment in sewer separation.

Measures: how the council checks progress toward achieving its objectives for Metrowater

Under the operating agreement, Metrowater reports to the council against key performance indicators set out in the 2008/2009 statement of intent and reported in its annual report. Quarterly reports advise interim progress to the council. Key performance indicators and targets are as follows.

Measure type	Measure	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012
Economic relativity measures	Cost to serve per capita	$66.47	$64.88	$65.63	$66.34
Service performance measures	Service performance index [1]	104.4	104.4	104.4	104.4
Sustainable organisation measures	Unaccounted for water (000m^3)	13.7%[2]	<6,900	<6,688	<6,626
	Voluntary staff turnover	10-20%	<15%	<15%	<15%

Note to table

1 The key aspects of Metrowater's operations used in calculating the index are:

- water quality complaints
- unplanned water supply interruptions
- average duration of water supply interruptions
- response times to 98 per cent of priority one jobs
- wastewater nuisance events
- dry weather overflows
- one call resolution
- restoration of planned shutdowns within 5 hours
- responses to enquiries within 10 days
- 3 days' notice of planned shutdowns

2 This measure has been reviewed and targets from 2009/2010 will be measured in 000m^2.

Significant negative impacts

Wastewater overflowing from the wastewater network and the combined sewer network can pollute our land, waterways and beaches. Overflows can occur when there are blockages within the wastewater system or during wet weather when stormwater infiltrates the wastewater system through cracks and illegal connections. Within the combined network overflows can occur when system capacity is exceeded during wet weather. Metrowater has a long-term goal of reducing the volume of wastewater discharging from its networks into the environment by 35 per cent by 2011/2012, compared to 2005/2006 levels. It carries out maintenance to flush sediment and fats, fix blockages and cracks, and identify illegal connections.

Financial information

Funding day-to-day activities and investments

Most of Metrowater's funding comes from largely volumetric user-based tariffs for the provision of water and wastewater services. Metrowater is one of only two water utilities in the Auckland region that have adopted volumetric pricing for both water and wastewater. Volumetric pricing encourages water conservation. Metrowater's pricing is such that the average water and waste water bill is less than one and half percent of average household income in Auckland City. Metrowater also charges a network upgrade charge to developers to pay for upgrading the networks to provide for growth, and charges for installing new meters. Auckland City Council pays Metrowater approximately $3 million to manage its stormwater assets.

Operating and capital expenditure

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014
Operating expenditure on						
Watercare charges	80,293	87,122	94,018	105,325	115,044	121,188
Operating cost	64,311	69,783	73,847	79,764	85,497	89,402
	144,604	**156,905**	**167,865**	**185,089**	**200,541**	**210,590**
Charitable payment	23,496	10,500	0	0	0	0
Capital expenditure	56,660	52,539	47,357	71,707	71,595	79,642
Capital expenditure funded by						
Borrowings	40,000	40,000	25,000	45,000	35,000	45,000
Cash surplus	16,660	12,539	22,357	26,707	36,595	34,642
	56,660	**52,539**	**47,357**	**71,707**	**71,595**	**79,642**

Note to table

The figures presented in the expenditure table were based on the latest projections available from Metrowater.

Assets: Metrowater

Asset profile as at 30 June 2008

Asset	Quantity	Fair value (ODRC)
Water mains	2,241km	$372.7 million
Water valves	22,501	$13.0 million
Water hydrants	18,876	$17.5 million
Water service connections	126,060	$47.9 million
Other water-related assets		$22.9 million
Wastewater gravity pipes	1,580km	$416.0 million
Wastewater manholes	33,236	$102.6 million
Waste water pump stations	83	$6.6 million

The groups of assets used by Metrowater have been identified and assessed under Metrowater's asset management plan 2007. Metrowater's assets comprise the local reticulation from homes and businesses to Watercare Services Ltd's bulk supply and conveyance networks. The assets include water mains and meters, wastewater mains, hydrants, pump stations, reservoirs and a wastewater treatment plant (Owhanake on Waiheke Island).

Planning for future demand and growth

Metrowater has evaluated the effect of population growth on water supply and wastewater infrastructure to allow for the optimal timing of capital works. A detailed methodology has been used to identify population growth profiles and distribute them to a resolution suitable for inputting to Metrowater's network infrastructure models. A separate population distribution was prepared for the CBD to reflect high-rise development.

Renewals and maintenance

Metrowater has a policy of renewing water mains after a pattern of repeat failures has been logged for the same pipe section, and it has been established that the cause of the failure will continue. Metrowater will be automating the process for logging faults on specific assets and will introduce a new renewal evaluation method. Its current wastewater renewals strategy is primarily focused on renewing critical pipes, as well as fault-driven investigations.

Levels of service

Metrowater's levels of service targets are derived from the requirements of laws and regulations, and from the customer service and technical standards that it uses to benchmark itself against others in the industry and move towards international best practice.

Metrowater carries out public consultation to find out from its customers how to help optimise the wastewater services it provides to them. The initial phase of this included a formal public consultation process on the 2006-2016 council's long-term plan, which included the Water and Sanitary Services Assessment (WASSA). It will continue to consult as part of its resource consent applications for the wastewater network. Metrowater will continue to maintain a Ministry of Health Aa grading and improve the quality of its water. Other service drivers include improving security of supply, maintaining fire-fighting supply, minimising customer inconvenience and reducing network leakage.

Levels of service measures

The table below lists the proposed measures and targets for the next 10 years, and estimates for the following seven years.

What we want to achieve	How we measure it	Target 2008/2009	Target 2009/2010	Target 2010/2011	Target 2011/2012	Projection 2012-2019
Reduce the environmental impact of the combined sewer network	Volume of wet weather overflows per annum	Reduction of 2006 overflow by 35% by 2012				N/A
Reduce the environmental and public health impacts of the wastewater network	Frequency of wet weather overflows per annum	1 for Eastern beaches, 12 for the Whau Estuary, 2 for all other areas by 2033 N/A				
Improve public health risk management	Ministry of Health grading	Maintain “a”	Maintain “a”	Maintain “a”	Maintain “a”	Maintain “a”
Reduce risk and nuisance from low pressure and flow	Pressures and flow tests comply with New Zealand Fire Service requirements	< 95%	< 95%	< 95%	< 95%	< 95%
Improve water conservation including by leakage control	Reduction in the amount of water leaking form our network to an economic level	Reduce water leakage to the economic level of 5,200,000m^3 per annum by June 2014. Maintain at the economic level thereafter				

Investing for the future

This table summarises the information in the Metrowater asset management plan for demand and growth, and service levels. It shows what Metrowater plans to do for future needs and the investment planned to deliver new capital works to meet these needs by group of assets.

Assets affected by	New works planned	How much it will cost $000			
		Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012
Demand and growth Wastewater and water supply local networks	• Meet the increased capacity requirements of existing assets • Enable the redevelopment of growth node areas	7,782	7,119	4,950	7,831
Service levels Wastewater and water supply local networks	• Reduce the environmental impact of the combined sewer network • Reduce the environmental and public health impacts of the network • Improve security of supply and fire-fighting flow, and maintain quality of water supply • Reduce the nuisance impact from network blockages and breaks • Reduce incidents response times	31,637	25,934	27,300	39,833

This table summarises the information in the Metrowater asset management plan for renewals and maintenance works that we propose to carry out. It shows what investment is planned by groups of assets to improve and minimise risk of failure.

Asset affected	Renewals and maintenance works planned	Expenditure type	How much it will cost $000			
			Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012
Renewals and maintenance Wastewater and water supply local networks	• Extend the life of existing assets and defer the need for large capital investment with regular maintenance • Ensure asset failure and disruption to the customer is minimised • Replace poor condition assets in high risk areas	Maintenance costs	8,179	5,518	2,040	1,994
		Renewals costs	16,937	7,634	9,037	12,340

Notes to table

Maintenance costs are fast response renewals. Costs exclude staff, planning and environmental, rates, depreciation and bulk charges, supporting business systems, intellectual property.
All costs are as per Metrowater's Asset Management Plan 2007, and include inflation.

Appendices

Projects related to Rugby World Cup 2011 254

Projects related to the CBD waterfront programme 256

Projects related to Rugby World Cup 2011

Hosting Rugby World Cup 2011 will provide a unique opportunity for visitors to see the best Auckland has to offer and to recognise the region's potential as an international events destination. For this reason, we are working with key organisations from throughout the Auckland region to help showcase the city and demonstrate our ability to stage successful major global events. Our investment will leave a legacy of tangible benefits such as a new link-lane between Walters and Sandringham roads and improved town centres at Kingsland and Eden Valley and an upgrade of the inner field at Western Springs stadium if it is chosen as a team training base. This investment will be critical in realising the economic benefits of hosting the event.

Key projects related to Rugby World Cup 2011 include:

Project name	Project benefits	Project cost [1]	Timing
Transport improvements around Eden Park	Sandringham Road and Link Lane are being redeveloped. One of the benefits of this work is better vehicle and pedestrian access to Eden Park.	$11 million (The total project cost is $17.8 million, of which $6.8 million will be incurred in the 2008/2009 financial year)	2009/2010-2010/2011
Infrastructure improvements in the Eden Park precinct.	Public space upgrades that equip Auckland to host free mass participation events and enhance the visitor experience.	$3.18 million (The total project cost is $5.18 million, of which $2 million will be incurred in the 2008/2009 financial year)	2009/2010-2010/2011
Training venues and public space upgrades	Training venues that meet international standards – essential to the success of Rugby World Cup 2011.	$7.4 million (The total project cost is $7.9 million, of which $0.5 million will be incurred in the 2008/2009 financial year)	2009/2010-2011/2012

Note to table

1 It is anticipated that $8 million of this capital expenditure will be recovered from other parties.

The council has committed about $23 million to transport and infrastructure upgrades in the precinct around Eden Park and a further $7.9 million to other citywide related capital projects. The roading projects will attract a NZ Transport Agency subsidy of $8 million.

A $28.8 million ($4 million of which will be from sponsors) package of operational projects essential to preparing the city for hosting the event includes:

- essential services such as cleaning and waste, transport planning, road and footpath maintenance, bylaws and regulatory enforcement, training venues preparation, team welcomes
- value-added initiatives that ensure a world-class event such as major banners on buildings showing imagery of Auckland, mass public celebrations, arts and cultural programming.

The benefits of these projects include:

- Auckland city will benefit from upgrades to key services such as transport, roads and footpaths
- Aucklanders will have the opportunity to experience associated Rugby World Cup 2011 celebrations, arts and cultural programmes regardless of their attendance at games
- the opportunity to showcase Auckland as a world-class city.

Rugby World Cup 2011 will provide significant benefits for the city. The council will use a targeted rate reflecting the benefits to fund some of the operating expenditure for ensuring successful delivery of the event. After $4 million funding anticipated from third parties, the additional cost to ratepayers of the targeted rate is $6.9 million.

Projects related to the CBD waterfront programme

Auckland City Council has taken an integrated approach to developing the CBD waterfront and the coastal area fronting and adjacent to the CBD. We have formed a partnership with the Auckland Regional Council and have been working closely with Ports of Auckland Ltd. Over the next 10 years we plan to invest over $358 million in a range of projects to create more public open space for Aucklanders and visitors to enjoy, and to attract commercially successful and innovative businesses to the CBD waterfront. Key projects include:

Project name	Project description	Project cost	Timing
Wynyard Quarter public places	A joint venture with Auckland Regional Holdings to redevelop Wynyard Quarter. Public place development is subject to the framework agreement entered into with Auckland Regional Holdings	$142.9 million	2009/2010-2018/2019
Wynyard Quarter governance		$10.3 million	2009/2010
Wynyard Quarter land acquisition		$14.4 million	2015/2016-2016/2017
Marine events precinct	A high-quality events centre for land and water-based events	$31.1 million	2009/2010-2011/2012
Te Wero Bridge	Providing public transport and pedestrian/cycle links from Wynyard Quarter to the CBD and waterfront beyond	$47.3 million	2009/2010, 2011/2012, 2015/2016
Westhaven premier park	Improving and enabling greater public use of the open spaces at Westhaven Marina	$23.2 million	2016/2017-2017/2018
Harbour Bridge park	Development of the west end of the CBD waterfront for walking and fishing from the water's edge	$3.6 million	2016/2017-2017/2018
Queen’s Wharf development	Opening up Queens Wharf for public use and constructing a cruise-ship terminal	$84 million	2009/2010- 2010/2011

Notes to table

The Queens Wharf project has a current budget of $84 million in today’s dollars. This includes $35 million already budgeted for in this plan and a contribution from external sources.

The budget shown above only represents investment during the period of this plan 2009/2010-2018/2019.

Within the CBD Waterfront programme, some of the key projects go beyond the 10-year spend covered by this plan. These projects are:

- Wynyard Quarter public spaces due for completion in 2026. This project has a total cost planned after 2019 of $29.5 million (uninflated cost) of which $16.7 million is related to growth. Development contributions charges are designed to collect the cost of growth from 2007/2008 to 2026/2027.
- Fanshawe Street due for completion in 2024. This project has a total cost planned after 2019 of $109.7 million (uninflated cost) of which $100.7 million relates to growth, Development contributions charges are designed to collect the cost of growth from 2007/2008 to 2026/2027.

For more information about the design and concept of the waterfront go to http://www.seacity.co.nz/design_concept.htm

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Auckland City Council's 10-year Plan 2009-2019

Volume 3: Policies and statements

Find out more: phone 09 379 2020 or visit www.aucklandcity.govt.nz

AUCKLAND
City Council

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About this plan

This 10-year plan prioritises projects that will help achieve future goals for the city.

Under the Local Government Act 2002, Auckland City Council, like all other councils, must produce a 10-year plan every three years showing what the council does and how it will work towards achieving what the community wants for the future. These are called community outcomes (see the appendices in volume 1 for more information).

Auckland City Council's 10-year Plan 2009-2019 is our third 10-year plan and it is published in three volumes.

What's in each volume

There are three volumes:

- Volume 1: Our vision and strategic direction
- Volume 2: Our strategies and activities
- Volume 3: Policies and statements.

The 10-year plan is available at www.aucklandcity.govt.nz/tenyearplan or see page 83 of volume 1 for how to obtain a printed copy.

As a requirement of the Local Government Act 2002, this document has been audited. Audit New Zealand's audit report can be found in the appendices to volume 1. The financial figures found in the text of volumes 1, 2 and 3 and any projections included in the document have been inflated using the inflation indicators as detailed under the Significant assumptions section in volume 3.

Volume 1: Our vision and strategic direction

This volume outlines our vision and strategic direction for the city. It explains where we are heading and the key initiatives we could undertake in the next 10 years to help us achieve our vision. It describes how we are keeping our promise on balancing the importance of affordable rates with delivering the essential progress needed for the city to grow and prosper. This plan has been put together in very uncertain economic times with a deepening global recession and a change in Auckland's governance structure. It will be revised over time as economic conditions alter and regional governance is implemented.

Volume 2: Our strategies and activities

In volume 2 you'll find detailed information on what Auckland City Council does and how it plans to contribute to achieving community outcomes. These details are given under each of the council's seven strategies. Here you can read about our plans for the next 10 years, how much we expect them to cost and how we'll measure our progress. This volume includes information on how we'll finance planned capital and operating expenditure.

Volume 3: Policies and statements

Volume 3 includes assumptions, financial statements and financial and funding policies. These policies are required for us to run an efficient organisation that is prudent in its financial management and transparent in what it does. The Local Government Act 2002 also requires us to have them. We have amended some of these policies, such as revenue and finance, treasury management, development contributions, and our policy on significance to bring them up-to-date.

Contents

Part 1: Policies and statements **3**

Significant assumptions 4

Prospective financial statements and notes 12

Prudent financial management 33

Treasury management policy 37

Revenue and financing policy 43

Development contributions policy 62

Partnerships with the private sector 91

Policy on significance 96

Policy on Auckland Airport shares 103

Establishing a new council-controlled organisation and holding company 106

Funding impact statement 110

Rates assistance policies 127

Part 2: Appendices **141**

Water and sanitary services plan 142

Waste management plan 2005 162

Fees and charges – licensing and consent 164

Maori contribution to decision-making processes 184

Glossary 185

Part 1

Policies and statements

Significant assumptions	4
Prospective financial statements and notes	12
Prudent financial management	33
Treasury management policy	37
Revenue and financing policy	43
Development contributions policy	62
Partnerships with the private sector	91
Policy on significance	96
Policy on Auckland Airport shares	103
Establishing a new council-controlled organisation and holding company	106
Funding impact statement	110
Rates assistance policies	127

Significant assumptions

Overview

This section explains the assumptions made by Auckland City Council in its financial forecasting for 2009 to 2019.

Demographics

Demographic changes, such as population increase, affect Auckland City Council capital and operating expenditure because they increase the demand for council services and pressure is placed on the city's social and physical infrastructure.

It is assumed that Auckland city's population will grow over the next 10 years. The population is expected to continue to be ethnically diverse and have a significant proportion of people aged between 15 and 64 (known as the working age population).

Actual population figures, following, are sourced from Statistics New Zealand Census 2006 data, which is the latest available. Population projections are based on data released by Statistics New Zealand in December 2007 and assume a medium level of growth.

Population growth

Auckland city's population has grown from 345,870 in 1996 to 404,658 in 2006. The city's average annual population growth rate of 1.58 per cent over this period was almost one and a half times that of the nation's average of 1.08 per cent. Auckland city's population in 2006 made up 31 per cent of the region's population and 10 per cent of the national population.

Population growth in all Auckland City Council wards except Hauraki Gulf Islands was higher between 2001 and 2006 than between 1996 and 2001. The strongest population growth between 1996 and 2006 was in the Hobson ward followed by the Avondale-Roskill ward. Population growth in the Hobson Ward was driven by the popularity of inner-city living. The number of residents in the Auckland CBD grew from 3804 in 1996 to 17,937 in 2006. Western Bays ward experienced the lowest growth rates.

Population projections indicate that the population in 2011 will be 458,500 and that the population will continue to grow, reaching 509,615 by 2019.

Period	Population
June 2009	446,173
June 2010	452,294
June 2011	458,500
June 2012	464,747
June 2013	471,080
June 2014	477,499
June 2015	484,005
June 2016	490,600
June 2017	496,858
June 2018	503,196
June 2019	509,615

This projected increase will be driven by two factors – net migration, and natural population increase due to a greater number of births than deaths.

Net migration

The 2003 year was a high point for net migration, but the peak has passed and net migration is starting to slow. The net population gain from people moving to

Auckland city is expected to decline from 21,100 in the five-year period between 2001 and 2006, to 9,000 people in the five-year period from 2006 to 2011 and 10,000 people in the five-year periods between 2011 to 2016 and 2016 to 2021. Long-term net migration is particularly difficult to predict, as any changes to immigration policy by central government or national and international changes in economic, social or political conditions could affect migration flows.

Natural increase

The net gain from the natural increase in population is expected to grow from 18,400 in the five years between 2001 and 2006, to 21,200 in the five years between 2006 and 2011, and 22,100 in the five years between 2011 to 2016 and between 2016 to 2021.

Age composition

Auckland city's population is relatively young, with a median age of 33.3 years, compared with 35.8 years for New Zealand as a whole. By 2019, the city's median age is expected to increase to 35.8 years.

The Hobson ward has a large share of its population aged between 15-29 years. Tamaki and the Avondale-Roskill wards have a significant share of their population aged under 15 years. The Western Bays ward has a large share of its population in the 30 to 44 year age group. The Hauraki Gulf Islands and Eastern Bays wards have a large proportion of their populations in both the 45-59 years and 60 and over years age brackets.

Unlike the rest of the country, the proportion of people in Auckland city aged over 65 is decreasing. This group made up 11.4 per cent of the population in 1996, compared with 9.6 per cent in 2006.

The number of people in Auckland city aged under 15 years decreased slightly from 20.1 per cent of the population in 1996 to 18.8 per cent in 2006. Based on projections, it is estimated that the percentage of under 15-year-olds will continue to decline gradually out to 2019.

Auckland's working age population (the number of people aged between 15 and 64 years) is expected to remain at approximately 72 per cent out to 2019.

Ethnicity

Auckland's ethnic composition has been changing over the years to become increasingly diverse. Auckland city has the most ethnically diverse population in New Zealand with 187 different ethnic groups.

The proportion of New Zealand Europeans in Auckland city has decreased from 70.8 per cent of the population in 1996 to 54.4 per cent in 2006. The proportion of Maori and Pacific Islands people have also decreased, but to a lesser extent, over the same period, making up 7.8 per cent and 13.1 per cent of the population respectively in 2006. The greatest increase has occurred in the number of Asian residents, which grew from 45,400 (14.0 per cent) in 1996 to 93,500 (24.4 per cent) in 2006.

Thirty-eight per cent of Auckland city's population were not born in New Zealand. It is assumed Auckland's population will continue to be diverse.

Urban growth

Urban growth puts pressure on the community's social and physical infrastructure and the environment. It is in the community's best interests that this growth is managed effectively. The council therefore developed a long-term growth management strategy in 2003 as part of Auckland City Council's involvement in the regional growth forum. A key focus will be to update this strategy and make further provision for growth through the Future Planning Framework (FPF) process (2009) and the review of the District Plan. The council will focus its efforts on ensuring sustainable urban development in the key centres and business areas identified in the FPF.

Economic growth

New Zealand's economic outlook will affect Auckland City Council's investments as well as operational and capital expenditure. The global financial crisis has implications from which New Zealand and Auckland city are unable to escape. The economy has been through a time of significant uncertainty. Revisions of economic growth forecasts have been commonplace over 2008/2009 and this is likely to continue into the short-term future.

The growth forecasts below are for New Zealand. The OECD has forecast negative growth in 2009, before a gradual recovery in 2010. The long-term average for economic growth in New Zealand between 1998 and 2008 was 3.3 per cent. We expect growth in New Zealand to return to this general level after 2011.

Auckland city can expect to grow slightly faster than New Zealand in the long-term.

Year	Growth range (%)	Growth long-term average (%)
2009	(0.4)	(0.4)
2010	1.9	1.9
2011	2 to 2.5	2.5
2012-2019	3 to 3.5	3.3

Queens Wharf

The development of Auckland's Waitemata waterfront includes opening up Queens Wharf for public access. The 2006-2016 and draft 2009-2019 long-term plans budgeted $35 million towards this project.

In June 2009, the opportunity arose for Auckland City Council to partner with the government and the Auckland Regional Council (ARC) to acquire the wharf from Ports of Auckland Limited for developing into an open space and constructing a passenger terminal for cruise-ships.

While at the time of preparing this plan the council has no formal agreement with government and ARC, we have assumed:

- government and ARC will acquire Queens Wharf and make it available to the council at no cost
- the council is currently budgeting around $84 million to strengthen the wharf, convert an existing historic shed for use as a terminal and develop the remaining space for public use. Around $30 million of this cost will be contributed by external sources
- $84 million is the best estimate of the cost of the development currently envisaged by the council. The final cost may vary and will depend on, among other things, the final design, which will need to have public input
- the council's investment will be capitalised as an asset in the Statement of Financial Position and depreciated at rates appropriate to the underlying assets
- the accounting treatment of the council's investment may vary when the terms of the agreements with government and ARC are finalised.

The council's rate of inflation

In calculating the "council's rate of inflation", we have assessed the anticipated changes to the 2008/2009 annual plan costs. We have looked at four components: staff costs; depreciation; interest; and other costs. The total cost increase is expressed as a percentage of the 2008/2009 rate income to determine the council's rate of inflation for 2009/2010.

	2008/2009 $000	Inflation (%) assumption	Change $000	Note
Staff	169,459	2.0	6,261	1
Depreciation	137,384	3.7	5,083	
Interest	23,869	(25.7)	(6,134)	
Other	283,416	2.0	5,100	2
Cost of inflation to be recovered	614,128		10,310	
Total rates revenue			419,099	
Council rate of inflation			2.5%	

Notes to table

1 Assumes an Auckland labour market movement of 2 per cent and also includes an allowance for increased KiwiwSaver contributions.

2 Only $255 million is subject to the council's rate of inflation. The balance is for items like levies imposed on Auckland City Council by external organisations.

In these difficult financial times, the council believes the burden of restraint should be shared and has not budgeted for the labour market movement in 2009/2010. By excluding any budget for staff wage or salary increases, the rest of the council's costs are estimated to increase at an average rate of 2 per cent in 2009/2010.

For future years the "council's rate of inflation" was derived by taking a linear projection between the 2009/2010 rate of 2.5 per cent, calculated above, and a mid-point Auckland adjusted BERL estimate for 2018/2019 of 2.8 per cent.

Year	Projection (%)
2009/2010	2.5
2010/2011	2.5
2011/2012	2.5
2012/2013	2.6
2013/2014	2.6
2014/2015	2.6
2015/2016	2.7
2016/2017	2.7
2017/2018	2.7
2018/2019	2.8

Interest rates

Auckland City Council funds some of its capital expenditure through borrowings. The organisation's cash flow also requires borrowings for working capital purposes during the year. The council actively manages the cost of borrowing within the constraints of the Treasury management policies.

In preparing the 10-year plan we have assumed interest rates of 6.5 per cent for borrowings and 5.5 per cent for investments.

Rates increases

By deciding not to budget for any staff wage or salary increases in 2009/2010 the average rates increase has been limited to 2 per cent, being less than the "council's rate of inflation" calculated at 2.5 per cent.

In 2010/2011 and beyond, rate increases have been projected at the council's rate of inflation except in 2011/2012 where average rate increases are 1.6 per cent higher, and 2012/2013 where the average rate increase is 1.6 per cent lower. This is due to the Rugby World Cup 2011 targeted rate. See the revenue and finance policy in this volume for more detail.

It should be noted that the council's rate revenue will increase at a greater percentage. This is due to growth in the underlying rate base and any increase to the CBD and Mainstreet targeted rates. These are not classified as rate increases as they do not affect residential and most non-residential ratepayers, and are set in consultation with the specific ratepayer groups.

Revaluation impact on ratepayer groups

In presenting the impact of the rating policy between ratepayer groups (residential, non-residential, rural etc) over the 10 years of this plan, it is assumed that there are no changes to relativities in values between ratepayer groups for the 2011, 2014 and 2017 revaluations.

Efficiency savings

Each year the council officers responsible for expenditure budgets are required to identify and achieve efficiency savings. These may result from improved processes or better purchasing and may be a one off gain or an ongoing benefit. The results are reported quarterly to the council's finance and strategy committee.

The council has a successful history of achieving savings each year. In this 10-year plan we have assumed total savings targets of over $202 million. We are making good progress in identifying specific savings needed to achieve these targets.

The efficiency savings targets for each year of the 10-year plan are:

Year	Annual savings $ millions	Increase year on year $ millions
2009/2010	4.6	4.6
2010/2011	9.8	5.2
2011/2012	15.3	5.5
2012/2013	18.4	3.1
2013/2014	21.7	3.3
2014/2015	25.1	3.4
2015/2016	25.8	0.7
2016/2017	26.4	0.6
2017/2018	27.2	0.8
2018/2019	27.9	0.7

Emissions trading scheme

In preparing the 10-year plan, it has been assumed that Auckland City Council will not directly participate in the emissions trading scheme (ETS). The only area where there may have been an option for the council to generate New Zealand Units (currency of the ETS) was through the forestry sector, however the council's land holdings are not of sufficient size to qualify.

The council will be indirectly impacted through anticipated price increases particularly for fuel, electricity and gas. Government research has indicated electricity prices could increase by between 2 and 4 cents per kWh from 2010. Fuel prices have been estimated to increase by up to 6 cents a litre from 2011. However, these increases are dependent on the international price for carbon at that time.

The council's direct expenditure on fuel, electricity and gas accounts for approximately 1.7 per cent of operating expenditure. As such, the council believes its assumption around inflation and around cost efficiencies will adequately cover any potential energy price increase over the 10-year planning period.

Auckland City Council does not own or operate any solid waste disposal facility so will not incur direct charges. The council will be indirectly impacted by increased disposal charges on refuse collected and sent to landfill. The ETS applies to solid waste from 1 January 2013.

The level of increased charges incurred by the council will depend on a number of factors including:

- methane gas emitted at the landfill
- gas collection system put in place by the landfill operator
- quantity of solid waste sent to landfill
- levy per tonne of gas emission.

Assuming a worst case scenario of 85,000 tonnes of solid waste to landfill each year at $50 per tonne of emissions Auckland City Council would incur a cost of $4 million per annum commencing 1 January 2013. As this cost would be phased in over two years, the impact would increase rates in 2012/2013 and 2013/2014 by $2 million or 0.4 per cent in each year. Once introduced there would be minimal change to the rate increases forecast elsewhere in this plan.

The introduction of the ETS levy to solid waste sent to landfill has many uncertainties making the calculation of the levy difficult. On a worst case scenario, the impact on the councils operating costs and rates is not significant. Given the uncertainty and significance the 10-year plan has not made any provision for an ETS levy on solid waste sent to landfill.

Weathertightness building claims

The council has considered the impact of weathertightness claims, including those already lodged and potential claims. Damages payable by the council will be funded from borrowings.

Claris landfill

Environmental regulations may require the upgrade or closure of the small landfill that council operates at Claris on Great Barrier Island. No specific allowance has been made in the 10-year plan for any costs associated with the upgrade or closure to satisfy the increased environmental standards.

Auckland International Airport Ltd shares and dividends

Auckland City Council has not factored changes to dividend income in the forecasts contained in this long-term plan. It is assumed that the directors of Auckland International Airport Ltd will continue to recommend a dividend and the dividend income will remain constant. No account has been made for any change to the value of the council's shareholding.

Petrol tax

Auckland City Council assumes that petrol prices will remain at their current levels or will increase The council expects petrol consumption to reduce slightly over the next 10 years due the continuing high price of petrol. The council has taken a conservative approach and assumed that the Auckland City Council's share of the petrol tax, based on its rates, will reduce as petrol consumption reduces and council's rates do not increase as fast as other council's in the Auckland region.

Auckland Regional Transport Network Ltd (ARTNL)

Negotiations with Auckland Regional Council to transfer the ARTNL Britomart train station assets to Auckland Regional Transport Authority, have been deferred pending the outcome of the Royal Commission on Auckland Governance. It is intended that ARTNL's assets will move to the relevant regional transport entity post any local government amalgamation. If there is little or no impact on regional transport delivery following the Royal Commission's findings the assets will be transferred to Auckland Regional Transport Authority as originally intended. It is envisaged that ARTNL will then be placed into voluntary liquidation and the company will be removed from the Companies Register.

Useful life of significant assets

Refer to the depreciation under note 2 – statement of accounting policies in this volume.

Sources of funds for future replacement of significant assets

Refer to the revenue and financing policy in this volume.

Capital expenditure programme deferrals

It has been assumed that for each year, including 2008/2009, the capital expenditure programme will be spent, with no carry-over to subsequent years.

Depreciation rates on planned asset acquisitions

Depreciation of planned asset acquisitions will be consistent with the useful lives disclosed in note 2 – statement of accounting policies in this document.

Asset revaluations

In preparing the10-year plan, it has been assumed asset values will increase annually at the council's rate of inflation

External funding

It is assumed that Auckland City Council will continue to receive the following NZ Transport Agency subsidies at the current rates:

- maintenance and renewals 43 per cent
- new works, overhead and underground upgrades, streetlight infill's, pavement reconstruction 53 per cent.

Assessment of risk and level of uncertainty for significant forecasting assumptions

The following table identifies the level of uncertainty about the key assumptions and which assumptions will have a high financial impact if they are inaccurate.

Key assumption	Level of uncertainty	Financial impact
Population growth will occur according to a medium growth scenario.	Low	Medium
Urban growth will be concentrated in the CBD, Tamaki, Newmarket and western areas.	Low	Medium
Economic growth will track as per estimates.	High	Low
Inflation will track as per estimates.	Medium	High
Interest rates will track as per estimates.	Medium	Low
Development contributions	Medium	Low

The following table demonstrates the potential financial impact where there is a high risk of material uncertainty.

Key assumption	Long-term plan estimate	Impact does not track as per inflation adjustors used
Inflation will track as per estimates.	Total operating expenditure: $7.1 billion ($710 million a year on average) Total capital expenditure: $3.4 billion ($340 million a year on average) Rates: $5.3 billion ($530 million a year on average)	Total expenditure will be higher or lower, depending on whether inflation adjustors are over or under estimates. The rates required to fund planned activities and projects will increase or decrease accordingly.

Legislation

Following the adoption and publication of the draft 10-year plan, the government has passed the Local Government (Tamaki Makaurau Reorganisation) Act 2009. The act establishes the new Auckland Council and dissolves Auckland City Council on 1 November 2010.

Auckland City Council is required under the Local Government Act 2002 to have in place a long-term council community plan covering a 10-year period. For the purposes of meeting the requirements of the Local Government Act, it has been assumed Auckland City Council will continue for the 10 years. The Auckland Transition Agency is yet to indicate the process to prepare and adopt an annual plan for 2010/2011, four months of which will be for Auckland City Council.

A further two bills are before parliament to give effect to the new governance for the Auckland region.

It is assumed there are no other significant changes in legislation to alter the nature and scope of services currently being provided.

Transition from Auckland City Council to Auckland Council

The Local Government (Tamaki Makaurau Reorganisation) Act 2009 passed in May 2009 provides for the transition from Auckland City Council to the new Auckland Council. The act established the Auckland Transition Agency to oversee the transition and to approve certain decisions of the existing councils during the transition. Under section 31 of the act, this long-term council community plan is void and of no effect until it is confirmed by the agency.

This plan does not make any provision for additional costs incurred in meeting the requirements of the act.

Policies and strategies

That there will be no significant changes to policies and strategies.

Resource consents

That there will be no significant changes to resource consents or discharge conditions.

Natural disasters

That there will be no natural disasters requiring significant emergency works that cannot be funded from project budgetary provisions.

Levels of service

That community expectations and demands will not significantly change the current levels of service.

Renewal and maintenance of assets

That maintenance and renewal (replacement) of an asset will maintain existing levels of service.

Right to acquire assets

The right to acquire assets represents both the Auckland City Council's contribution to the Vector Arena and the deposits paid to acquire public space for the Wynyard Point development. The Vector Arena was completed in March 2007. QPAM Limited will own and operate the Vector Arena for 40 years from this completion date, at which point ownership will revert to Auckland City Council. The council will only recognise ownership of each component of the public space at Wynyard Point on future transfer dates identified in the framework agreement, which the development is based upon.

New assets

New assets will be acquired to meet the needs of a growing city or to improve service levels where current levels are below council's target. Some acquisitions may contribute to growth and service level improvement.

Development contributions

Development and financial contribution income is based on historical trends and the knowledge of staff at the time of forecasting.

Asset lives

Useful lives of assets are based on professional advice as per the guidelines of the International Infrastructure Management Manual.

Asset information: change in demand – how we assess and manage the impact of growth

Auckland city's population is predicted to increase by 63,000 between 2009 and 2019. This anticipated growth will affect the services the council provides and the physical infrastructure required to support those services.

A key role of the council is to assess and manage urban growth so that our services and supporting infrastructure meet the needs of the city's residents. This assessment and management of urban growth is complex and full of uncertainties. The council has to understand the changes in population composition, the potential change in population behaviours, the impact of those behaviours on businesses and residential requirements, and the effect of these changes on the council's services and physical infrastructure.

The council starts this assessment with strategic growth planning, which involves evaluating predicted population growth and identifying priority areas of growth in the city. This is followed by an assessment of what services (and supporting infrastructure) can be provided to cater for that anticipated growth. Finally, the council does an appraisal to identify the projects required to deliver those services.

Prospective financial statements and notes

Prospective financial position

As at 30 June

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Assets											
Non-current assets											
Property, plant and equipment	8,565,822	9,470,079	10,046,779	10,362,691	10,655,670	10,931,504	11,173,452	11,449,054	11,679,122	11,914,037	12,152,851
Investment property	1,236	1,185	1,220	1,257	1,294	1,333	1,373	1,414	1,457	1,500	1,546
Right to acquire assets	135,500	100,714	80,714	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500
Intangible assets	66,327	71,912	81,418	99,900	112,575	116,452	120,647	124,817	129,095	135,151	139,371
Investments in subsidiaries	176,977	176,977	176,977	176,977	176,977	176,977	176,977	176,977	176,977	176,977	176,977
Investments in associates	317,285	317,285	317,285	317,285	317,285	317,285	317,285	317,285	317,285	317,285	317,285
Other financial assets	521,302	519,576	543,926	588,428	622,964	667,467	701,979	741,468	775,954	810,426	840,095
	9,784,449	**10,657,728**	**11,248,319**	**11,619,038**	**11,959,265**	**12,283,518**	**12,564,213**	**12,883,515**	**13,152,390**	**13,427,876**	**13,700,625**
Current assets											
Trade and other receivables	43,621	55,230	59,327	61,033	62,790	64,602	66,466	68,387	70,366	72,404	74,503
Inventories	1,496	3,683	3,795	3,908	4,025	4,147	4,270	4,398	4,530	4,666	4,807
Other financial assets	1,045	1,041	1,090	1,179	1,248	1,338	1,407	1,486	1,555	1,624	1,684
Cash and cash equivalents	13,850	10,147	10,778	8,819	7,333	7,184	6,977	6,245	6,323	7,054	7,030
Non-current assets held for sale	2,440	0	0	0	0	0	0	0	0	0	0
	62,452	**70,101**	**74,990**	**74,939**	**75,396**	**77,271**	**79,120**	**80,516**	**82,774**	**85,748**	**88,024**
Total assets	**9,846,901**	**10,727,829**	**11,323,309**	**11,693,977**	**12,034,661**	**12,360,789**	**12,643,333**	**12,964,031**	**13,235,164**	**13,513,624**	**13,788,649**

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Ratepayers' equity											
General equity	7,055,025	7,109,550	7,196,733	7,284,929	7,388,930	7,519,244	7,665,444	7,812,058	7,933,418	8,067,171	8,219,474
Revaluation reserve	1,806,542	2,372,847	2,579,699	2,775,604	2,959,493	3,130,343	3,278,470	3,429,115	3,585,537	3,747,379	3,914,866
Total ratepayers' equity	**8,861,567**	**9,482,397**	**9,776,432**	**10,060,533**	**10,348,423**	**10,649,587**	**10,943,914**	**11,241,173**	**11,518,955**	**11,814,550**	**12,134,340**
Liabilities											
Non-current liabilities											
Borrowings	494,111	718,153	1,030,982	1,153,208	1,227,534	1,281,865	1,314,190	1,338,019	1,334,349	1,315,676	1,314,418
Employee benefit liabilities	1,086	1,129	1,101	1,123	1,134	1,100	1,078	1,110	1,150	1,179	1,226
Provisions	169,606	218,960	202,810	186,660	170,510	154,360	138,210	122,060	105,910	89,760	73,610
Deferred tax liability	5,591	7,997	8,128	8,261	8,395	8,530	8,667	8,805	8,944	9,085	9,227
	670,394	**946,239**	**1,243,021**	**1,349,252**	**1,407,573**	**1,445,855**	**1,462,145**	**1,469,994**	**1,450,353**	**1,415,700**	**1,398,481**
Current liabilities											
Borrowings	5,757	8,472	14,172	15,772	16,672	16,672	16,672	36,672	51,672	58,672	39,260
Trade and other payables	264,829	237,080	239,268	220,561	216,835	206,819	181,888	179,899	180,210	193,195	187,285
Employee benefit liabilities	14,424	15,001	14,626	14,919	15,068	14,616	14,324	14,753	15,284	15,667	16,293
Provisions	29,930	38,640	35,790	32,940	30,090	27,240	24,390	21,540	18,690	15,840	12,990
	314,940	**299,193**	**303,856**	**284,192**	**278,665**	**265,347**	**237,274**	**252,864**	**265,856**	**283,374**	**255,828**
Total liabilities	**985,334**	**1,245,432**	**1,546,877**	**1,633,444**	**1,686,238**	**1,711,202**	**1,699,419**	**1,722,858**	**1,716,209**	**1,699,074**	**1,654,309**
Total ratepayers' equity and liabilities	**9,846,901**	**10,727,829**	**11,323,309**	**11,693,977**	**12,034,661**	**12,360,789**	**12,643,333**	**12,964,031**	**13,235,164**	**13,513,624**	**13,788,649**

Prospective statement of comprehensive income

For year ended 30 June

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Continuing Operations											
Rates revenue [1]	419,098	434,520	454,072	489,686	503,743	523,639	544,345	566,731	576,788	599,368	624,050
Other operating revenue [1]	185,365	179,498	191,516	209,013	213,334	231,548	238,380	246,506	256,182	264,893	276,343
Total operating revenue	**604,463**	**614,018**	**645,588**	**698,699**	**717,077**	**755,187**	**782,725**	**813,237**	**832,970**	**864,261**	**900,393**
Depreciation	137,384	141,134	145,707	168,259	179,447	189,079	198,818	207,980	216,253	224,490	231,298
Employee benefits	157,506	160,454	165,137	168,739	170,154	173,554	175,388	179,062	182,817	186,784	190,888
Other operating expenses	295,369	288,637	298,071	310,377	309,236	325,717	340,373	361,074	393,891	405,275	432,086
Total operating expenses	**590,259**	**590,225**	**608,915**	**647,375**	**658,837**	**688,350**	**714,579**	**748,116**	**792,961**	**816,549**	**854,272**
Finance income	14,875	18,900	20,430	22,486	25,361	28,662	32,233	36,006	38,332	41,585	45,426
Finance costs	(23,869)	(28,924)	(47,579)	(63,645)	(68,540)	(70,221)	(72,766)	(72,894)	(74,104)	(76,212)	(77,084)
Finance costs - net	**(8,994)**	**(10,024)**	**(27,149)**	**(41,159)**	**(43,179)**	**(41,559)**	**(40,533)**	**(36,888)**	**(35,772)**	**(34,627)**	**(31,658)**
Operating surplus	**5,210**	**13,769**	**9,524**	**10,165**	**15,061**	**25,278**	**27,613**	**28,233**	**4,237**	**13,085**	**14,463**
Non operating revenue [2]	132,205	138,082	77,560	77,929	88,829	104,898	118,423	118,209	116,946	120,489	137,662
Other gains/(losses) - net	192	188	188	189	191	190	193	195	192	196	197
Surplus before taxation [3]	**137,607**	**152,039**	**87,272**	**88,283**	**104,081**	**130,366**	**146,229**	**146,637**	**121,375**	**133,770**	**152,322**
Income tax credit	111	136	141	137	124	141	147	161	174	185	197
Surplus for the year	**137,718**	**152,175**	**87,413**	**88,420**	**104,205**	**130,507**	**146,376**	**146,798**	**121,549**	**133,955**	**152,519**

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Other Comprehensive Income											
Gains/losses recognised directly in equity											
Gains on revaluation of land and buildings	254,479	566,305	206,852	195,905	183,889	170,850	148,127	150,645	156,422	161,842	167,487
Loss on revaluation of financial assets	0	(51,403)	0	0	0	0	0	0	0	0	0
Other movements	0	(46,000)	0	0	0	0	0	0	0	0	0
Less deferred tax on equity items	(230)	(247)	(230)	(224)	(204)	(193)	(176)	(184)	(189)	(202)	(216)
Other comprehensive income for the year, net of tax	**254,249**	**468,655**	**206,622**	**195,681**	**183,685**	**170,657**	**147,951**	**150,461**	**156,233**	**161,640**	**167,271**
Total comprehensive income for the year	**391,967**	**620,830**	**294,035**	**284,101**	**287,890**	**301,164**	**294,327**	**297,259**	**277,782**	**295,595**	**319,790**

Notes to table

1 Refer to Note 3 – operating revenue disclosures.

2 Refer to Note 4 – non operating revenue disclosures.

3 Refer to Note 5 – operating surplus.

Prospective statement of cash flows

For year ended 30 June

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Cash flows from operating activities											
Receipts from rates revenue	419,098	425,912	445,077	479,983	493,766	513,267	533,563	555,505	565,366	587,496	611,689
Receipts from activities	172,365	165,478	176,701	194,198	198,519	216,733	223,565	231,691	241,367	250,078	261,528
Subsidies, financial and development contributions and other	132,211	138,082	77,560	77,929	88,829	104,898	118,423	118,209	116,946	120,489	137,662
Payments to suppliers, employees and grants	(447,358)	(470,604)	(478,061)	(485,753)	(494,280)	(519,319)	(550,165)	(555,386)	(580,079)	(588,918)	(637,107)
Interest paid	(23,869)	(28,924)	(47,579)	(63,645)	(68,540)	(70,221)	(72,766)	(72,894)	(74,104)	(76,212)	(77,084)
Net cash used in operating activities	**252,447**	**229,944**	**173,698**	**202,712**	**218,294**	**245,358**	**252,620**	**277,125**	**269,496**	**292,933**	**296,688**
Cash flows from investing activities											
Purchase of property, plant and equipment	(427,930)	(444,477)	(486,307)	(298,239)	(286,013)	(293,028)	(291,993)	(327,310)	(293,710)	(294,961)	(300,923)
Purchase of intangible assets	(14,125)	(19,225)	(16,135)	(22,970)	(14,565)	(5,691)	(5,628)	(5,628)	(5,628)	(7,428)	(5,628)
Sale of investments	5,398	22,319	332	155	154	155	155	155	155	155	155
Loans to other parties	0	(9,525)	269	255	241	252	264	277	290	304	116
Loans to related parties	(40,000)	(40,000)	(25,000)	(45,000)	(35,000)	(45,000)	(35,000)	(40,000)	(35,000)	(35,000)	(30,000)
Interest received	14,875	18,900	20,430	22,486	25,361	28,662	32,233	36,006	38,332	41,585	45,426
Dividends received	13,000	14,020	14,816	14,814	14,814	14,815	14,814	14,815	14,815	14,815	14,814
Net cash used in investing activities	**(448,782)**	**(457,988)**	**(491,595)**	**(328,499)**	**(295,008)**	**(299,835)**	**(285,155)**	**(321,685)**	**(280,746)**	**(280,530)**	**(276,040)**

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Cash flows from financing activities											
Proceeds from borrowings	195,000	229,000	327,000	138,000	91,000	71,000	49,000	60,500	48,000	40,000	38,000
Repayment of borrowings	(3,467)	(5,652)	(8,472)	(14,172)	(15,772)	(16,672)	(16,672)	(16,672)	(36,672)	(51,672)	(58,672)
Net cash used in financing activities	**191,533**	**223,348**	**318,528**	**123,828**	**75,228**	**54,328**	**32,328**	**43,828**	**11,328**	**(11,672)**	**(20,672)**
Net increase/(decrease) in cash and cash equivalents	(4,802)	(4,696)	631	(1,959)	(1,486)	(149)	(207)	(732)	78	731	(24)
Cash and cash equivalents at beginning of the year	18,652	14,843	10,147	10,778	8,819	7,333	7,184	6,977	6,245	6,323	7,054
Cash and cash equivalents at the end of the year	**13,850**	**10,147**	**10,778**	**8,819**	**7,333**	**7,184**	**6,977**	**6,245**	**6,323**	**7,054**	**7,030**

Note to table

The balance of cash and cash equivalents at the beginning of the year has been restated for 2010 for the reforecast position.

Statement of income and expense recognised in equity

For year ended 30 June

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Balance 1 July	**8,469,600**	**8,861,567**	**9,482,397**	**9,776,432**	**10,060,533**	**10,348,423**	**10,649,587**	**10,943,914**	**11,241,173**	**11,518,955**	**11,814,550**
Amount recognised in equity											
Gain on property valuation	254,479	566,305	206,852	195,905	183,889	170,850	148,127	150,645	156,422	161,842	167,487
Loss on financial assets valuation	0	(51,403)	0	0	0	0	0	0	0	0	0
Other movements	0	(46,000)	0	0	0	0	0	0	0	0	0
Deferred tax on revaluation movement	(230)	(247)	(230)	(224)	(204)	(193)	(176)	(184)	(189)	(202)	(216)
Net income recognised directly in equity	**254,249**	**468,655**	**206,622**	**195,681**	**183,685**	**170,657**	**147,951**	**150,461**	**156,233**	**161,640**	**167,271**
Surplus for the year	137,718	152,175	87,413	88,420	104,205	130,507	146,376	146,798	121,549	133,955	152,519
Income for the year ended 30 June	**391,967**	**620,830**	**294,035**	**284,101**	**287,890**	**301,164**	**294,327**	**297,259**	**277,782**	**295,595**	**319,790**
Balance 30 June	**8,861,567**	**9,482,397**	**9,776,432**	**10,060,533**	**10,348,423**	**10,649,587**	**10,943,914**	**11,241,173**	**11,518,955**	**11,814,550**	**12,134,340**

Note 1 – general information

The prospective financial statements are for Auckland City Council, the parent, only.

This prospective financial information has been prepared to meet the requirements of the Local Government Act 2002. This information may not be suitable for use in any other context.

The actual results achieved for the period covered by this plan are likely to vary from the information presented in this document, and these variations may be material.

The forecast statement of financial position at 30 June 2009 has been used to give an opening position for the prospective statement of financial position.

The elected council is responsible for the prospective financial information presented in this document, including the appropriateness of the assumptions underlying the prospective financial information. The council approved these underlying assumptions on 25 June 2009.

The prospective financial statements comply with Financial Reporting Standard 42 Prospective Financial Statements.

Note 2 – statement of accounting policies

Reporting entity

Auckland City Council is a local authority in New Zealand.

The council is a public benefit entity as defined under New Zealand International Financial Reporting Standards (NZ IFRS). The council's primary objective is to provide services and facilities for the community as a social benefit rather than to make a financial return.

Basis of preparation

Statement of compliance

The council's financial statements have been prepared in accordance with the requirements of the Local Government Act 2002. This includes the requirement to comply with New Zealand Generally Accepting Accounting Practice (NZGAAP) and New Zealand International Financial Reporting Standards (NZ IFRS).

Measurement base

The financial statements are prepared based on historical cost modified by the revaluation of the following:

- financial assets and liabilities at fair value
- derivative financial instruments at fair value
- certain classes of property, plant and equipment at methods appropriate to the class of asset
- investment property at fair value.

The methods used to measure fair value are discussed in the specific accounting policies.

Currency

The financial statements are presented in New Zealand dollars ($), the council's functional currency, rounded to the nearest thousand unless otherwise stated.

Presentation

Please note that some some of the tables and financial statements in volumes 1,2 and 3 may not add up due to rounding of numbers. Due to the roundings an item may also have a slightly different value in different tables.

In some cases the depreciation and consequential operating costs arising from a capital project will appear under a different activity from the capital expenditure This occurs when the capital project is carried out to achieve a specific strategic objective, and the resulting asset resides in a different strategy. An example is AMETI. This project is undertaken to achieve economic development in the city, but the assets will form part of the transport network.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant assumptions are listed under part 3 of this volume.

Costs allocation

Cost of service for each significant activity is determined as follows. Specifically attributable costs are charged directly. Indirect costs are apportioned using appropriate cost drivers such as actual usage, staff numbers and floor area.

Specific accounting policies

The council has applied these policies to all the years presented in these financial statements, unless otherwise stated.

Investments

Subsidiaries

Subsidiaries are those entities in which the council has control.

The financial statements show investment in subsidiaries at cost.

Associates and joint ventures

Associates are entities in which the council has significant influence, but not control, over operating and financial policies. A joint venture is a contractual arrangement where two or more parties undertake an activity that is subject to joint control.

The financial statements show investment in associates and joint ventures at cost.

Acquisitions

The purchase method of accounting is used to account for all acquisitions (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given or liabilities incurred or assumed on the date of exchange, plus direct costs of the acquisition.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. This is irrespective of the extent of any minority interest. Auckland City Council records the excess of the cost of acquisition over the fair value of the identifiable net assets acquired as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recorded in the statement of financial performance, but only after reassessing the identification and measurement of the net assets acquired.

Where settlement by cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of exchange. The discount rate used is Auckland City Council's incremental borrowing rate, being the rate at which a similar amount could be borrowed in an open market under comparable terms and conditions.

Goods and services tax (GST)

Items in the financial statements are exclusive of GST, with the exception of receivables and payables. The net amount of GST receivable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

Property, plant and equipment

Valuation of assets

Land and buildings are valued by registered valuers. Other assets are valued by independent assessors specialising in those areas.

Values calculated at depreciated replacement cost are not market related. This applies to certain specialist assets, such as infrastructure assets and specialised buildings, which do not trade readily in the market.

Unless otherwise noted, valuation is on a rolling basis over a three-year cycle, with a portion of the portfolio valued at 30 June each year. Each year, Auckland City Council considers the adequacy of the valuation of its assets to ensure their carrying value reflects fair value.

Increases in asset carrying amounts, due to revaluation, increase revaluation reserves in equity. Decreases in asset carrying amounts decrease revaluation reserves in equity only to the extent that the class of assets has sufficient

revaluation reserves to absorb the reduction. All other decreases are charged to the statement of comprehensive income.

If a revaluation increase reverses a decrease previously recognised in the statement of comprehensive income, the increase is recognised first in the statement of comprehensive income to reverse previous decreases. Any remaining increase is applied to revaluation reserves in equity.

Infrastructure assets

Infrastructure assets are networks for roads, drainage, sewerage and water supply, and include all associated assets and equipment. Infrastructure assets have been valued using depreciated replacement cost. This is the cost in today's dollars of replacing an asset, less allowance for physical deterioration and adjustment for obsolescence and surplus capacity. The new asset may not be identical, but will offer the same service outcomes.

Infrastructure assets are depreciated. However, assets are not depreciated while under construction. Depreciation starts when the asset is completed and transferred to an asset class.

Land and buildings

- Land under roads

  The council completed a one-off valuation of land under roads based on 50 per cent of average adjacent land value, effective 30 June 2002. Subsequent acquisitions are valued at cost. It is not intended to revalue land under roads in the future.

- Parks and open space land

  Restricted parks are valued recognising open space zoning and the limitations of The Reserves Act 1977. Unrestricted parks are valued recognising open space zoning without the limitations of The Reserves Act 1977.

- Land and buildings - other

  Land and buildings (except for investment properties) are shown at fair value based on rolling valuations by independent external valuers, less depreciation for buildings. Certain specialist buildings that do not trade readily in the market are valued using depreciated replacement cost. Land is not depreciated.

Plant

Plant comprises structures and fittings located on parks. These assets are depreciated over their useful lives.

Works of art

Art is valued at estimated current market value. Art is not depreciated as the collections tend to have an indefinite life and are generally not of a nature that depreciates.

Rare books

Rare books and heritage stock are valued at estimated current market value. These assets are not depreciated.

Library books

Library books are valued at market value every three years. Where the market value is not apparent, market value is estimated using other methods such as depreciated replacement cost. These assets are depreciated over their useful lives.

Computer equipment, office equipment, furniture and fittings, motor vehicles and machinery

Computer equipment, office equipment, furniture and fittings, and motor vehicles and machinery are recorded at cost. These assets are depreciated over their useful lives.

Zoo animals

Zoo animals are valued at $1, in line with international practice.

Depreciation

Assets are depreciated on a straight-line basis. Depreciation writes off the cost of the assets to residual value over their useful life.

	Expected useful life (years)
Roads	6 – 120
Drainage – stormwater and combined	15 – 200
Water	15 – 200
Wastewater	15 – 200
Buildings	10 – 100
Library books	3 – 12
Plant	5 – 50
Computer equipment	3 – 8
Office equipment, furniture and fittings	5 – 15
Motor vehicles and machinery	5 – 10

Note to table

The council reviews and, if necessary, adjusts the assets' residual values and useful lives at each year-end.

Subsequent costs

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, when it is likely that future economic benefits associated with the item will flow to the council, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income for the financial period they relate to.

Additions

In most instances, an item of property, plant and equipment is recognised at its cost.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Sale or disposal of assets

Gains and losses on sale or disposal of assets are determined by comparing the proceeds of sale with the asset carrying amount. Gains and losses are included in the statement of comprehensive income.

When revalued assets are sold or disposed of, any amount in the revaluation reserves in equity relating to that asset is transferred to general equity.

Investment property

Investment property is held for long-term rental yields and is not occupied by the council. Properties leased to third parties under operating leases are generally not classified as investment property because:

- the occupants provide services that are integral to the operation of the council's business or these services could not be provided efficiently and effectively by the lessee in another location
- the council is a public benefit entity and the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation
- the property is being held for future delivery of services
- the lessor uses the council's services and those services are integral to the reasons for their occupancy of the property.

Investment property is carried at fair value, representing open-market value determined annually by independent external valuers. Changes in fair values are recorded in the statement of comprehensive income.

Right to acquire assets

This asset is the right to acquire physical assets owned, managed and operated by a third party. The asset is recorded in the financial statements as intangible assets as follows:

- the component relating to the residual value of the asset is recorded at cost. This will be subject to impairment testing taking into account the third party requirement to maintain the asset's service potential and return the asset in identical condition
- the component relating to the service potential to be received over the concession period (up to the time the asset reverts to the council) is recorded at cost, less amortisation and impairment losses. This component is amortised over its useful life (ie the concession period) and is subject to impairment testing.

Intangible assets

Intangible assets are initially recorded at cost. Where acquired in a business combination, the cost is their fair value at the date of acquisition. The cost of an internally generated intangible asset represents expenditure incurred in the development phase only.

Subsequent to initial recognition, intangible assets with finite useful lives are recorded at cost, less any amortisation and impairment losses, and are reviewed annually for impairment losses. Assets with indefinite useful lives are not amortised, but are tested at least annually for impairment, and are carried at cost less accumulated impairment losses.

Realised gains and losses arising from disposal of intangible assets are recognised in the statement of comprehensive income in the period in which the disposal occurs.

Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the statement of comprehensive income.

Computer software

Computer software licences are capitalised based on the costs incurred to acquire and install the specific software. These costs are amortised using the straight-line method over their estimated useful lives (three to eight years).

Costs associated with maintaining computer software programmes are recognised as an expense.

Costs directly associated with the development of identifiable and unique software products controlled by the council, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets (eg, software development employee costs). Computer software development costs recognised as assets are amortised using the straight-line method over their estimated useful lives (not exceeding three years).

Water rights

Water rights have an indefinite life. Rather than being written off over time, these assets are recorded at cost and tested annually to assess whether there has been an impairment of value. This is done by comparing the carrying amount of the asset with the recoverable amount.

Integrated catchment plans

Integrated catchment plans provide local information on the performance of the stormwater network, identifying problems such as capacity of the system and interaction with the environment. The plans are used for the long-term management of the network. These assets are recorded at cost and amortised over their useful life (10 years).

Integrated catchment management plans are intellectual property. These plans are required to obtain the 35-year discharge consents required from the Auckland Regional Council. Without the consents, no developments can proceed. Additions relate to the continued programmes of management plan production, which identify the steps needed to facilitate growth.

Community rights

Community rights are contracted rights of access to facilities not owned by the council. These assets are recorded at cost and amortised over the term of the contracted right.

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised if the estimated recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the debit balance is recognised in the statement of comprehensive income. For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of comprehensive income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the statement of comprehensive income. For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the statement of comprehensive income.

Investments and other financial assets

The council classifies its investments in the following categories:

- financial assets at fair value
- loans and receivables
- held-to-maturity investments.

The classification depends on the reason behind acquiring the investment. The council decides how to classify its investments when they are acquired.

Purchases and sales of investments are recorded on the value date. Financial assets are no longer recognised when the right to receive cash flows from the financial assets has expired or has been transferred.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value through valuation techniques.

The group assesses at each year-end whether there is evidence that a financial asset or group of financial assets is impaired. Any impairment loss is recognised in the statement of comprehensive income.

Financial assets at fair value through profit and loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit and loss. A financial asset falls in this category if acquired principally to sell in the short-term or if designated this way by Auckland City Council. After initial recognition, they are measured at fair value. These financial assets are classified as current assets if they are held for trading or expected to be realised within 12 months of the year-end date.

Financial assets at fair value through equity are non-derivative assets designated in this category or not classified in the other categories. After initial

recognition, they are measured at fair value. They are included in non-current assets, unless Auckland City Council intends to dispose of the asset within 12 months of year-end.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They arise when the council provides money, goods or services directly to a debtor, with no intention of selling the receivable asset. After initial recognition, they are measured at amortised cost using the effective interest method. They are included in current assets, except for those with maturities greater than 12 months after the year-end date, which are classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the intention and ability to hold to maturity. After initial recognition, they are measured at amortised cost using the effective interest method.

Derivatives

Derivatives, such as interest rate swaps, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value.

When a derivative is entered into hedging activity, the group documents a hedge relationship either as a cash flow hedge (hedge of a forecast transaction) or a fair value hedge (hedge of the fair value of a recognised asset or liability). Also documented are the nature of the risk being hedged, its risk management objective, strategy for hedge transactions, identification of the hedging instrument and hedged item, and how the hedging instrument's effectiveness is to be assessed.

The fair value of financial instruments traded in active markets is based on quoted market prices at the year-end date. The quoted market price used for financial assets held by the group is the current bid price. The quoted market price for financial liabilities is the current ask price.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recorded in the statement of comprehensive income.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets accounting criteria, any cumulative gain or loss in equity at that time remains in equity and is recognised when the forecast transaction is recorded in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity transfers to the statement of comprehensive income.

Fair value hedge

The council only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of the interest rate swaps that hedge fixed rate borrowings is recognised in the statement of comprehensive income within "finance costs". The gain or loss relating to the ineffective portion is recognised in the statement of comprehensive income within "other gains/losses". Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognised in the statement of comprehensive income within "finance costs".

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is recorded in the statement of comprehensive income.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statement of comprehensive income within "other gains/ (losses)".

Trade and other receivables

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost less any provision for impairment. They are due for settlement no more than 30 days from the date of recognition.

The council reviews the collection of trade receivables on an ongoing basis and writes off debts known to be uncollectable. A provision is made for doubtful receivables when there is objective evidence that the council will not be able to collect all amounts due according to the original terms of the receivables. The amount provided is the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. This amount provided is recorded in the statement of comprehensive income.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions. They also include other short-term, highly liquid investments (with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value), and bank overdrafts.

Non-current assets held for sale

Non-current assets held for sale are classified this way if their carrying amount will be recovered principally through a sale transaction, not through continuing use. They are measured at the lower of their carrying amount and fair value, less selling costs.

Any reduction in asset value is recognised as an impairment loss.

A gain is recognised for any subsequent increases in fair value, less costs of sale, but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of sale.

Non-current assets held for sale are not depreciated or amortised. Interest and other expenses continue to be recognised if they relate to the liabilities of a disposal group classified as held for sale.

Non-current assets held for sale and assets of a disposal group classified as held for sale are disclosed separately from other assets in the statement of financial position. Also, the liabilities of a disposal group classified as held for sale are disclosed separately from other liabilities in the statement of financial position.

Ratepayers' equity

Equity is the ratepayers' interest in the council and is measured as the difference between total assets and total liabilities.

Reserves are a component of equity that generally represent a particular use to which various parts of equity have been assigned.

Restricted reserves are those reserves subject to specific conditions accepted as binding by Auckland City Council and which Auckland City Council may not revise without reference to the courts or a third party.

Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Auckland City Council may establish designated funds and reserves. The council may alter these without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Auckland City Council.

Borrowings

Borrowings are initially recognised at fair value (net of transaction costs), and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and amortised cost is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the council has an unconditional right to defer settlement of the liability for at least 12 months after the year-end date.

Provisions

Provisions are recognised when:

- the council has a present legal or constructive obligation due to past events
- it is more likely than not that an outflow of resources will be required to settle the obligation
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Environmental

The council has a duty under The Resource Management Act 1991 to avoid, remedy or reduce any adverse effects on the environment.

To meet this obligation, the council has identified and prioritised a number of closed landfill sites that require remedial work until 30 June 2027.

The estimated cost of remedial work has been actuarially calculated and discounted to current cost and is provided for in the financial statements. Ongoing costs of monitoring and drainage, following remedial work, have not been included as they are considered an expense of the period in which they occur.

Organisational

An organisational provision is recognised where there is a legal or constructive obligation to meet redundancy expenses. The amount recorded in the financial statements is the estimated cost of this expense.

Contractual

A contractual provision is recognised when legal claims have been issued against the council for past transactions and it is probable that the council will be liable for these claims. The amount recorded in the financial statements is the estimated cost of these claims.

Income tax

The income tax expense is the tax payable on the current period’s taxable income based on the New Zealand tax rate, and adjusted for changes in deferred tax assets and liabilities.

Trade and other payables

These amounts represent unpaid liabilities for goods and services provided to the council before the end of the financial year. The amounts are unsecured and usually paid within 30 days of recognition.

Employee benefit liabilities

Wages and salaries, annual leave and sick leave

These liabilities are expected to be settled within 12 months of the reporting date. They include employees' services up to the year-end date and are measured at the amounts the council expects to pay when the liabilities are settled. A liability is recognised for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

Long service leave

This is actuarially measured as the present value of expected future payments for services provided by employees up to the year-end date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Retirement benefit

A number of current and former employees of the council are entitled to benefits, on retirement, disability or death, from the council's multi-employer benefit scheme. The council has insufficient information and cannot follow defined benefit accounting, so the scheme is accounted for as a defined contribution plan. Contributions are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset if a cash refund or a reduction in the future payments is available.

Revenue

The council measures revenue at the fair value of the amounts received or receivable, net of discounts, duties and taxes paid. It accounts for revenue for the major activities as follows:

- rates – when levied. Penalties and discounts relating to rates are included where applicable
- traffic and parking infringements – when tickets are issued. Infringements not recovered after 60 days are transferred to the courts and written back against revenue. Subsequent collections from the courts are recognised when received
- licences and permits revenue – on application
- rental revenue – for the period it relates to
- sale of goods – when the risks and rewards of the ownership of the goods passes to the purchaser
- interest income – on a time-proportion basis using the effective interest method
- dividend income – when the right to receive payment is established
- royalty income – on an accruals basis in accordance with the royalty agreements
- development and financial contributions – are invoiced when the building consent is uplifted, which will pre-date the start of the development
- vested assets and charitable receipts – when received
- grants and subsidies – received in relation to the provision of services are recognised on a percentage of completion basis. Other grants and subsidies are recognised when receivable
- contra transactions – are measured at the fair value of the assets received or the fair value of goods given up.

Operating leases

With operating leases, the lessor retains the risks and benefits of ownership. Lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the period of the lease.

Finance leases

Finance leases effectively transfer to the leasee the risks and benefits incidental to ownership. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding liabilities are recognised in the statement of financial position.

Leased assets are depreciated over the period the council is expected to benefit from their use.

Finance costs

Borrowing costs incurred for the construction of any qualifying asset will be capitalised during the period of time that is required to complete and prepare the asset for its intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Where total debt funding for a capital project is greater than $2 million and spans more than one financial year, the interest costs are treated as capital expenditure.

All other borrowing costs are expensed as incurred.

Changes in accounting policies

The accounting policies have been applied consistently to all periods presented.

Note 3 – operating revenue disclosures

For year ended 30 June

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
General rates											
Value based	341,555	341,278	347,944	361,502	367,837	378,400	389,113	400,581	412,107	422,915	435,016
Uniform charge	27,660	43,355	53,037	59,843	69,383	77,382	85,746	95,087	104,841	115,016	126,230
	369,215	**384,633**	**400,981**	**421,345**	**437,220**	**455,782**	**474,859**	**495,668**	**516,948**	**537,931**	**561,246**
Targeted rates											
CBD	11,458	14,218	16,689	18,880	20,986	21,165	21,380	21,896	9,381	9,601	9,835
Mainstreets	6,849	7,568	7,568	7,568	7,568	7,568	7,568	7,568	7,568	7,568	7,568
Refuse collection	32,890	29,364	30,337	36,760	40,082	41,603	43,433	44,965	46,677	48,618	50,383
Rugby World Cup 2011	0	0	0	6,900	0	0	0	0	0	0	0
	51,197	**51,150**	**54,594**	**70,108**	**68,636**	**70,336**	**72,381**	**74,429**	**63,626**	**65,787**	**67,786**
Penalties, discounts and remissions	(1,314)	(1,263)	(1,503)	(1,767)	(2,113)	(2,479)	(2,895)	(3,366)	(3,786)	(4,350)	(4,982)
Total rates revenue	**419,098**	**434,520**	**454,072**	**489,686**	**503,743**	**523,639**	**544,345**	**566,731**	**576,788**	**599,368**	**624,050**
Other operating revenue											
Revenue from activities	169,140	161,909	173,232	190,829	195,250	213,564	220,396	228,622	238,298	247,109	258,659
	169,140	**161,909**	**173,232**	**190,829**	**195,250**	**213,564**	**220,396**	**228,622**	**238,298**	**247,109**	**258,659**
Dividends	13,000	14,020	14,815	14,815	14,815	14,815	14,815	14,815	14,815	14,815	14,815
Petrol tax and royalties	3,225	3,569	3,469	3,369	3,269	3,169	3,169	3,069	3,069	2,969	2,869
	16,225	**17,589**	**18,284**	**18,184**	**18,084**	**17,984**	**17,984**	**17,884**	**17,884**	**17,784**	**17,684**
Total other operating revenue	**185,365**	**179,498**	**191,516**	**209,013**	**213,334**	**231,548**	**238,380**	**246,506**	**256,182**	**264,893**	**276,343**
Total revenue from operating activities	**604,463**	**614,018**	**645,588**	**698,699**	**717,077**	**755,187**	**782,725**	**813,237**	**832,970**	**864,261**	**900,393**

Note 4 – non operating revenue disclosures

For year ended 30 June

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Non operating revenue											
Charitable receipts	23,496	10,500	0	0	0	0	0	0	0	0	0
Development contributions	39,295	16,803	19,997	22,980	27,098	33,936	46,108	56,175	64,041	73,022	83,290
Grants and subsidies	69,414	110,779	57,563	54,949	61,731	70,962	72,315	62,034	52,905	47,467	54,372
Total non operating revenue	**132,205**	**138,082**	**77,560**	**77,929**	**88,829**	**104,898**	**118,423**	**118,209**	**116,946**	**120,489**	**137,662**

Note 5 – operating surplus for the year ended 30 June

For year ended 30 June

$000	Budget 2009	Budget 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Projection 2019
Adjustment for biennial inorganic collection	(1,684)	1,768	(1,768)	2,075	(2,075)	2,185	(2,185)	2,304	(2,304)	2,431	(2,431)
Capital and other net revenue to fund capital expenditure	132,305	138,082	77,560	77,929	88,829	104,898	118,423	118,209	116,946	120,489	137,662
Rates to fund capital expenditure	3,519	6,537	3,008	(5,893)	1,555	6,611	13,319	9,452	(9,939)	(5,822)	419
Repayments of borrowing	3,467	5,652	8,472	14,172	15,772	16,672	16,672	16,672	16,672	16,672	16,672
Surplus before taxation	**137,607**	**152,039**	**87,272**	**88,283**	**104,081**	**130,366**	**146,229**	**146,637**	**121,375**	**133,770**	**152,322**

Prudent financial management

Introduction

The Local Government Act 2002 sets out specific financial management requirements for local authorities.

Section 100, the balanced budget, requires each year's operating revenue to meet that year's expenses. The act provides local authorities with some flexibility to run an annual deficit or surplus if it is prudent to do so.

Section 101, prudent financial management, means the local authority must take into account the current and future needs of the community and apply funding tools appropriate to each activity.

Philosophy

Operating costs

Auckland City has a range of activities from commercial, through to pure public good services. The funding tools applied to each activity depend on the mix of private and public benefit. In some cases, these tools are restricted by practical limitations on user charges.

Wherever possible, user charges are applied to cover the cost of specific activities. If the council activity benefits selected ratepayers, a targeted rate may be the appropriate funding mechanism. In other cases, a general rate is applicable.

Capital expenditure

Funding for capital expenditure (replacing existing assets and acquiring new ones) reflects the current and intended use of the assets and any drivers for the need to acquire the asset. Subsidies and contributions from government and third parties are used whenever available. The principal supporting capital expenditure funding is intergenerational equity. This means current ratepayers should finance the replacement and renewal of existing assets. New assets required for growth should be funded from the development giving rise to that growth. The cost of new assets to improve service levels or for new activities should be shared by the current and future ratepayers through appropriate use of debt.

Rates

The majority of the burden of the council's operating and capital expenditure falls on ratepayers. In Auckland City Council's case, approximately 70 per cent of revenue required for operating purposes and servicing borrowings is generated from rates. To ease the burden on ratepayers, rates should be affordable and predictable, avoiding volatility that may arise from normal business cycles.

Application

Operating costs

Where the council is involved in a commercial activity, charges are set at the appropriate market rate. Revenues from the activity are required to cover costs.

Some of the activities the council engages in are subsidised by government or other organisations. The council arranges its activities to maximise the opportunity to gain third party contributions. The net cost after these contributions is then funded from user charges or rates.

For activities where there is a high degree of private benefit – such as on-street parking – user charges are applied. In some cases, these recover all costs. In other cases, such as building consents, the fees are set to recover the council's costs to avoid ratepayer subsidy.

Where an activity is funded from rates, the council has a choice between a targeted or general rate. Targeted rates are appropriate when a defined group of ratepayers benefits from the services. The targeted refuse collection rate is an example.

In general, operating costs may not be funded from borrowings. All operating expenditure is funded on a year-by-year basis other than the cost of the biennial inorganic refuse collection. To avoid fluctuations in the refuse collection targeted rate, this charge is spread over two years.

The application of this philosophy ensures equitable funding of private and public benefit activities, intergenerational equity, and balances annual budgets.

Capital expenditure

The government, through NZ Transport Agency, contribute to the construction and maintenance of roads. Charitable receipts from Metrowater assist with funding the stormwater programme, along with a subsidy from Infrastructure Auckland. The last Metrowater payment will be received in 2009/2010. The remainder of the cost of capital projects is funded from rates, development contributions and borrowings.

Operating revenues and rates are set to cover all expenditure including depreciation charges. The depreciation charges do not incur a cash outgoing for the council. The cash surplus generated from the operating and rates revenue is applied to fund the acquisition of replacement assets.

Where new assets are required to meet growth, development contributions, and charges on new residential and commercial developments are used to fund the acquisition. If there is a need to develop the asset before the development contributions have been received, the acquisition is funded from borrowings. The borrowing and associate interest is paid from future development contribution. The purchase or construction of new assets required for service level improvement and new activities is funded from borrowings. Rates (general and targeted) are set at a level to cover operating costs and pay 60 per cent of the borrowings over 30 years. Some major projects contain elements of replacement, growth and service level improvement. In these cases, the cost apportioned to each element is funded according to these rules.

Applying these principles achieves intergenerational equity: the balance between current and future ratepayers. They also ensure the council has funds to maintain existing assets and to invest in the expansion of its assets to continue to deliver quality services to residents.

Specific issues

Surplus

The surplus reported in the statement of comprehensive income is made up of several components.

The council's borrowings policy requires 60 percent of borrowings to be repaid over 30 years. This is done by setting income and rates each year at a level such that a surplus equal to 2 per cent of opening borrowings is achieved.

Secondly, a portion of the targeted rates may be applied to the funding of capital expenditure. This flows through to the surplus.

The third component relates to the variability of some expenditure. Not all expenditure is incurred evenly each year. In some years, a small surplus or deficit may be run to avoid unnecessary fluctuation in rates. The biennial inorganic refuse collection is an example of this type of expense. If a surplus is run in a year, it is returned to ratepayers in a subsequent year.

Finally, the financial accounting reporting standards require all income to be recorded through the statement of comprehensive income. The council receives income in the form of subsidies, grants, development contributions and levies that may only be applied to specific non-operating expenditure, often capital expenditure. These are part of the operating surplus.

Weathertightness building claims

The council has considered the financial impact of weathertightness claims, including those already lodged and potential claims. It has assessed its potential liability to be $187 million and has provided for this sum in the statement of financial position. The cost of these settlements should not fall unfairly on ratepayers in the year of settlement. Rather than penalising current ratepayers with the full impact of these settlements it is appropriate to fund them from borrowings so the cost can be spread over time.

In addition to the specific provision the council's 2007/2008 annual report recognised a contingent liability for claims not yet lodged.

Urban fire fighting water supply

Metrowater has been providing the urban fire fighting water supply on behalf of the council since 1 July 1997. Full responsibility for this will be transferred to Metrowater from 2009/2010. The change ensures that Auckland City Council ratepayers are not disadvantaged by having to subsidise water users for the provision of these services. It also makes Auckland City Council consistent with other councils in the region, particularly Manukau City Council, which also has a separate retail water company.

Conclusion

The financing policies applied in the development of this 10-year plan are, with minor adjustments, consistent with those applied in the 2006-2016 plan. Each year's operating costs are funded through user charges, fees or rates. Where appropriate, rates are targeted to specific users of the services being funded with the balance of the funding coming from a general rate. The general rate is levied on a uniform and property value basis.

Ratepayers contribute to the replacement of current assets through the funding of the depreciation charge. Developers contribute to the assets required for the growth of the city and current and future ratepayers pay for the ongoing development of the city through the use of borrowings.

The effect of these policies is a financially prudent balanced 10-year plan. The policies take into account the needs of current and future ratepayers, while balancing the obligation to pay for services through the appropriate use of borrowings.

The following table summarises the council's projected revenue, expenditure, surpluses generated and sources of funding over the 10-year plan period.

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
Rates revenue	419,099	434,520	454,072	489,686	503,743	523,639	544,345	566,731	576,788	599,368	624,050
Revenue from activities	169,140	161,909	173,232	190,829	195,250	213,564	220,396	228,622	238,298	247,109	258,659
Other revenue	16,225	17,589	18,284	18,184	18,084	17,984	17,984	17,884	17,884	17,784	17,684
Non operating revenue	132,205	138,082	77,560	77,929	88,829	104,898	118,423	118,209	116,946	120,489	137,662
Total council's revenue	**736,669**	**752,100**	**723,148**	**776,628**	**805,906**	**860,085**	**901,148**	**931,446**	**949,916**	**984,750**	**1,038,055**
Operating expense	452,875	449,090	463,208	479,115	479,391	499,272	515,761	540,135	576,708	592,058	622,972
Depreciation	137,384	141,134	145,707	168,259	179,447	189,079	198,818	207,980	216,253	224,490	231,298
Finance costs - net	8,994	10,024	27,149	41,160	43,179	41,559	40,533	36,888	35,772	34,627	31,658
Other gains/(losses) - net	(192)	(187)	(188)	(189)	(191)	(192)	(193)	(194)	(192)	(196)	(195)
Total expenditure	**599,061**	**600,061**	**635,876**	**688,345**	**701,826**	**729,718**	**754,919**	**784,809**	**828,541**	**850,979**	**885,733**
Surplus before taxation	137,608	152,039	87,272	88,283	104,080	130,367	146,229	146,637	121,375	133,771	152,322
Add depreciation	137,384	141,134	145,707	168,259	179,447	189,079	198,818	207,980	216,253	224,490	231,298
	274,992	**293,173**	**232,979**	**256,542**	**283,527**	**319,446**	**345,047**	**354,617**	**337,628**	**358,261**	**383,620**
Capital investment [1]	**409,352**	**481,183**	**505,062**	**298,534**	**301,212**	**297,942**	**296,834**	**337,107**	**294,176**	**303,620**	**306,844**
Funding required	**134,360**	**188,010**	**272,083**	**41,992**	**17,685**	**(21,504)**	**(48,213)**	**(17,510)**	**(43,452)**	**(54,641)**	**(76,776)**
Funded by:											
Borrowings [2]	151,533	183,348	293,528	78,828	40,229	9,328	(2,672)	3,828	(23,672)	(46,672)	(50,673)
Working capital/investments	(17,173)	4,662	(21,445)	(36,836)	(22,544)	(30,832)	(45,541)	(21,338)	(19,780)	(7,969)	(26,103)
	134,360	**188,010**	**272,083**	**41,992**	**17,685**	**(21,504)**	**(48,213)**	**(17,510)**	**(43,452)**	**(54,641)**	**(76,776)**
Total borrowings	**499,868**	**726,624**	**1,045,152**	**1,168,980**	**1,244,208**	**1,298,536**	**1,330,864**	**1,374,692**	**1,386,020**	**1,374,348**	**1,353,676**
Notes to table 1 Excludes deferred capital investment for 2008/2009 2 Excludes borrowings relating to Metrowater of:		**40,000**	**25,000**	**45,000**	**35,000**	**45,000**	**35,000**	**40,000**	**35,000**	**35,000**	**30,000**

Treasury management policy

Background

The Local Government Act 2002 requires local authorities to adopt a liability management policy and an investment policy, and to include these policies in their long-term council community plans.

Together these policies make up Auckland City Council's treasury management policy.

The liability management policy must state the council's policies on how it will manage its borrowings and other liabilities, including interest rate exposure, liquidity, credit exposure, borrowings repayment, specific borrowing limits and the giving of securities.

The investment policy must set out the council's policies on investments including investment objectives, the mix of investments, acquiring new investments, management and reporting procedures, and risk management.

The council reviews and approves any changes to the treasury management policy at least every three years when it approves its 10-year plan. Every financial year, the council's treasury management steering group (made up of senior council officers and, from time to time, an external person) reviews and approves strategic risk limits for the council's treasury activities, which conform to the treasury management policy. These strategic risk limits are formally published in an internal document, referred to as the treasury operating manual.

The steering group also monitors compliance with these limits and the performance of treasury activities against agreed benchmarks on a monthly basis. The council (or a delegated committee of the council) reviews treasury outcomes against the strategic risk limits and performance benchmarks on a quarterly basis.

The council's treasury management policy should be read in the context of the council's revenue and financing policy, which contains the council's overarching financial policy statements and objectives.

Liability management policy

The following is a general description of the council's policies with respect to borrowing and liability management.

Objectives

The council's key liability management objectives in relation to borrowings are to:

- prudently manage the council's borrowing to ensure ongoing sustainable funding
- monitor and report on the risk and the performance of debt portfolios against predetermined limits and benchmarks
- prudently manage the council's exposure to interest rate changes
- minimise borrowing costs
- manage short-term cash flows in an efficient and prudent manner
- maintain a sufficient level of liquidity to meet both planned and unforeseen cash requirements
- maintain accurate cash flow forecasts to assist borrowing decisions
- prudently manage the council's credit exposures, which will be with approved counterparties and will have predetermined limits
- maintain market confidence in the creditworthiness and integrity of the council as a borrower
- operate a centralised treasury management function for the council and its subsidiaries.

Sustainable debt policy

The council maintains a sustainable debt policy that aims to achieve an appropriate balance between the principles of intergenerational equity and financial prudence. Under the sustainable debt policy, borrowings can be used only in the following circumstances:

Purpose of borrowing	Policy requirements
To fund financial assets that produce income (eg, loans to Metro Water Ltd)	Borrowing is permitted to the extent that the income produced by the financial asset is sufficient to cover the forecast interest and principal repayments on that debt.
To fund capital expenditure for new or improved public infrastructure assets with long lives	Borrowing is permitted provided that: (1) depreciation of the asset is fully funded from current rates or other council operating revenue (2) sufficient rates surpluses (over and above the level of rates funding required to fund net operating expenditure and depreciation) are forecast to allow 60 per cent of the debt to be repaid over 30 years on a straight line basis (3) the expenditure is not fully funded in the year it is incurred by tagged capital receipts (for example, development contributions or NZ Transport Authority subsidies).
To fund the renewal or replacement of public infrastructure assets	Borrowing is generally not permitted, as asset replacement is typically funded from the depreciation charge included in rates. However, borrowing is permitted if it is used solely to address a timing mismatch between high renewals expenditure in any particular year and the subsequent collection of forecast depreciation charges.
To fund capital expenditure (either new works or renewals) for commercial activities operating in a competitive environment	Borrowing is permitted provided that: (1) the activity is set up as a stand-alone business unit with its own financial reports and a notional balance sheet (2) a long-term asset management plan has been prepared detailing the activity's expected future asset replacement needs (3) sufficient user charges or other revenues are forecast to allow 100 per cent of the debt to be repaid over the asset's economic life on a straight line basis.

Purpose of borrowing	Policy requirements
To fund operating expenditure	Borrowing is generally not permitted, as borrowing to fund routine operating expenditure would become unsustainable over time. However, borrowing is permitted if: (1) the borrowing is used solely to address a short-term cash flow timing mismatch, or (2) the operating expenditure provides enduring economic benefits (for example, a grant to a third party organisation to help fund a long-life facility that will provide public benefits), or (3) the operating expenditure is part of a capital expenditure related fund, which provides for that operating expenditure to be recovered over a defined period of time (for example, borrowing to cover the interest in a development contribution fund, where all interest will be recovered from developers within a 10-year period).
To fund working capital requirements	Borrowing is permitted, subject to oversight by the treasury management steering group.
To provide transitional (or bridging) funding for projects or acquisitions	Borrowing is permitted, subject to oversight by the treasury management steering group.
To fund the impacts on ratepayer equity from payments associated with discovered liabilities eg, weathertightness payments, remediation of closed landfills; remediation of other contaminated sites	Borrowing is permitted, subject to oversight by the treasury management steering group, where: • funding this operational expenditure from rates would place a significant burden on current ratepayers; and • debt will assist in promoting intergenerational equity by spreading responsibility for funding these issues across generations. Additionally, 60 per cent of any debt should be repaid over 30 years on a straight line basis.

In addition, new borrowings may only be entered into if the forecast prudential ratios (outlined below) remain within policy limits throughout a 40-year horizon.

Any other borrowing is an exception to the sustainable debt policy and would only occur either in an emergency or when considered necessary on a case-by-case basis. In such cases, the council would consider the special circumstances and the nature of the borrowing, its repayment terms and its sources of funding. Other than in emergency situations, approval would be subject to special consultative procedures, usually as part of a 10-year plan or annual plan.

Management of borrowings

The council considers and approves its forecast borrowing requirements by approving the 10-year financial projections in its 10-year plan and the shorter-term projections in its annual plan.

Borrowings to fund council-controlled organisations are matched by corresponding loans to the organisations. There is no prescribed maximum limit for council-controlled organisation borrowings. These borrowings are agreed by the council when it is approving the council-controlled organisations' statements of intent and funding plans.

Any other council liabilities are managed in the course of the council's day-to-day operations.

Debt repayments

Debt repayments (both interest and principal) are governed by:

- the council's policy of maintaining forecast prudential ratios within specified limits
- for borrowings that fund new public infrastructure, the council's policy of repaying 60 per cent of each year's new borrowings over a 30-year period, amortised on a straight line basis
- for borrowings that fund capital expenditures for a stand-alone business unit with commercial objectives, the council's policy of repaying 100 per cent of each year's new borrowings over the economic life of the asset, amortised on a straight line basis
- the council's projected liquidity profile
- contractual terms and conditions of borrowing (funds must be available to repay debt as and when it falls due)
- the need to preserve borrowing flexibility.

The council sets, on a case-by-case basis, the appropriate terms for repaying debt for transitional project financing and for non-routine capital expenditure.

Borrowing limits

The council's prudential limits are:

- the forecast debt / forecast total income ratio must not exceed three times
- the forecast debt / forecast total assets ratio must not exceed 25 per cent
- the forecast operating cash flow (before interest) / forecast interest expense ratio must not be less than 2.5 times.

Liquidity

Liquidity management is the management of liquid assets and funding sources to meet both short and long-term commitments as and when they fall due.

To ensure the council maintains a sufficient level of liquidity at all times, the treasury management steering group will determine at least annually (when approving the council's strategic risk limits):

- the minimum amount by which the total of the council's unutilised short-term funding facilities and its liquid investments must exceed forecast net cash outflow
- the period of time over which the forecast net cash outflow must be measured.

The council's borrowings will be spread over a range of maturities to minimise the risk that the council is not able to raise new borrowings or refinance existing borrowings at acceptable credit margins. The treasury management steering group will establish the maximum value of outstanding borrowings that may mature over any six-month period. This will be done each year when the group is approving the council's strategic risk limits.

Interest rate exposure policy

The primary objective of interest rate risk management is to reduce uncertainty about net interest income or expense as interest rates change. Mechanisms used include matching the interest rate re-pricing profile of the council's financial investments and financial liabilities and, where appropriate, fixing rates through fixed-rate borrowings and by using interest rate hedging facilities.

Where the council has a long-term or ongoing need for core borrowings, lengthy borrowing terms are attractive as they eliminate short-term liquidity risk (the risk of not being able to roll over short-term debt as it matures).

Fixed-rate, long-term borrowing can also mitigate interest rate re-pricing risk. This risk exists where a long-life asset is funded by floating-rate debt and either the asset produces a fixed income stream, eg, parking fees, that can not easily be re-priced in line with changing interest rates, or debt repayments are funded from a fixed income source, eg, a targeted rate, which will not be re-priced regularly.

The council manages interest rate risk on its debt on a portfolio basis[1]. The interest rate risk of the consolidated debt portfolio is spread over time, with the weighted average of the interest rate risk profile (modified duration) of the portfolio maintained within the limits of zero and 10 years, unless otherwise approved by the treasury management steering group.

Credit exposure policy

Prudent credit management can reduce the council's risk of loss from a counterparty failing to meet its obligations. Credit exposure for borrowings is relevant for the undrawn portion of any committed, standby or bank facility, where the counterparty has a contractual obligation to provide funds to the council. Where the council uses these facilities, the counterparty's minimum credit rating must be A1 (short term) or A- (long term) as rated by Standard & Poor's, or equivalent credit ratings from another internationally recognised rating agency (such as Moody's or Fitch Ratings).

1 The council's debt is managed on a centralised basis for the parent and its subsidiaries.

Security for debt

In general, the council will provide rates revenue as security for its borrowings (this is appropriate as borrowing facilities are usually established for broad funding purposes). 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.

Investment policy

Objectives

The council seeks to minimise the risks associated with its investments to avoid placing the capital value of individual investments at risk. The council does not undertake any unnecessary or speculative investment activity.

The council's key investment policy objectives are to:

- prudently manage the council's financial investments by seeking to maximise investment income within acceptable investment risk parameters
- practise an ethical investment approach[2]
- invest only in approved securities and asset classes
- maintain an appropriate level of diversity across asset classes
- support the council's liquidity requirements
- monitor and report on risk and performance against predetermined limits and benchmarks
- maintain operational controls and procedures that protect the council against financial loss, opportunity cost and other inefficiencies.

2 Ethical investment involves avoiding investing in companies whose business activities or products the council deems to be inappropriate, eg, arms manufacture, gambling, alcohol or pornography.

Investment mix

The council has investments in equities and fixed-interest securities. The council's equity investments include holdings in council-controlled organisations and other entities, where there is a specific strategic objective for holding the investment or the investment is required to comply with legislation. The council also holds a minority shareholding in Auckland International Airport Ltd. The shares were issued to the council in 1988 when the airport's assets were vested to Auckland International Airport Ltd.

The council's fixed-interest investments include treasury assets, such as cash and short-term money market instruments, which are used to manage the council's day-to-day and longer-term cash flow and liquidity requirements. The council also holds other fixed-interest investments in various investment portfolios, each tagged for specific purposes.

Acquisition of new investments

The council has delegated the authority to acquire fixed-interest investments to its funds management team. These acquisitions are made in accordance with strategic risk limits approved by the treasury management steering group. New equity investments are approved by the council acting on the recommendation of the appropriate council committee, or based on the advice and recommendations of council officers. In general, it is not the council's policy to acquire equities solely for investment purposes, except where those equities are purchased as a part of a perpetual or externally managed investment portfolio, or where arrangements are entered into that mitigate financial risks associated with the investment.

Managing and reporting on investments

Details on the performance of investments are reported to the council, or the appropriate council committee, quarterly. Monthly management reports are reviewed by the treasury management steering group, including liquidity details, interest rate exposure and credit exposure.

Risk management

In the normal course of its treasury operations, the council has exposure to credit risk, interest rate risk and liquidity risk.

Credit risk is managed by the council limiting its credit exposure to any single counterparty. This is done by weighting exposures towards counterparties with higher credit ratings, as determined by an international credit rating agency, eg, parties that are rated A- or better by Standard & Poor's. To safeguard against loss through poor credit quality, limits are applied to the council's aggregate exposure to each counterparty (and groups of counterparties) within specified credit rating bands. The only unrated counterparties that the council may invest in are other local government bodies. The treasury management steering group reviews and approves strategic credit risk limits annually.

The main objective of interest rate risk management is to reduce uncertainty around net interest income or expense as interest rates change. Mechanisms used include matching the interest rate re-pricing profile of the council's financial investments and financial liabilities and, where appropriate, fixing rates through fixed rate borrowings and the use of interest rate hedging facilities.

Interest rate risk is the risk that interest income will (due to adverse movements in market interest rates) materially under-perform the interest income projections in the council's annual plans and 10-year plan, negatively affecting the council's financial performance and position.

The council manages interest rate risk on investments on a portfolio basis. The interest rate risk of each investment portfolio will be spread over time, with the weighted average of the interest rate risk profile (modified duration) being maintained within the limits of zero and five years, unless otherwise approved by the treasury management steering group.

Liquidity risk is managed by investing only in financial assets that can be liquidated through a readily available secondary market.

Revenue and financing policy

Background information for the revenue and financing policy

Auckland City Council's revenue and financing policy explains how the council will fund its operating and capital expenditure in the coming years.

For each of the council's areas of work (called activities), the policy takes into account the following issues (as set out in section 101 of the Local Government Act 2002):

- the relevant community outcomes the activity contributes to
- who will benefit from the activity
- the period over which the benefits from an activity are expected to occur
- what or who contributes to the need for an activity
- the pros and cons of a separate funding tool for the activity
- the overall impact of the funding method on the city's current and future social, economic, environmental and cultural well-being.

These issues are captured in the guiding principles (see below), which form the rationale for how the council funds its operating and capital expenditure.

How the council allocates these funding sources for each of its activities is shown in the financial sections of the individual council activities in part 1 of volume 2.

The council reviews and approves any changes to its revenue and financing policy at least every three years when it adopts its long-term council community plan or, in intervening years, its annual plan.

This policy should be read with the following related council policies:

- the treasury management policy (incorporating the liability management policy and the investment management policy)
- the funding impact statement, which describes the council's rates policies
- the development contributions policy
- the policy on partnerships with the private sector.

Guiding principles

The following general principles form the core of Auckland City Council's revenue and financing policies and help guide funding decisions.

There are some inherent conflicts between these guiding principles. In practice, establishing the council's specific revenue and financing policies involves balancing and trading-off 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. Similarly, the principle of optimal capital usage may imply high debt funding for the council's activities, but this must be balanced against the principle of financial prudence and sustainability.

Affordability

The council's funding decisions are influenced by concepts such as people's ability to pay and the desire to provide broad access for people to particular services, in addition to the concept of user pays.

Rates are a form of taxation and are not purely a charge for services received. Affordability issues influence both the overall level of rates and the level of any uniform charges within the rates.

Paying for benefits received

In general, if a council activity mainly benefits a particular person or group, then that person or group should contribute to the cost of the activity. In addition, payment should be made for the activity at the same (or similar) time as the benefits are received (called intergenerational equity).

Paying for costs imposed

In general, if the actions or inactions of a particular person or group create a need for the council to carry out an activity, then that person or group should contribute to the cost of the activity. This is sometimes referred to as the polluter pays principle or causer pays principle.

Transparency and accountability

Where the principles of paying for benefits and paying for costs (set out above) suggest that a particular person or group should contribute towards the cost of an activity, then that activity should be funded separately from other activities, if it is practicable to do so.

Market neutrality

The council is aware of the risks of unfairly competing with private sector providers where it (or an organisation under its control) provides a service that is in actual or potential competition with the private sector. To avoid this, the council will apply commercial best practice when providing such services.

Financial prudence and sustainability

The council's revenue, expenditure, assets, liabilities, investments and general financial dealings should be managed in a prudent and sustainable manner.

Optimal capital usage

The council's limited financial resources should be used in such a way as to maximise the benefits provided to the community, while minimising the burden on ratepayers. Among other things, this principle influences the council's decisions on the best mix of funding (between rates income, other revenue sources, borrowings and asset sales) for its assets and activities.

Efficiency and effectiveness

The council's revenue and financing policies should have regard to the costs of carrying them out, and how effective they will be in achieving their objectives.

Overall social, economic, environmental and cultural impacts

Decisions on how the council's needs for revenue will be met (by ratepayer and other groups) should take into account the impact of the decision on the current and future social, economic, environmental and cultural well-being of the community.

Funding operating expenditure

The council ensures its projected operating revenue is sufficient to meet the cost of its regular, ongoing operating activities. This is consistent with the guiding principle of financial prudence and sustainability.

The council considers the following funding sources are appropriate for its operating expenditure.

General rates

General rates are appropriate for funding operating activities where there is a significant public good element[1]. For example, the council's activities to maintain public parks and open spaces are funded mainly by general rates. This is consistent with the guiding principle of paying for benefits received; since all members of the community can benefit from well maintained parks, all members should contribute to the cost of these activities.

Similarly, general rates are appropriate for funding activities where a private good generates positive externalities[2] or benefits for the wider community. For example, although theatre productions supported by The Edge® can only be seen by ticket holders, these shows are considered to have positive flow-on benefits to the cultural well-being of the wider community.

General rates are also appropriate for funding activities where imposing the cost on the individuals or groups who benefit from the activity would place too great a burden upon them. This is consistent with the guiding principle of affordability. For example, general rates are used to subsidise the cost of operating swimming pools, which ensures the general public have affordable access to these facilities.

The value-based general rate is applied on the basis of each property's annual value and a uniform annual general charge (see the funding impact statement for a detailed explanation). General rates based on the property's annual value can be applied using differentials, meaning that the general rate can be applied at different levels for different groups of ratepayers. The council's chosen valuation basis and the structure of its general rate represent a balance of the guiding principles of paying for benefits received and affordability. The council also applies a uniform annual general charge, which all rateable properties pay irrespective of property value.

Targeted rates

Targeted rates are appropriate for funding operating activities where the activity mainly benefits a specific group of ratepayers or where the action or inaction of that group contributes to the need for the activity. For example, the council's refuse collection service is funded by a targeted rate charged only to ratepayers who receive the service.

Targeted rates are also appropriate where the revenue collected can be targeted towards funding a specific type of expenditure, such as operational expenditure associated with maintaining new infrastructure for roads and transport.

A targeted rate can be applied in several ways, including a fixed amount per property or according to property value.

Fees and charges

Fees and charges are appropriate where the benefits of an activity are primarily private. For example, the costs of providing land information services are largely funded by user charges because the person requesting the services receives most of the benefits.

1 A public good is a good or service where it is not possible to exclude a person from enjoying the benefits of the good or service, and where one person using that good or service does not prevent another person also using it at the same time.

2 A positive externality arises whenever the activities of one party make another party better off, yet the party benefiting does not contribute to the cost of those activities.

They are also appropriate where a person's or group's action or inaction creates the need for an activity. For example, the cost of car parking enforcement is largely funded by parking fines.

Where there is actual or potential competition from the private sector to provide a service, the council's fees and charges are set after considering the principle of market neutrality.

Interest and dividends from investments

This type of revenue is used to supplement general rates funding to help meet the cost of the council's regular operating activities and reduce the burden on ratepayers.

Borrowings

In general, the council does not fund operating expenditure by borrowing. The only exceptions are when:

- borrowing is used to fund short-term working capital requirements
- certain expenditure provides enduring economic benefits.
- to fund the impacts on ratepayer's equity from payments associated with discovered liabilities eg, weathertightness payments, remediation of closed landfills; remediation of other contaminated sites. Borrowing is permitted, subject to oversight by the treasury management steering group, where:
  1. funding this operational expenditure from rates would place a significant burden on current ratepayers; and
  2. borrowings will assist in promoting intergenerational equity by spreading responsibility for funding these issues across generations.

  Additionally, 60 per cent of any borrowings should be repaid over 30 years on a straight line basis.

Grants and subsidies

In general, grants and subsidies are appropriate only for funding the operating costs of the particular activity that the grant or subsidy was intended to pay for. For example, transport subsidies can only be used to fund specific transport projects and these projects must meet strict eligibility criteria.

Other sources

The appropriateness of other funding sources should be assessed with regard to the guiding principles. Any miscellaneous revenue that may arise from the council's normal operating activities should be used to fund activities that would normally be funded from general rates.

The table on the following page shows the council's current and projected funding sources for operating expenditure. In setting these funding sources, the council has considered the guiding principles and the community outcomes that each of its activities contribute to.

Auckland City Council's funding sources for operating expenditure for 2009/2010 to 2018/2019

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
General rates											
Value-based [1]	200,925	191,161	196,163	192,341	179,192	173,752	171,694	179,040	189,336	187,789	186,838
Uniform charge [1]	27,660	43,355	53,037	59,843	69,383	77,382	85,746	95,087	104,841	115,016	126,230
	228,585	**234,516**	**249,200**	**252,184**	**248,575**	**251,134**	**257,440**	**274,127**	**294,177**	**302,805**	**313,068**
Targeted rates											
CBD (non-residential) [2]	7,370	7,607	7,956	10,700	11,916	12,298	9,679	9,164	9,000	9,214	9,442
CBD (residential) [2]	528	471	432	524	543	581	472	457	450	461	472
Mainstreet	6,849	7,568	7,568	7,568	7,568	7,568	7,568	7,568	7,568	7,568	7,568
Refuse	34,485	29,360	30,284	36,707	39,989	41,509	43,339	44,871	46,583	48,525	50,289
Rugby World Cup 2011 [3]	0	0	0	6,900	0	0	0	0	0	0	0
	49,232	**45,006**	**46,240**	**62,399**	**60,016**	**61,956**	**61,058**	**62,060**	**63,601**	**65,768**	**67,771**
Penalties, discounts and remissions [4]	(1,313)	(1,263)	(1,503)	(1,767)	(2,113)	(2,479)	(2,895)	(3,366)	(3,786)	(4,350)	(4,982)
Total rates	**276,504**	**278,259**	**293,937**	**312,816**	**306,478**	**310,611**	**315,603**	**332,821**	**353,992**	**364,223**	**375,857**
Revenue from activities											
Direct user charges [5]	75,202	68,038	70,447	72,707	75,190	77,666	80,341	83,532	87,113	90,961	95,173
Grants and subsidies [6]	15,155	17,345	19,220	24,552	18,435	19,168	19,849	20,597	21,294	22,019	24,036
Other operational revenue [7]	25,992	25,129	30,790	39,783	45,413	58,609	62,223	64,060	66,884	68,361	70,750
Rental Revenue	26,351	27,252	27,444	27,764	28,678	29,733	28,588	29,537	30,523	31,540	32,616
Penalties and fines	24,727	22,559	23,697	24,468	25,826	26,643	27,612	29,073	30,618	32,320	34,130
Sponsorship income	1,280	1,288	1,335	1,255	1,407	1,444	1,481	1,521	1,562	1,604	1,649
Recoveries	431	298	299	300	300	301	301	302	303	304	304
	169,138	**161,909**	**173,232**	**190,829**	**195,249**	**213,564**	**220,395**	**228,622**	**238,297**	**247,109**	**258,658**
Other revenue											
Interest and dividends [8]	27,875	32,920	35,245	37,301	40,176	43,477	47,048	50,821	53,147	56,400	60,241
Petrol tax and royalties [8]	3,225	3,569	3,469	3,369	3,269	3,169	3,169	3,069	3,069	2,969	2,869
	31,100	**36,489**	**38,714**	**40,670**	**43,445**	**46,646**	**50,217**	**53,890**	**56,216**	**59,369**	**63,110**
Working capital [9]	0	1,359	4,905	(1,554)	2,756	(1,329)	2,310	(2,304)	2,304	(2,431)	2,431
Total	**476,742**	**478,016**	**510,788**	**542,761**	**547,928**	**569,492**	**588,525**	**613,029**	**650,809**	**668,270**	**700,056**

Notes to table

1 The general rate will be assessed on the annual value of each rating unit and assessed differentially on different categories of land as explained in the funding impact statement. In 2009/2010, the general rate also includes a uniform annual general charge of $250 per separately used or inhabited part of a rating unit.

2 The CBD targeted rate is $57 per residential unit in the CBD and is a value-based rate for CBD non-residential properties.

3 The Rugby World Cup targeted rate is projected to be $23 per residential unit and will generate around $3.4 million. The targeted rate for non-residential properties will be a value-based rate and will generate around $3.5 million.

4 The figures in this row show the council's net revenue from rates penalties on overdue rates payments, less the expenditure from the discount for early rates payments, as outlined in the council's discount policy, and less the remission of rates under the council's rates remission policies. The discount policy and rates remission and postponement policies are included in the rates assistance section of this document.

5 Includes fees, sales and rents.

6 The council classes grants and subsidies for operating expenditure as revenue from activities, while it classes grants and subsidies for capital expenditure as capital revenue.

7 Other operational revenue includes payments and reimbursements from council-controlled organisations for services provided by the council to the organisations.

8 Petrol tax and royalties, and interest and dividends in the table do not include revenue from council-controlled organisations and council-controlled trading organisations. Revenue from council-controlled organisations and subsidiaries is shown under the charitable receipts.

9 The council temporarily borrows to fund some of its expenditure when there is a timing difference between when the council requires the funding for its expenditure and when it receives the revenue. The amount borrowed is repaid when the council receives the revenue.

General note: These figures are projections, and the actual operating expenditure in any particular year may vary.

Sources of funding of operational expenditure for the council's activities

The following table set outs the sources of funding for operating expenditure for 2009/2010, with respect to each of the council's activities. Volume 2 provides more information about the revenue and financing policy for each activity.

Activities	General Rates[1]	Targeted Rates	Direct User Charges[2]	Grants and subsidies	Other operational revenue[3]	Rental revenue	Penalties and fines	Sponsorship income	Recoveries	Petrol tax and royalties[4]	Other revenue	Working Capital
Economic development strategy												
AMETI	X			X								
Economic growth and development	X	X										
Lifestyle choices strategy												
Arts and cultural facilities and programme	X	X	X		X	X						
Auckland Art Gallery	X		X	X	X			X				
Auckland Zoo	X		X	X	X	X		X				
Events	X	X		X	X	X		X				
Marinas			X		X	X						
Recreation	X			X		X						
Quality built environment strategy												
City planning	X	X	X									
Development with Vision	X		X			X						
Land and property related information			X		X							
Management of development	X		X		X		X					
Stormwater network management	X								X			
Urban growth strategy	X											
Quality natural environment strategy												
Closed landfills management	X											
Environmental policy and planning	X											
Parks	X				X	X						X
Recycling services		X										
Stormwater quality enhancement	X											
Utilities advocacy	X											
Strong and healthy communities strategy												

Activities	General Rates[1]	Targeted Rates	Direct User Charges[2]	Grants and subsidies	Other operational revenue[3]	Rental revenue	Penalties and fines	Sponsorship income	Recoveries	Petrol tax and royalties[4]	Other revenue	Working Capital
Community services	X			X	X	X		X				X
Civil defence and emergency management	X											
Libraries	X		X	X	X	X	X					
Environmental health and licensing	X		X		X		X					
Street environment and town centres	X			X	X	X						
Waste management		X			X							X
Transport choices strategy												
Parking			X		X	X	X					
Transport infrastructure	X	X	X	X	X	X				X		
Efficient, capable and user-friendly council												
Efficient and capable council			X	X	X	X			X	X	X	
Representation	X			X								

Notes to table

1 The general rate will be assessed on the annual value of each rating unit and assessed differentially on different categories of land as explained in the funding impact statement. In 2009/2010, the general rate also includes a uniform annual general charge of $250 per separately used or inhabited part of a rating unit.

2 Includes fees, sales, rents and commercial revenue.

3 Other operational revenue includes payments and reimbursements from council-controlled organisations for services provided by the council to the organisations.

4 Petrol tax and royalties, and interest and dividends in the table do not include revenue from council-controlled organisations and council-controlled trading organisations. Revenue from council-controlled organisations and subsidiaries is shown under the charitable receipts.

Funding capital expenditure

Auckland City Council considers the following funding sources are appropriate for its capital expenditure. These funding sources may be applied either directly to capital projects when expenditure is made on them, or towards financing interest and principal repayments on borrowings that were raised to fund the expenditure.

Intergenerational equity principles, which are dealt with under the council's guiding principle of paying for benefits received (when they are received), suggest that assets with a long life span should be funded by borrowings. In that way, repayments are spread over 30 years, instead of paying for the entire cost of the assets in the year they are built.

For such assets, the funding sources below can be used to finance principal repayments on borrowings, rather than for directly funding capital projects.

General rates

General rates are appropriate for funding new capital projects where there is a significant public good element. For example, it is appropriate to fund the upgrades of street signs and lighting from general rates. This is consistent with the guiding principle of paying for benefits received; since all members of the community can benefit from the upgrades, all members should contribute to the cost of providing them.

Similarly, general rates are appropriate for funding new capital projects where a private good generates positive externalities or benefits for the wider community. For example, although car parking in the CBD can only be used by the people who pay the relevant parking charges, provision of car parking has spill-over benefits for businesses in the CBD and also for the wider community (through the enjoyment of having a more dynamic CBD).

Where a current asset provides a public good or positive externalities, then it is appropriate to fund the replacement of that asset from general rates, especially where the general rate includes an explicit charge to recover depreciation.

General rates are also appropriate for funding capital projects where imposing the cost on the individuals or groups who will benefit from the project would place too great a burden on them. This is consistent with the guiding principle of affordability. For example, it would be appropriate to use the general rate to fund redeveloping a swimming pool complex, to ensure the public continues to have access to the facility.

The value-based general rate is applied on the basis of each property's annual value and a uniform annual general charge (see the funding impact statement for a detailed explanation). General rates based on the property's annual value can be applied using differentials, meaning that the general rate can be applied at different levels for different groups of ratepayers. The council's chosen valuation basis and the structure of its general rate represent a balance of the guiding principles of paying for benefits received and affordability. The council also applies a uniform annual general charge, which all rateable properties pay irrespective of property value.

Targeted rates

Targeted rates are appropriate for funding capital projects where the project mainly benefits a specific group of ratepayers or where the action or inaction of that group contributes to the need for the project. For example, the cost of certain CBD upgrade projects is funded by a targeted rate, which is only paid by CBD ratepayers.

Targeted rates are also appropriate where the revenue collected can be targeted towards funding a specific type of expenditure, such as capital expenditure to replace or expand new transport infrastructure.

A targeted rate can be applied in several ways, including a fixed amount per property or according to property value.

Fees and charges

Fees and charges are appropriate where the benefits provided by an asset are primarily private in nature. For example, the infrastructure required to provide

land information services is largely funded by user charges because the people buying these services receive most of the benefits.

Interest and dividends from investments

This type of revenue is used to supplement general rates funding for capital projects to help meet the cost of providing assets and reduce the burden on ratepayers.

Borrowings

All borrowings are subject to the council's sustainable borrowings policy (see the treasury management policy in this section of the document) and the guiding principle of optimal capital usage.

Borrowings are appropriate when an asset has a long life and will provide a benefit over a long period. By financing the cost over 30 years, current and future ratepayers both pay for the benefits they receive. The council will repay 60 per cent of all new borrowings for new assets over 30 years, while ensuring that its total borrowings stay within its prudential limits.

Borrowings are also appropriate when there is a timing difference between when expenditure is incurred on an asset and when income is received from it.

When an asset will be used for an activity that is expected to generate additional commercial revenue for the council, then capital expenditure on the asset should be funded from borrowings (to be serviced by the commercial revenue) rather than from rates. This is consistent with the guiding principle of optimal capital usage.

When the council provides a service that is in competition or potential competition with the private sector, borrowings should be used to fund the capital expenditure in line with best commercial practice. This will ensure consistency with the principles of optimal capital usage and market neutrality.

Proceeds from asset sales

It is generally appropriate to use the proceeds from selling an asset to fund the cost of providing another asset. In general, assets to be funded from the proceeds of asset sales should be of a higher strategic priority than the assets that were sold. Asset sales are most attractive from a financial perspective where they produce lower financial returns than the council's interest costs on borrowings.

Development contributions

If a capital project provides capacity to cater for future population growth, then it is appropriate to use development contributions to fund some of the project's costs. The council's development contributions policy takes into account a number of considerations, including benefits and causes, to ensure developers and new residents contribute fairly to these costs. Otherwise, current ratepayers would subsidise new ratepayers and this is inconsistent with the guiding principles.

An exception might occur if development contributions would impose an excessive burden on developers and new ratepayers, and this conflicted with the council's overall development objectives for the city. In this case, the guiding principle of affordability may mean that some degree of subsidisation is appropriate.

See the development contributions policy in this section of the document for more details about development contributions and the projects they are used to fund.

Financial contributions

Financial contributions are appropriate to fund the cost of providing assets, associated with development, that are required as the result of a person's actions, where development contributions do not apply. For example, if a development has an environmental impact, which the council must address through a capital works project, then it may be appropriate to use financial

contributions to fund the cost of those capital works. Financial contributions are levied under the Resource Management Act 1991.

Grants and subsidies

In general, grants and subsidies are appropriate only for funding the costs of providing a particular asset that the grant or subsidy was intended for. For example, transport subsidies can only be used to fund specific transport projects and these projects must meet strict eligibility criteria.

Other sources

The appropriateness of other funding sources should be assessed with regard to the guiding principles. Any miscellaneous revenue, or extraordinary receipt of funds, should be used to fund assets that would normally be funded from general rates.

Dedicated capital expenditure portfolios are a special case. These portfolios are set up on the basis that they will only be used to fund the capital expenditure of either a specific project or a specific type of project.

Charitable payments from the council's subsidiary Metro Water Ltd are another special case and are currently dedicated to funding stormwater capital expenditure projects. Following consultation with ratepayers in 2008/2009, the council has decided to phase out these charitable payments.[3]

The table on the following page shows the council's current funding sources for capital expenditure. In setting these funding sources, the council has considered the guiding principles and the community outcomes that each activity contributes to.

3 The council is restricting Metro Water Ltd's price increases to the council's rate of inflation until the charitable receipts are phased out. This decision should improve affordability. Based on Metro Water Ltd's updated costs and the restriction on price increases to the council's rate of inflation, this means that charitable receipts are likely to be phased out from 1 July 2010.

Auckland City Council's funding sources for capital expenditure for 2009/2010 to 2018/2019

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
General rates											
Value-based [1, 2]	**3,246**	**8,984**	**6,075**	**902**	**9,198**	**15,569**	**18,601**	**13,560**	**6,518**	**10,635**	**16,881**
Targeted Rates											
CBD (non-residential) [2, 3]	6,083	5,782	7,875	7,299	8,154	7,912	10,706	11,693	(66)	(70)	(75)
CBD (residential) [2, 3]	436	358	427	357	372	374	523	583	(3)	(4)	(4)
Open space	0	0	0	0	0	0	0	0	0	0	0
Refuse [2]	0	4	53	53	94	94	94	94	94	94	94
Rugby World Cup 2011 [4]	0	0	0	0	0	0	0	0	0	0	0
	6,519	**6,144**	**8,355**	**7,709**	**8,620**	**8,380**	**11,323**	**12,370**	**25**	**20**	**15**
Total rates	**9,765**	**15,128**	**14,430**	**8,611**	**17,818**	**23,949**	**29,924**	**25,930**	**6,543**	**10,655**	**16,896**
Revenue from activities											
Direct user charges4	545	729	734	779	805	871	974	1,073	1,044	1,027	1,018
	545	**729**	**734**	**779**	**805**	**871**	**974**	**1,073**	**1,044**	**1,027**	**1,018**
Depreciation	137,384	140,405	144,973	167,480	178,642	188,208	197,844	206,907	215,209	223,464	230,280
Capital revenue											
Borrowings and working capital [5]	129,260	186,652	267,178	43,545	14,927	(20,175)	(50,523)	(15,207)	(45,758)	(52,210)	(79,206)
Charitable receipts [6]	23,496	10,500	0	0	0	0	0	0	0	0	0
Development contributions	39,295	16,803	19,997	22,980	27,098	33,936	46,108	56,175	64,041	73,022	83,290
Grants and subsidies	69,414	110,779	57,563	54,949	61,731	70,962	72,315	62,034	52,905	47,467	54,372
Other gains/(losses) [7]	192	187	188	189	191	192	193	194	192	196	195
	261,657	**324,921**	**344,926**	**121,663**	**103,947**	**84,915**	**68,093**	**103,196**	**71,380**	**68,475**	**58,651**
Total	**409,351**	**481,183**	**505,063**	**298,533**	**301,212**	**297,943**	**296,835**	**337,106**	**294,176**	**303,621**	**306,845**

Notes to table

1 The general rate will be assessed on the annual value of each rating unit and assessed differentially on different categories of land, as explained in the funding impact statement. In 2009/2010 the general rate also includes a uniform annual general charge of $250 per separately used or inhabited part of a rating unit.

2 The capital projects funded by the council's rates are in some years funded by debt, which is repaid by rates in later years.

3 The CBD targeted rate is $57 per residential unit in the CBD, and is a value-based rate for CBD non-residential properties.

4 Includes fees, sales and rents.

5 The council temporarily borrows to fund some of its expenditure, when there is a timing difference between when the council requires the funding for its expenditure and when it receives the revenue. The amount borrowed is repaid when the council receives the revenue.

6 Revenue from council-controlled organisations and subsidiaries is shown under the charitable receipts.

7 The council uses the term "other gains/(losses)" to refer collectively to funds received from the sale of assets and other minor funding sources.

General notes:

a. Under the council's current policy, capital expenditure is fully funded over 30 years, but may not necessarily balance in any particular year.
b. Negative numbers mean the council has spent fewer funds than are available for that particular year. All the unspent funding is accumulated for the following years.
c. These figures are projections, and the actual capital expenditure in any particular year may vary.

Sources of funding of capital expenditure for the council's activities

The following table sets out the sources of funding for capital expenditure, with respect to each of the council's activities. Part 1 of volume 2 provides more information about the revenue and financing policy for each activity.

Activities	General rates [1]	Targeted rates	Direct user charges	Depreciation	Borrowings and working capital	Charitable receipts	Development contributions	Grants and subsidies	Other gains/(losses) [2]
Economic development strategy									
AMETI	X				X		X	X	
Economic growth and development	X	X		X	X			X	
Lifestyle choices strategy									
Auckland Art Gallery	X			X	X		X	X	
Arts and cultural facilities and programme	X			X	X				
Events				X					
Marinas	X			X	X				
Recreation	X			X	X		X		
Auckland Zoo	X			X	X			X	

Activities	General rates [1]	Targeted rates	Direct user charges	Depreciation	Borrowings and working capital	Charitable receipts	Development contributions	Grants and subsidies	Other gains/(losses) [2]
Quality built environment strategy									
City Planning				X					
Development with Vision	X			X	X				
Management of development				X					
Stormwater network management	X			X	X	X	X		
Urban growth strategy									
Quality natural environment strategy									
Closed landfills management	X			X	X				
Parks	X			X	X		X		
Recycling services	X			X	X				
Strong and healthy communities strategy									
Community services	X			X	X		X		
Emergency management				X					
Libraries	X			X	X		X		
Environmental health and licensing				X					
Street environment and town centres	X			X	X				
Waste management	X	X			X				
Transport choices strategy									
Parking	X			X	X				
Transport infrastructure	X		X	X	X		X	X	
Efficient, capable and user-friendly council									
Efficient and capable council	X			X	X				X
Representation				X					

Notes to table

1 The general rate will be assessed on the annual value of each rating unit and assessed differentially on different categories of land, as explained in the funding impact statement. In 2009/2010 the general rate also includes a uniform annual general charge of $250 per separately used or inhabited part of a rating unit.

2 The council uses the term “other gains/(losses)” to refer collectively to funds received from the sale of assets and other minor funding sources.

Estimated average rates increases to 2018/2019

The council's focus for the next 10 years will be on creating affordable progress for the city that is in keeping with the economic times facing New Zealand. This will be achieved by carefully prioritising spending so that projects are completed sensibly, at a pace within our means. Affordable progress involves keeping average rates increases[4] over the next 10 years to less than, or equal to, the council's rate of inflation each year[5].

The following table shows the council's projected inflation rate and the projected rates increases from 2009/2010 to 2018/2019.

Year	Projected rate of inflation	Projected average rates increase[1]
2009/2010	2.5	2.0
2010/2011	2.5	2.5
2011/2012	2.5	6.1[2,3,4]
2012/2013	2.6	1.0[3,4]
2013/2014	2.6	2.5[4]
2014/2015	2.6	2.5[4]
2015/2016	2.7	2.6[4]
2016/2017	2.7	2.6[4]
2017/2018	2.7	2.4[4]
2018/2019	2.8	2.6[4]
Average	2.62	2.68

Notes to table

1 Excludes the impact of the growth in rating base, and CBD, Mainstreet and additional recycling services targeted rates.

2 The impact of new targeted rates in 2011/2012 is a 3.6 per cent increase in rates.

3 The council plans to introduce two new targeted rates to help fund council's operating costs for the Rugby World Cup 2011. This will result in a rates increase in 2011/2012 that is 1.6 per cent higher than council's projected rate of inflation. However, in 2012/2013 the rates increase will be 1.6 per cent lower than the council's projected rate of inflation.

4 The council will develop the Queens Wharf to provide public open space, international cruise ship terminal, as well as a number of other new activities and attractions. The cost of this development is currently budgeted at around $84 million dollars, which requires a rate increase of 2 per cent on top of the council's rate of inflation and the 1.6 per cent increase for the Rugby World Cup 2011. However, from 2012/2013 rate increases will be lower than council's rate of inflation.

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4 Excludes the impact of the CBD, Mainstreet, additional recycling services, and Rugby World Cup 2011 targeted rates.

5 The rate increase for 2011/2012 is greater than council's rate of inflation for that year to fund the development of Queens Wharf and council's operating costs for Rugby World Cup 2011. However, from 2012/2013 rate increases are projected to be lower than council's rate of inflation.

General rates funding versus user charges

The council believes that if an activity mainly benefits a particular person or group, then that person or group should contribute to the cost of that activity through some form of user charges. Where the whole community benefits from an activity, the council believes that all ratepayers should contribute to the cost through general rates.

However, sometimes fully funding an activity that provides benefit to individuals may place too great a burden upon them or create non-compliance issues. An example of this is setting consent fees too high, which could lead to other financial costs for the council. In these situations, the council uses both user charges and general rates to fund these activities. For activities that provide both individual and community benefits, the council also funds these activities from user charges and general rates.

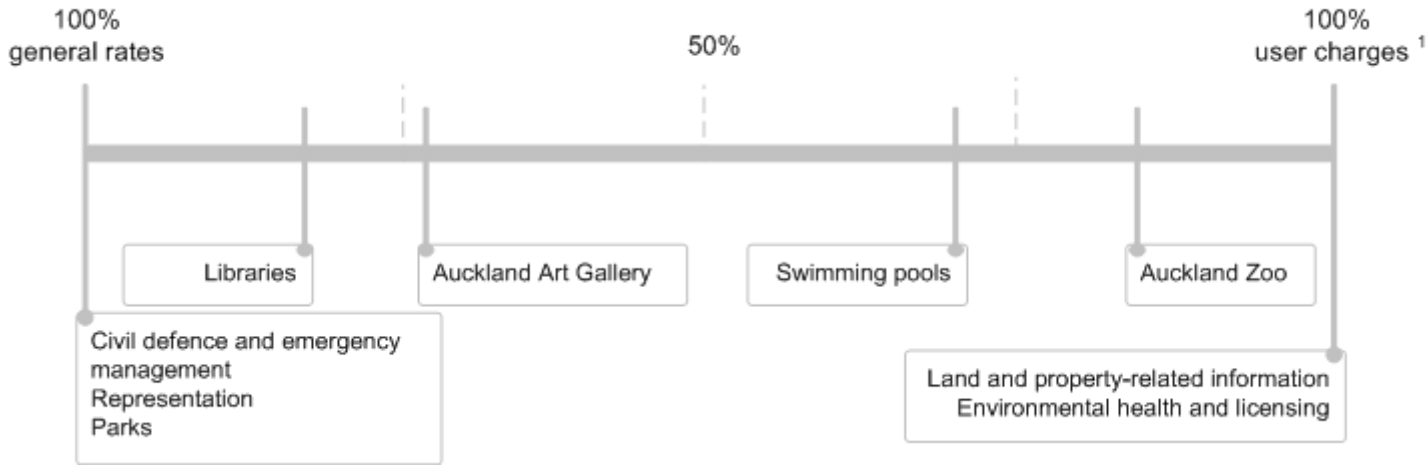
The council must consider these issues when determining the level of user charges or general rates funding for an activity.

To illustrate this process, the diagram below shows how operating expenditure for a few selected council services is funded. The examples chosen range from 100 per cent general rates funded to 100 per cent user charges funded.

The diagram is followed by a brief explanation of the funding sources for operating expenditure used for each of the activities shown in the diagram.

Volume 2 has more information about funding for all of the council's activities.

Summary of operating expenditure funding sources for selected council activities



Note

1 For this purpose, user charges include fees, charges, fines, penalties, targeted rates, financial contributions and development contributions. Some services are also funded from other sources such as grants, subsidies, sponsorship, borrowings, sales, leases, rent, revenue and interest and dividends. For this reason, placement on the continuum is approximate.

Examples of activities fully funded or almost fully funded from general rates

Civil defence and emergency management

Civil defence and emergency management benefits the entire community by ensuring the city is prepared for recovery in the event of a disaster, and is therefore entirely funded from the general rates.

Representation

Auckland City Council's representation activities are almost fully funded from the general rates. This is appropriate as the whole community benefits from the city having robust and transparent democratic processes, and from being able to take part in decision-making. The council receives a small amount of revenue from user charges for these activities and from a grant from central government.

Parks

People who use the parks gain a direct benefit from them, but it is not feasible or desirable to exclude people from parks. Therefore, Auckland City Council's parks activities are almost fully funded from the general rate. This is a practical and fair way of funding parks, as parks are open for everyone to use and enjoy.

Individuals and clubs are charged for using sports fields and other sports facilities, which is fair when they are reserving them for their exclusive use.

Charges also are applied to cemetery plots, which is fair as plot owners are essentially acquiring a piece of land within the cemetery.

Examples of activities fully funded or almost fully funded from user charges

Land and property-related information

Auckland City Council's land and property-related information activities are fully funded from user charges (fees charged for reports and other information). This is fair, as individuals requesting information from the council benefit directly from these services.

Environmental health and licensing

The council's environmental health and licensing is almost entirely funded from user charges, as individuals benefit from being granted licences for premises preparing food or selling alcohol.

Examples of activities that use a mix of general rates and user charges funding

Libraries

The majority of funding for Auckland City Council's libraries activities comes from the general rate as the council is not allowed to charge membership fees. This is a fair way of funding these services, as everyone in the city benefits from the education and recreation opportunities that libraries provide. Fees are charged for the libraries' non-core and specialised services, and for taking out best-sellers and items other than books (such as CDs and DVDs). Penalties and fines are also applied for lost and overdue items.

Auckland Art Gallery

Conditions relating to the MacKelvie Trust Collection restrict the council from charging entry fees to Auckland Art Gallery's own collection and displays. The majority of costs associated with these collections and displays are funded from general rates, although the council reduces the burden on ratepayers with revenue from other sources (see volume 2).

General rates are considered the best way to pay for most of the gallery's costs, given the benefits it provides for the public and the city as a whole, and the restrictions placed on user charges. Admission fees are charged for exhibitions from national and international collections, and these are an effective and transparent way of covering the costs of these exhibitions.

Swimming pools

The council's swimming pools are mainly funded from user charges as individuals benefit from using the facilities.

However, swimming pools also benefit the community by helping to improve health and well-being through physical exercise, and developing a sense of pride in the city. The council provides a subsidy to swimming pool operators to ensure that charges are affordable. It is appropriate to use the general rate to fund this subsidy, which reflects the broader community benefits that pools provide.

Auckland Zoo

Most of Auckland Zoo's funding comes from admission and membership fees, as visitors benefit from the experience. Fees are an efficient and transparent way to pay for Auckland Zoo's activities. However, they are set at a level to make a visit to Auckland Zoo affordable for most people, while raising a reasonable amount of revenue.

Auckland Zoo's wildlife conservation and education programmes provide a significant public benefit for the community. General rates are therefore a fair way to fund the public benefits Auckland Zoo provides and ensure that entry fees remain affordable for most people. General rates contribute around 18 per cent of the zoo's total revenue, which varies depending on how much revenue is raised from other sources.

Development contributions policy

1 Introduction

The Local Government Act 2002 enables Auckland City Council to require development contributions from developers to help fund the cost of new or expanded infrastructure, which is required to meet the additional demand created by growth. Auckland is growing rapidly and the council considers it appropriate for developers to pay a fair share of the costs of growth through development contributions. The council adopted its first development contributions policy in June 2005.

This policy covers development contributions for community amenities, stormwater, public space land acquisition, public space infrastructure and transport. These charges will apply to developments anywhere in the city from 1 July 2009 when the policy takes effect. This policy updates and replaces the policy adopted in 2008 as part of that year's amendments to the council's long-term plan.

The policy sets out the development contributions payable by developers, specifies how and when they are to be calculated and paid, and summarises the methodology and rationale used in calculating the level of contributions. It also includes a summary of the significant assumptions that the policy is based on.

The policy also includes, for information purposes only, a summary of the provisions in the council's district plan that relate to financial contributions.

1.1 Public inspection of contributions information

This development contributions policy forms part of Auckland City Council's 10-year plan 2009-2019 (the 10-year plan). An earlier draft policy formed the statement of proposal required to support public consultation on the development contributions policy and the 10-year plan. This met the requirements of the special consultative procedure, as set out in sections 83 and 84 of the Local Government Act 2002.

This policy, along with a supporting information pack, is available for public inspection at www.aucklandcity.govt.nz/developmentcontributions and the council's offices, service centres and libraries.

The council's district plan (which contains the council's detailed financial contributions provisions) can be inspected at the council's offices, service centres and libraries. You can also visit www.aucklandcity.govt.nz to see the three published sections of the district plan.

1.2 Revising the policy in the future

The development contributions policy and schedule will be reviewed as required, and at least once every three years, when the long-term plan is reviewed. See also section 12 of this policy.

2 Structure of this policy

This policy meets the requirements of sections 106, 201 and 202 of the Local Government Act 2002, which set out the information that a development contributions policy must contain. It includes the following sections:

- Section 1: Introduction
- Section 2: Structure of this policy
- Section 3: Schedule of charges
- Section 4: Definitions
- Section 5: General policy principles
- Section 6: Cost allocation
- Section 7: Cost recovery and units of demand
- Section 8: Assessment of demand and payments
- Section 9: Bringing the 2009 policy amendments into force (starting arrangements)
- Section 10: Summary of past projects with residual capacity
- Section 11: Key assumptions
- Section 12: Possible future changes to the policy
- Section 13: Summary of financial contributions provisions.

3 Schedule of charges

The development contributions payable for each unit of demand, on granting a building or resource consent, or on authorising certain service connections, are given below. The unit of demand used for each activity is the household unit equivalent, or HUE.

Area	Activity	Residential/ non-residential	Contribution per HUE (excluding GST)	Contribution per HUE (including GST)
Isthmus, central area and Hauraki Gulf islands	Community amenities	Residential developments only	$1,271.00	$1,429.88
Isthmus and central area	Public space land acquisition[1]	Residential developments only	$4,524.00 plus the equivalent value of 3.87m2 of the land being developed	$5,089.50 plus the equivalent value of 3.87m2 of the land being developed (plus GST)
Isthmus and central area	Public space infrastructure	Residential developments only	$7,060.00	$7,942.50
Isthmus and central area	Stormwater	Both residential and non-residential developments	$4,533.00	$5,099.63
Isthmus, central area and Hauraki Gulf islands (but excluding Wynyard Point[2])	Transport	Both residential and non-residential developments	$2,508.00	$2,821.50
Wynyard Point[2]	Transport	Both residential and non-residential developments	$8,740.00	$9,832.50

Notes to table

1 The per HUE charges for public space land acquisition are a uniform component, plus a component based on the value of the land being developed; see section 8.4 of this policy for details.

2 The western reclamation precinct, as defined in the operative central area section of the council's district plan, and any adjacent part of the coastal marine area that is included within the district of the council.

The HUE represents one typical household unit. For residential developments the number of HUEs will be based on the number of household units (or residential units, or allotments) created by the development. Residential developments anywhere in the whole isthmus are assessed for development contributions for all of the activities. Residential developments in the Hauraki Gulf islands are assessed for development contributions for community amenities and transport.

Non-residential developments anywhere in the whole isthmus will be assessed for development contributions for stormwater. Stormwater development contributions will be based on the amount of impervious area added to the site by the development. The equivalent number of HUEs is calculated based on one HUE representing 250m² of impervious area.

Non-residential developments anywhere in the city (including the Hauraki Gulf islands) will also be assessed for development contributions for transport. For the transport activity, the number of HUEs for non-residential developments will be based on the scale and nature of the development.

Development contributions will not be payable for normal residential extensions or alterations to existing dwellings, unless these create additional household units, or alter a feature that was used to claim an earlier reduction (e.g., by adding a second bedroom to a unit that previously paid the reduced rate for one-bedroom units).

More detail on the assessment of development contributions is provided in section 8 of this policy.

Financial contributions under the Resource Management Act 1991 may also be charged when consent is granted. For more information, refer to the appropriate section of the district plan. A summary of the financial contributions provisions is also included in section 13 of this policy.

4 Definitions

Activity

A good or service provided by the council (as defined by section 5 of the Local Government Act 2002), and the headings under which development contributions are collected. The assets for each activity will generally be in accordance with the appropriate asset management plans. For this policy, the activities are:

- community amenities
- public space infrastructure
- public space land acquisition
- stormwater
- transport.

Allotment

a) Any parcel of land under the Land Transfer Act 1952 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not:
   (i) the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted, under another act; or
   (ii) a subdivision consent for the subdivision shown on the survey plan has been granted under this act; or

b) Any parcel of land or building or part of a building that is shown or identified separately:
   (i) on a survey plan; or
   (ii) on a licence within the meaning of Part 7A of the Land Transfer Act 1952; or

c) Any unit on a unit plan; or

d) Any parcel of land not subject to the Land Transfer Act 1952.
(From: Resource Management Act 1991).

Authorised officer

An officer authorised by Auckland City Council's delegations register to carry out functions under this policy.

Catchment

An area of the city that is subject to development contributions.

Central area

The area covered by the central area section of the council's district plan.

Commercial development

A development providing for activities that are conducted in an office setting and that generally focus on business, government, professional, medical or financial services, and includes the personal service elements of these activities that are offered to consumers or clients.

This term is used when assessing non-residential developments for the transport activity.

Commercial accommodation development

A development providing accommodation in the form of a hotel, or motel, or otherwise on a per room basis.

This term is used when assessing non-residential developments for the transport activity.

Cost of growth

The part of the council's capital expenditure that is spent on reserves, network infrastructure or community infrastructure, which provides for future growth.

Development

As defined by section 197 of the Local Government Act 2002:

a) any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but

b) does not include the pipes or lines of a network utility operator.

Education development

A development providing for educational activities, including preschool, primary, secondary and tertiary institutions.

This term is used when assessing non-residential developments for the transport activity.

Gross floor area

Gross floor area (GFA) is the sum of the gross area of the several floors of all buildings on a site, measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two buildings or, in the absence of walls, from the exterior edge of the floor.

Except as otherwise provided, where floor-to-floor vertical distance exceeds 6m, the gross floor area of the building or part of the building so affected shall be taken as the volume of that space in cubic metres divided by 3.6.

In particular, gross floor area includes:

a) basement space, except as specifically excluded by this definition

b) elevator shafts, stairwells and lobbies at each floor unless specifically excluded by this definition

c) interior roof space providing head room of 2.4m or more, whether or not a floor has been laid

d) floor spaces in interior balconies and mezzanines

e) floor space in terraces (open or roofed), external balconies, porches and breezeways (a breezeway is a roofed outdoor area) where more than 50 per cent of the perimeter of these spaces is enclosed (except that a parapet not

higher than 1.2m or a railing not less than 50 per cent open and not higher than 1.4m shall not constitute an enclosure)

f) all other floor space not specifically excluded.

The gross floor area of a building shall not include:

- uncovered steps
- interior roof space having less than 2.4m head room
- floor space in terraces (open or roofed), external balconies, porches or breezeways, provided that not more than 50 per cent of the perimeter of these spaces is enclosed, and provided that a parapet not higher than 1.2m or a railing not less than 50 per cent open and not higher than 1.4m, shall not constitute an enclosure
- pedestrian facilities approved by the council and eligible for bonus floor spaces, as defined under the relevant development controls
- pedestrian circulation space
- space for stairs, escalators and elevators essential to the operation of a through-site link, whether or not that link qualifies for bonus floor space under the relevant rules
- space for stairs, escalators and elevators servicing a floor or that part of a floor used only for car parking or loading
- required off-street parking or loading spaces
- car parks in basement space (including manoeuvring areas, access aisles and access ramps)
- non-habitable floor space in approved structures
- any entrance foyer or lobby or part of it, including the void forming an integral part of it (being a primary means of access to a building), which is open to the public, is accessed directly from a public place and has an overhead clearance of not less than 6m.
  (From: isthmus section of the council's district plan)

Hauraki Gulf islands (area)

The area covered by the Hauraki Gulf islands section of the council's district plan.

Household unit

A building or group of buildings, or part of a building or group of buildings, that is:

- used, or intended to be used, only or mainly for residential purposes; and
- occupied, or intended to be occupied, exclusively as the home or residence of not more than one household.

To avoid doubt, any guest house or similar that is capable of being separately occupied is deemed to be a household unit.

HUE

Household Unit Equivalent. A unit of demand representing one average dwelling.

Industrial development

A development providing for activities in which goods are manufactured, fabricated, processed, converted, repaired, packaged, assembled, stored, distributed or serviced.

This term is used when assessing non-residential developments for the transport activity.

Isthmus (area)

The area covered by the isthmus section of the council's district plan.

Managed accommodation development

A development providing accommodation in the form of a boarding house, hospital or rest home, or otherwise on a per bed basis.

This term is used when assessing non-residential developments for the transport activity.

Mixed development

A development with aspects of both residential and non-residential development.

Multi-storey, multi-unit development

A development that has more than one storey and more than one residential unit on at least one storey, and in which access to the units on each level can be gained from one or more common corridors or similar access-ways.

Non-residential development

Any development that is not for residential purposes.

One-bedroom household unit

A household unit that has not more than two rooms, excluding a kitchen, laundry, bathroom, toilet or any room used solely as an entrance hall, passageway or garage. This includes studio apartments.

Residential development

A development that creates one or more household units or residential allotments. For the avoidance of doubt, any development, including commercial accommodation development and managed accommodation development, will be considered to be a residential development where it is residential in nature and where any of the following apply:

- it is likely to operate in such a way that the average stay exceeds 60 days
- it includes a unit title or similar subdivision of one or more residential units.

Residential unit

A building, a room or group of rooms used, or designed to be used, exclusively by one or more persons as a separate household unit.

(From: isthmus section of the council's district plan)

Retail development

A development providing for activities connected with the sale, lease or rental of new or used products or services to the general public. This includes shopping centres, supermarkets, food outlets and restaurants, entertainment facilities, garden centres and bulk retail (but not service stations).

This term is used when assessing non-residential developments for the transport activity.

Service station development

A development that provides for the retail sale of motor vehicle fuels (including petrol, diesel, LPG and CNG).

This term is used when assessing non-residential developments for the transport activity.

Ten-year cost of growth

The part of the cost of growth that relates to meeting the demand arising from growth within the 10-year planning period.

Whole isthmus (area)

The area included in the isthmus, together with the area included in the central area.

5 General policy principles

5.1 Aim of the development contributions policy

Auckland City Council intends that developers should bear an appropriate proportion, taking into account the considerations included in section 101(3) of the Local Government Act 2002, of the cost of increased infrastructure capacity provided to meet demand from growth, through paying development contributions that reflect this cost.

5.2 Use of development contributions as a funding tool

The cost of infrastructure to cater for growth is covered by rates, financial contributions and development contributions.

The council considers that it is appropriate to pass a fair and reasonable proportion of the cost of growth onto developers through the development contributions policy and through continued use of some financial contributions.

The council carried out a process called Future Auckland to identify community outcomes. These outcomes are set out in volume 1 of Auckland City Council's 10-year plan 2009-2019. The activities that the council will fund from development contributions all support the community outcomes in some way.

- Reserves (public space land acquisition) contribute significantly to: Auckland has successful neighbourhoods; Auckland is interesting and enjoyable; Aucklanders are healthy; and Auckland is clean and beautiful.
- Network infrastructure (transport and stormwater) contributes significantly to: Aucklanders have real transport choices; Auckland is clean and beautiful; Auckland is a great place for business; and Aucklanders are healthy.
- Community infrastructure (community amenities and public space infrastructure) contributes significantly to: Auckland has strong communities; Auckland is interesting and enjoyable; Aucklanders have opportunities to learn; Auckland has successful neighbourhoods; Auckland is creative and vibrant; and Aucklanders are healthy.

The council has carefully considered, for each activity, the matters included in section 101(3) of the Local Government Act 2002 as part of its evaluation and allocation of growth costs under this policy. In summary, using development contributions and some financial contributions to fund the growth costs for certain of these activities (rather than rates and a higher level of financial contributions) is considered to be appropriate for a number of reasons, including the following.

- Development contributions are fairer because they allocate growth costs to the section of the community that creates the need for the council to incur that expenditure, i.e. developers and new residents or occupants.
- Development contributions allocate growth costs to the growth community and new residents or occupants who will benefit from the new assets, or the assets of additional capacity, that are funded out of the contributions.
- Development contributions send clear signals to developers and the growth community about the true cost of growth.
- Growth costs can be properly apportioned over time, so that members of the growth community only pay for capacity that they use up.
- Development contributions allow growth-related capital expenditure in relation to particular activities to be funded distinctly from other expenditure on those activities, and from expenditure on other activities, and therefore provide transparency and accountability regarding the true costs of growth to Auckland City Council.
- Development contributions, as a dedicated growth funding source, offer more secure funding for community outcomes that are affected by growth.
- The council considers that using development contributions to fund the cost of growth-related capital expenditure for the activities covered by this policy will best advance social, economic, environmental and cultural well-being.
- Funding from rates, financial contributions and other funding sources is not sufficient to meet all the expected costs of growth and maintain existing service levels. The development contribution policy offers reasonable and sustainable funding for growth.

5.3 Activities that development contributions will be charged for

Development contributions will be charged for the following activities.

- Community amenities (community halls and centres, leisure facilities, libraries, cultural facilities). This is community infrastructure in terms of section 197 of the Local Government Act 2002.
- Public space land acquisition (principally for acquisition of public space land). This is reserves in terms of section 197 of the Local Government Act 2002.
- Public space infrastructure (principally for enhancement of public space). This is community infrastructure in terms of section 197 of the Local Government Act 2002.
- Stormwater. This is network infrastructure in terms of section 197 of the Local Government Act 2002.
- Transport. This is network infrastructure in terms of section 197 of the Local Government Act 2002.

5.4 Areas where development contributions will be charged

Development contributions will be charged throughout the whole of the council's district, including the areas covered by the central area section of the district plan and the Hauraki Gulf islands section of the district plan. However, not every type of development contribution charge will apply in every area. The details of which contributions apply in which parts of the city are shown in section 3 (Schedule of charges) and section 8 (Assessment of demand and payments).

6 Cost allocation

To calculate the maximum development contribution payable, the Local Government Act 2002 (section 106 and schedule 13) requires Auckland City Council to provide a methodology that identifies the total cost of capital expenditure incurred to provide for growth in the city (i.e. the cost of growth).

The council has developed a cost allocation framework, which sets out the cost allocation principles to be followed in deriving the cost of growth in a way that meets the requirements of the act.

Under this framework, individual cost allocation methodologies for each activity have been developed. These set out the cost of growth for each activity and consider what proportion of these costs it is appropriate to allocate to the growth community with reference to section 101(3) of the Local Government Act 2002.

The cost allocation framework and methodologies are included in the development contributions information pack (see section 1.1).

6.1 Cost allocation framework

The cost of growth for each activity is based on a set of common principles, which have been articulated in the cost allocation framework.

The framework sets out the two contexts in which the cost allocation is undertaken. These are the current growth situation in Auckland and the requirements of the Local Government Act 2002.

Within these contexts, the framework identifies five considerations: legislative constraints, equity, risk, economic efficiency and asset management. Under these considerations, a number of principles have been derived and have in turn been used to prepare each cost allocation methodology.

6.2 Cost allocation methodologies

Auckland City Council has developed a cost allocation methodology for each of the activities that development contributions will be charged for. These methodologies set out how the cost of growth is calculated and allocated. They also describe the key assumptions that apply to each activity, and show how the calculation is consistent with the cost allocation principles.

The following table shows unadjusted and adjusted figures for the 10-year cost of growth, based on capital expenditure for growth identified in the 10-year plan. These figures represent the amounts that the council seeks to recover through development contributions. These figures take account of recovery periods, inflation and interest as outlined in section 6.2.6.

The figures are likely to change in future versions of this policy. See section 12 of this policy for more information.

Activity	**10-year cost of growth ($m)**		
	Unadjusted cost (before adjusting for inflation and interest)	Inflated cost (after adjusting for inflation)	Present value (after adjusting for inflation and interest)[1]
Community amenities	20	22	17
Public space infrastructure[2]	127	140	96
Public space land acquisition[2]	124	130	106
Stormwater	80	126	40
Transport	173	224	104
Total	524	642	363

Notes to table

1 Present value figures enable a comparison between activities where expenditure occurs at different points in time.

2 Minor financial contributions revenue is expected for these two activities (depending on the outcomes for consents granted with financial contributions conditions). Revenue raised from either type of contribution will be spent in accordance with the requirements for that contribution.

6.2.1 Community amenities

The unadjusted cost of growth for community amenities over the next 10 years is currently estimated to be $20 million. The present value of the 10-year cost of growth, including the costs of inflation and adjustment for interest, is $17 million.

This has been evaluated from the proportion of the capital spend on the underlying assets that is considered to be growth-related. The capital spend has been based on a set of past projects that have residual capacity and on future projects. As each of these projects represents a significant investment in a single site, they typically include elements of renewal, shortfall, service-level improvement, and growth.

The cost allocation methodology for this activity involves, for each project:

- removing expenditure that is not part of the total cost of capital expenditure, or that is clearly not related to growth
- evaluating and removing that part of the cost related to any increase in the capacity of the given facility, which relates to providing for past growth (shortfall), based on population figures and level of provision statements
- evaluating and removing that part of the capital spend that relates to renewal, based on the state of the facility before and after the project
- evaluating and removing that part of the capital spend that relates to service-level improvement, based on the standard of the facility before and after the project.

A summary of the costs relating to past projects that have residual capacity (for this activity), which are included in the above cost of growth, is given in section 10 of this policy.

The allocation of costs for this activity includes consideration of the factors in section 101(3)(a) of the Local Government Act 2002, including the distribution of benefits and the extent to which certain groups contribute to the need to undertake this activity. In relation to section 101(3)(b) of the act, the council considers that using development contributions to fund part of this activity supports overall community well-being.

6.2.2 Public space infrastructure

The unadjusted cost of growth for public space infrastructure over the next 10 years is currently estimated to be $127 million. The present value of the 10-year cost of growth, including the costs of inflation and adjustment for interest, is $96 million.

To evaluate this cost of growth, a list has been prepared of the public space projects that need to be carried out to provide capacity for growth over the next 10 years, and then costs have been estimated for these projects. This includes an allowance for upgrading the new public spaces acquired under the public space land acquisition activity.

The evaluation is based on how various types of public space need to be managed and improved to handle increased demand from growth. The capacity of the public space network may be improved in a number of ways, including:

- supporting a higher number of users (e.g., providing facilities, changing surfaces, demarcating areas)
- accommodating longer use, whether each day or throughout a season (e.g., lighting, drainage, sand carpets)
- allowing shorter downtime or faster recovery from use (e.g., drainage, paths, special sports surfaces)
- educating users (e.g., to stay on tracks on sensitive soils, signs, interpretation)
- improving accessibility (e.g., pedestrian bridges and linkages, signage)
- acquiring wharves to be used as public space.

To ensure only growth-related costs are captured, the list of projects does not include renewals, projects to address existing gaps (shortfall), non-growth projects (e.g., the volcanic cones projects) and projects that are directed at service-level improvement (e.g., those for increasing safety standards at existing playgrounds to meet updated safety requirements).

The allocation of costs for this activity includes consideration of the factors in section 101(3)(a) of the Local Government Act 2002, including the distribution of benefits and the extent to which certain groups contribute to the need to undertake this activity. In relation to section 101(3)(b) of the act, the council considers that using development contributions to fund part of this activity supports overall community well-being.

6.2.3 Public space land acquisition

The unadjusted cost of growth for public space land acquisition over the next 10 years is currently estimated to be $124 million. The present value of the 10-year cost of growth, including the costs of inflation and adjustment for interest, is $106 million.

To evaluate this cost of growth, a list was compiled of sites that would be targeted for acquisition over the next 10 years to cater for the increased demand for public space arising from growth. The cost of growth given above is the expected cost of acquiring these sites, based on an assessment of their market value. The list of sites was assembled after considering:

- suitable stand-alone sites (e.g., large, flat, few buildings, location)
- sites neighbouring existing reserves, offering better access to or use of that reserve
- sites that can serve expected growth areas
- sites in the central area, including waterfront sites.

The acquisition list excludes esplanade reserves, land used to replace existing reserves that are taken up by major road or other projects, land vested or acquired in connection with larger developments or exchanged with other parties, and the non-growth portion of land needed to fill in gaps in the public space network.

As this list is growth driven from the outset, it has not generally been necessary to allocate its costs between the different expenditure types. Costs relating to service-level improvements, non-growth-related acquisitions, and acquisitions to rectify existing shortfalls in the parks network are already excluded.

The allocation of costs for this activity includes consideration of the factors in section 101(3)(a) of the Local Government Act 2002, including the distribution of benefits and the extent to which certain groups contribute to the need to undertake this activity. In relation to section 101(3)(b) of the act, the council

considers that using development contributions to fund part of this activity supports overall community well-being.

6.2.4 Stormwater

The unadjusted cost of growth for stormwater over the next 10 years is currently estimated to be $80 million. The present value of the 10-year cost of growth for stormwater, including the costs of inflation and adjustment for interest, is $40 million.

The council's stormwater capital programme is based on the outcomes of the drainage strategic review, as discussed in detail in the council's water and sanitary services assessment. The review recommended that the stormwater capital programme should focus on developing network infrastructure to address the expected growth and intensification of the city by:

- taking better account of the identified areas of change; and
- addressing existing flooding problems.

In calculating the cost of growth for stormwater, a top-down approach has been used. Under this approach, the cost of growth is evaluated by:

- estimating the total capital works required to upgrade and extend the existing network so that it provides a full stormwater network, and
- estimating the proportion of this work that relates to growth, then
- calculating the per-unit cost of growth.

The 10-year cost of growth is then assessed by considering how the 10-year period relates to expected growth and expected expenditure over the period of delivery of the full stormwater network.

A stormwater capital expenditure project will increase the capacity of stormwater infrastructure to cope with growth, and help to remedy flooding problems. After recognising both these aspects, and the way they have been reflected in the capital programme, the growth proportion has been estimated to be 46 per cent of the total cost of stormwater capital works (excluding renewals work and projects to improve stormwater quality). This, with the planned capital programme (and factoring in the expected number of units of demand), yields a cost of growth estimate of $8.0 million per year.

The allocation of costs for this activity includes consideration of the factors in section 101(3)(a) of the Local Government Act 2002, including the distribution of benefits and the extent to which certain groups contribute to the need to undertake this activity. In relation to section 101(3)(b) of the act, the council considers that using development contributions to fund part of this activity supports overall community well-being.

6.2.5 Transport

The cost of growth for transport over the next 10 years is currently estimated to be $173 million. The present value of the 10-year cost of growth, including the costs of inflation and adjustment for interest, is $104 million.

This has been evaluated, based on the proportion of the capital spend on the underlying assets that is considered to be growth-related, for:

- capital projects, including the council's expenditure in relation to the Auckland-Manukau Eastern Transport Initiative
- the reseal and pavement treatment programmes
- the works proposed in connection with the redevelopment of Wynyard Point.

The capital projects part of the evaluation is based on a set of projects that provide increased capacity in the transport network. Each of these projects typically includes elements of renewal, shortfall, service-level improvement and growth.

The cost allocation methodology for this activity involves, for each project:

- removing expenditure that is not part of the total cost of capital expenditure, or that is clearly not related to providing capacity for growth
- evaluating and removing those parts of the project cost that are related to renewal or service-level improvement

- evaluating and removing the part of the project cost that is related to increasing the capacity of the network to provide for past growth (shortfall)
- accounting for other funding sources, to ensure that only the growth expenditure funded by the council is included in the cost of growth to be recovered through development contributions.

The reseal and pavement treatment part of the cost of growth is based on the component of the cost of these programmes that relates to increased trips. Over the life cycle of these assets, this proportion has been evaluated as 9.5 per cent.

The cost of growth related to the transport works planned as part of the development of Wynyard Point has been evaluated using the same methodology as for other capital projects. However, as the objective of the planned works is to provide additional capacity to allow for the increase in trips to and from Wynyard Point caused by development in that area, and as development in this area will be the primary beneficiary of these works, the council considers it appropriate to allocate a proportion of the growth costs for these works specifically to a Wynyard Point catchment.

Based on information from traffic modelling, assuming development to the highest likely levels, and taking account of developments consented prior to 2006 (where the associated costs are excluded from the cost of growth), 61 per cent of the growth costs for the Wynyard Point transport works has been allocated to the Wynyard Point catchment. The charge for Wynyard Point developments also includes their share of the cost of growth for works across the whole isthmus, to recognise that new development within Wynyard Point will generate additional demand on the city's wider transport network.

The remaining 39 per cent of the growth costs for the Wynyard Point transport works has been allocated to development in the remainder of the city. This reflects the impact that growth elsewhere in Auckland city has on the need for those works, and reflects the benefits that those works will have for the growth community across the whole city.

The allocation of costs for this activity included consideration of the factors in section 101(3)(a) of the Local Government Act 2002, including the distribution of benefits and the extent to which certain groups contribute to the need to undertake this activity. In relation to section 101(3)(b) of the act, the council considers that using development contributions to fund part of this activity supports overall community well-being.

6.2.6 Taking into account the costs of finance and revenue from interest

Where relevant, revenue from interest and the costs of finance are included in the cost of growth calculation and reflected in the development contribution charges.

The approach used bases the cost of growth on the inflation adjusted value of a project at its programmed construction date. Equity of development contribution charges across time is ensured by modelling both expenditure and revenue over the relevant period (which is typically 10 years, except where the council has committed expenditure over a longer period, or a given project or programme will provide capacity for more than 10 years). The per HUE charges for each year are modified to account for inflation (or, in the case of the Wynyard Point transport charges, to account for present values). This means that growth costs are spread appropriately over the relevant time.

Present value figures have been used to describe the cost of growth, including finance and inflation costs, as this ensures a like-with-like comparison between activities that have different timings for their expenditure.

The allocation of these costs included consideration of the factors in section 101(3)(a) of the Local Government Act 2002. In relation to section 101(3)(b) of the act, the council considers that using development contributions to fund part of these costs supports overall community well-being.

7 Cost recovery and units of demand

As part of charging development contributions, the Local Government Act 2002 (schedule 13) requires the council to attribute the cost of growth to units of demand that are related to the impact of growth.

To meet this requirement, the council has developed a cost recovery framework, which sets out the cost recovery principles to be followed in determining appropriate units of demand and apportioning the cost of growth to each unit.

Under this framework, the council has developed individual cost recovery methodologies for each activity, which establish the unit of demand for each activity. The cost recovery framework and methodologies are included in the development contributions information pack (see section 1.1).

7.1 Cost recovery framework

The choice of the unit of demand, and the approach that is chosen to attribute the cost of growth to these units for each activity, is based on a set of common principles, which are articulated in the cost recovery framework.

The framework sets out the two contexts in which the cost recovery is undertaken. These are the current growth situation in Auckland, and the requirements of the Local Government Act 2002.

Within these contexts, the framework identifies four considerations: legislative constraints, equity, administrative efficiency and effect on growth. Under these considerations, a number of principles have been derived and have in turn been used to guide and assess each cost recovery methodology.

The unit of demand for all activities and all developments is the household unit equivalent (HUE). The cost recovery methodologies describe how the growth costs for each activity are attributed to different types of developments, using HUEs in each case.

7.2 Cost recovery methodologies

7.2.1 Community amenities

This policy provides for development contributions for community amenities to be charged only on residential developments. The number of HUEs will be assessed from the number of additional household units (or allotments or residential units). This may be revised in future, as further information on non-residential demands for these types of facilities becomes available.

Some elements of the growth-related spending and revenue collection, which the council currently has planned for this activity, will continue through to 2021.

7.2.2 Public space infrastructure

This policy provides for development contributions for public space infrastructure to be charged only on residential developments. The number of HUEs will be assessed from the number of additional household units (or allotments or residential units). This may be revised in future as further information on non-residential demands for public space becomes available.

Some elements of the growth-related spending and revenue collection, which the council currently has planned for this activity, will continue through to 2027.

7.2.3 Public space land acquisition

This policy provides for development contributions for public space land acquisition to be charged only on residential developments. The number of HUEs will be assessed from the number of additional household units (or allotments or residential units). This may be revised in future as further information on non-residential demands for public space becomes available.

The charge for this activity is a blended charge, which includes both a uniform charge component and a land value based component. Under this approach, $61 million of the unadjusted growth costs for public space acquisitions that provide for citywide demand will be allocated on a whole isthmus basis and recovered as a uniform charge per HUE. The remaining $63 million of

unadjusted growth costs will be recovered based on the value of land, to maintain a relationship between the charge and the cost of providing public space in the vicinity of the development. This is discussed further in section 8.4.

Some elements of the growth-related spending and revenue collection, which the council currently has planned for this activity, will continue through to 2027.

7.2.4 Stormwater

Development contributions for stormwater will be charged on both residential and non-residential developments.

For residential developments, the number of HUEs will be assessed from the number of additional household units (or allotments or residential units).

For non-residential developments, the number of HUEs will be estimated from the additional impervious area added by the development. This approach has been chosen because it is appropriate to stormwater, and because the large possible range of impervious areas that may be added by this kind of development has made the averaging approach used for residential developments less equitable.

The assessment of the number of HUEs for a non-residential development is based on the impervious area added by an average dwelling, estimated at 250m². The charge per square metre of impervious area added is therefore (on average) equivalent between residential and non-residential developments.

Some elements of the growth-related spending and revenue collection, which the council currently has planned for this activity, will continue through to 2043.

To reflect the wider aims of the council's drainage strategic review, a partial rebate of the stormwater charges is available for sites that incorporate appropriate onsite stormwater management and re-use (see section 8.14.1).

7.2.5 Transport

Development contributions for transport will be charged on both residential and non-residential developments.

For residential developments, the number of HUEs will be assessed from the number of additional household units (or allotments or residential units).

For non-residential developments, the number of HUEs will be estimated from the scale and nature of the development. The assessment of the number of HUEs for a non-residential development is based on a number of development types, which are defined in section 4.

This approach has been chosen because it is appropriate to transport, and reflects current understandings of the different transport-demand generating characteristics that various non-residential land uses have. The following daily trip rates, which are used to assess the number of HUEs that a given non-residential development represents, have been compiled from relevant New Zealand and international sources. The corresponding HUE conversion factors are given in section 8.2.

Type of development	Unit	Daily trips per unit
Residential	Household	9
Commercial accommodation	Room	5
Managed accommodation	Bed	5
Retail	100m² gross floor area	34
Service station	100m² gross floor area	320
Industrial	100m² gross floor area	5
Commercial	100m² gross floor area	11
Education	Student	2

Some elements of the growth-related spending and revenue collection, which the council currently has planned for this activity, will continue through to 2032.

8 Assessment of demand and payments

This section sets out the process for assessing development contributions, the rules about payment and other administrative details.

Development contributions will be assessed on all applications for building consents, land use (resource) consents, and subdivision (resource) consents. Development contributions will also be assessed, in certain circumstances, on service connections.

The assessment will be made against the first consent application that is lodged for a development.

A reassessment will be made on every subsequent consent application. The reassessment will take into account the number of units of demand previously assessed and determine whether the development still generates the same number of units of demand. This will ensure that the final development is not over-charged or under-charged.

Each assessment will be in terms of the policy that applies to the corresponding consent (refer section 9), and take account of actual credits that are available at the time that assessment is carried out (refer section 8.3). Where a development becomes subject to assessments under more than one version of this policy, then the assessment under the most recent version of this policy shall prevail for the development as a whole.

This shall, however, be without prejudice to any rights the council may have under section 208 of the Local Government Act 2002 in relation to contributions under an earlier assessment that remained unpaid.

The process for assessing the development for a development contribution payable follows.

8.1 Step one: Assessing whether the application is a development and whether development contributions are required

Residential and non-residential consent applications (and applications for service connections) will be assessed to decide whether development contributions are required, i.e. whether the criteria set by the Local Government Act 2002 are met. This involves asking whether:

a) the application involves a development as defined in section 197 of the Local Government Act 2002 (in particular, any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure)

b) the development will, either alone or in combination with other developments, require the council to incur capital expenditure on new assets or assets of increased capacity (section 199 of the Local Government Act 2002)

c) a contribution for the development is required under this policy (section 198(2) of the Local Government Act 2002).

The types of consent and service connection applications that generate demand, which the council then translates into HUEs, are set out in table 8.1.1 and in sections 8.2 and 8.3.

Table 8.1.1 The relationship between consents and demand

Type of consent	Demand typically generated for	Typically requires the council's expenditure on
Residential consent: a building, land use or subdivision consent application that indicates that one or more household units, residential units or allotments will be created	Reserves Community infrastructure Network infrastructure	Community amenities Public space infrastructure Public space land acquisition Stormwater Transport
Non-residential consent: a building, land use or subdivision consent application that indicates (in relation to a particular use) that additional impervious area, gross floor area, rooms or beds will be added, or that additional students will be provided for, or additional trips will arise	Network infrastructure	Stormwater Transport

8.2 Step two: Assessing the number of units of demand

Applications relating to both residential and non-residential developments will be assessed for the number of units of demand that they generate, although the process may differ depending on whether the development is predominantly residential or non-residential. Mixed consent applications (e.g., for residential and commercial) will be assessed under the rules that apply for each of those types of development (where necessary).

Combined consent applications (e.g., for land use and subdivision) will be assessed under the rules that apply for each of those types of consent (where necessary).

The following tables show the number of units of demand that will be generated for each activity from a development.

8.2.1 Residential developments: consents

Building consent application: Where an application for a building consent indicates that one or more household units will be constructed, then every additional household unit will generate the following HUEs.

Land-use consent application: Where an application for a land-use (resource) consent indicates that one or more residential units will be created, then every additional residential unit will generate the following HUEs.

Subdivision consent application: Where an application for a subdivision (resource) consent indicates that one or more allotments will be created, then each additional allotment beyond the number existing before the subdivision, in each case counting only those intended or capable of supporting residential development, will generate the following HUEs.

Community amenities (excluding one-bedroom household units)	1.0 HUE
Community amenities (one-bedroom household units)	0.7 HUE
Stormwater (excluding multi-storey, multi-unit developments)	1.0 HUE
Stormwater (multi-storey, multi-unit developments[1])	1.0 HUE per residential unit (on one floor)
Public space infrastructure (excluding one-bedroom household units)	1.0 HUE
Public space infrastructure (one-bedroom household units)	0.7 HUE
Public space land acquisition (excluding one-bedroom household units)	1.0 HUE
Public space land acquisition (one-bedroom household units)	0.7 HUE
Transport (excluding one-bedroom household units)	1.0 HUE
Transport (one-bedroom household units)	0.7 HUE

Note to table

1 For multi-storey, multi-unit developments, the number of units of demand for stormwater development contributions will be based on the number of household units, residential units or allotments (as appropriate) on any one level of the development, selected so that the maximum number of HUEs results.

8.2.2 Non-residential developments: consents

Building, land use and subdivision consent applications: where an application for a building consent, a land use (resource) consent, or a subdivision (resource) consent indicates (in relation to a particular use) that additional impervious area, gross floor area, rooms or beds will be added, or that additional students will be provided for, or additional trips will arise, then the following HUEs will be generated:

Stormwater[1]	0.004 HUE per 1m² of added impervious area
Transport (for a commercial accommodation development)[2]	0.56 HUE per additional room
Transport (for a commercial development)[2]	1.22 HUE per 100m² of additional gross floor area
Transport (for an education development)[2]	0.22 HUE per additional student provided for
Transport (for a service station development)[2]	35.56 HUE per 100m² of additional gross floor area
Transport (for an industrial development)[2]	0.56 HUE per 100m² of additional gross floor area
Transport (for a managed accommodation development)[2]	0.56 HUE per additional bed
Transport (for a retail development)[2]	3.78 HUE per 100m² of additional gross floor area
Transport (for any non-residential development not falling into one of the above categories)	0.11 HUE per additional daily trip generated

Notes to table

1 A mixed development will be assessed for the stormwater activity (for any part where the residential and non-residential aspects share a common footprint) based on the maximum of the residential or non-residential number of HUEs.

2 See definitions in section 4. The assessment of the number of HUEs for transport will be based on the use of each particular part of the development (where necessary).

8.2.3 Residential and non-residential developments: service connections

Where an application is made for a service connection for a development that:

- does not and did not require a building consent or a resource consent from the council; and
- generates a demand for reserves, network infrastructure or community infrastructure; and
- requires a service connection to a service provided by or on behalf of the council,

then development contributions, for all activities, will be assessed before that service connection is authorised. This assessment will be in terms of section 8.2.1 and 8.2.2, or where those sections are not appropriate, section 8.10.

8.2.4 Subdivision around historic development

Where an allotment being subdivided includes or comprises more than one household unit, then each of those household units (beyond the first one) which were approved for construction before 15 November 1999 will be treated as a historic credit when assessing the number of additional allotments for that subdivision consent.

To avoid doubt, such credits are available only where each relevant household unit:

- was lawfully established and on the same site (and the applicant can demonstrate this, and the dates involved); and
- would now be subject to development contributions.

8.2.5 Zero stormwater impacts

Where a development is shown to generate zero additional impact on the public stormwater network, even under extreme storm conditions, then no development contributions for stormwater will be assessed on that development. Where a developer requests a special assessment (under section 8.10) on this basis, that request must also identify a suitable mechanism for ensuring that the impact will remain at zero in perpetuity.

8.3 Step three: Assessing credits

In some cases, credits can be used to reduce the development contribution that is payable.

Credits are recognition of previous contributions (either financial contributions or development contributions) that have already been paid or otherwise met, and of situations where the contribution to growth of a development is less than the assessment of units of demand indicates.

Credits can be expressed in units of demand or in dollars. Where they are expressed in units of demand, the assessment of the number of units of demand (HUEs) created by a development can be reduced by the number of credits available. Where credits are expressed in dollars, the development contributions charge for a development can be reduced by this amount.

Credits will not be refunded, and can only be used for developments on the same site and for the same activity. Credits cannot be used to reduce the number of units of demand, or the amount payable, to less than zero.

There are two types of credit, actual and historic.

8.3.1 Actual credits

Actual credits will be awarded for contributions that have previously been paid or assessed for the same development, on an activity-by-activity basis. This gives effect to recent case law, which states that development contributions may not be imposed for a particular activity where a financial contribution has already been imposed on the same development for the same purpose.

Actual credits arising from one type of consent can be used to reduce the charges assessed in relation to another type of consent for the same development.

Previous payment	Development contributions credits available	Credits expressed in
Financial contributions paid or assessed (refer to section 200 of the Local Government Act 2002)		
Open spaces (in cash or as land or easements accepted by the council)	For public space land acquisition and public space infrastructure (with the financial contribution assessment applied independently against both of these development contributions activities)	Units of demand
Stormwater	For stormwater	Units of demand
Development contributions paid – these credits are only available when previous contributions have actually been paid or secured by way of a bond in terms of section 8.6.1 of this policy, by the assessment date.		
Any activity	For that activity	Units of demand

8.3.2 Historic credits

Historic credits will be awarded in situations where previous structures on the site or uses of the site imply that the current development is not contributing to growth to the extent that the assessed number of units of demand implies.

Historic credits will be awarded for the following.

- Household units that were removed less than five years before the consent application was accepted for lodgement (credit is available for all activities).
- Impervious area on the subject site that was removed less than five years before the consent application was accepted for lodgement. This only applies to development contributions for the stormwater activity and to non-residential developments.
- Gross floor area of any building on the subject site that was removed less than five years before the consent application was accepted for lodgement. This only applies to development contributions for the transport activity and to non-residential developments.
- Rooms, beds, or provision for students on the subject site that were removed less than five years before the consent application was accepted for lodgement. This only applies to development contributions for the transport activity and to non-residential developments.
- Voluntary amalgamation of lots by the owner less than 10 years before the consent application was accepted for lodgement. The credit will be based on the number of lots amalgamated and each one's suitability for relevant forms of development (credit is available for all relevant activities).

In the context of section 8.3.2, removed also includes demolished or converted.

The prior element for which credit is claimed must have been lawfully established and on the same site in each case. Proof of this, and the dates involved, rests with the applicant before any credits will be given. In all cases, credits will only be given to the extent that the prior element would now be subject to development contributions.

Credits from existing non-residential uses can be used against charges from proposed residential uses, and vice versa. The credits and charges will be calculated for each type of development in terms of the rules in sections 8.1, 8.2 and 8.3.

8.3.3 Credits on subdivision

Credits that arise in connection with a subdivision can be allocated among the allotments that result from that subdivision. This allocation has no impact on the charges assessed in relation to the subdivision itself.

8.4 Step four: Calculating development contributions charges

The assessed number of units of demand for each activity, adjusted for any credits, is then multiplied by the per unit charge for that activity (for the appropriate catchment) to give the development contributions charge for that activity. All charges added together give the total development contributions payable (subject to any dollar credits or remissions, and GST).

The development contributions schedule in section 3 of this policy shows the charges that apply for each unit of demand for each activity.

The charge for public space land acquisition depends in part on the value of the land being developed or of the allotments being created. The process for calculating that charge is set out in section 8.4.1.

8.4.1 Calculating public space land acquisition charges

Development contributions for public space land acquisition are assessed based on the lesser of either:

a) the blended charge specified below, or

b) the cap imposed by section 203(1) Local Government Act 2002. Note that the cap imposed by the act is only expected to determine the contribution payable for sites where the land value is particularly low.

The calculations for these are set out below.

a) the blended charge (for each HUE, excluding GST) is the sum of:

   (i) a uniform charge of $4,524, and

   (ii) a charge based on the value equivalent of 3.87m^2 of the land being developed.

This charge will apply both to consent applications that will create new allotments (typically, subdivision consents) and consent applications that create new household units (typically, building and land use consents).

b) the cap set by section 203 of the Local Government Act 2002 requires that development contributions for reserves must not exceed the greater of:

   (i) 7.5 per cent of the value of the additional allotments created by a subdivision, and

   (ii) the value equivalent of 20m^2 of land for each additional household unit created by the development.

The cap for consent applications that will create new allotments (typically, subdivision consents), is set out in b)(i) above. As it will not generally be possible to identify the additional allotments created by a subdivision, the value of the additional allotments will (where necessary) be calculated based on the average value (the mean) of all post-development allotments intended or capable of supporting residential development.

The cap for consent applications that create new household units (typically, building and land use consents) is set out in b) (ii) above.

For developments that include both types of consent, the higher of the cap set under b) (i) or b) (ii) will prevail for the development as a whole. This will be handled by calculating the contribution for each type of consent individually. This will apply even where both types are processed simultaneously, or as a single application.

8.4.2 Assessment of land value

The assessment of the land value will be based on the GST inclusive market value of the land being developed:

- in its developed state (that is, with the rights and configuration given to the land by the consent being considered, and by any previous consents)
- as assessed not more than 12 months before the contribution is paid
- on a freehold (not leasehold) basis.

The land value used to assess the charges for the public space land acquisition activity will be capped at a maximum of $4725 (including GST) per square metre.

8.5 Step five: Applying remissions

Remissions may be deducted from the development contributions charge payable. Remissions are dollar reductions in the amount of a development contribution. These will only be given in the circumstances below.

8.5.1 Public space where useful public access is provided

Where a development provides for permanent access to public space that is useful to the public, the value of that access may form the basis for a remission for development contributions for public space land acquisition and public space infrastructure. Such remissions will be at the discretion of an authorised officer.

8.6 Payment due dates and enforcement

Development contributions shall be payable on the granting of a resource consent or building consent or authorisation of a service connection. The final date for payment shall be as follows.

- For a resource consent (for subdivisions): prior to release of the certificate under section 224(c) of the Resource Management Act 1991 (the 224c certificate), or where no 224c certificate is required, on uplift of the survey plan.
- For a resource consent (other): on uplift of the building consent, or where no building consent is required or it has already been issued, on uplift of the resource consent.
- For a building consent: on uplift of the consent.
- For an authorisation for a service connection: on uplift of the authorisation.

Where necessary, these different requirements will apply even when two types of consent are processed simultaneously, or as a single application.

Bonding is available for development contributions as set out in section 8.6.1. No other provision for postponement of payment is available.

If a development contribution is not paid, then the council shall withhold the relevant 224c certificate, code compliance certificate or service connection, or may prevent the commencement of a resource consent. In any such situation, the council may also register unpaid development contributions as a charge on the title to the land involved, under the Statutory Land Charges Registration Act 1928.

8.6.1 Bonding for development contributions

Bonding is available for development contributions over $50,000 at the discretion of an authorised officer.

Bonds will:

- only be accepted where the bond is guaranteed by a registered bank
- be for a maximum period of 24 months, subject to later extension as agreed by an authorised officer
- have an interest component added, at an interest rate of 2 per cent per annum above the Reserve Bank official cash rate on the day the bond document is prepared. The bonded sum will include interest, calculated on the basis of the maximum term set out in the bond document
- be based on the GST inclusive amount of the contribution.

If the discretion to allow a bond is exercised, all costs for preparation of the bond documents will be met by the applicant.

8.7 Form of payment

Development contributions shall be paid in the form of land, cash or a combination of these. The form of payment may be subject to negotiation, but final discretion remains with the council. Land may be taken in respect of any activity.

8.8 Goods and services tax

Once the development contributions calculations are complete, GST will be added to the final invoice as required by the Goods and Services Tax Act 1985.

Land taken as a development contribution will be zero rated in accordance with that act.

8.9 Review request

Where there are concerns that a development contribution assessment may be incorrect, or inconsistent with the adopted policy, an administrative re-check of the calculations will be made available.

8.10 Special assessment

Developments that have exceptional features, which mean that their demands on the city's infrastructure are not well represented through the assessment procedure set out in this policy, may be subject to a special assessment at the discretion of an authorised officer.

Size alone does not indicate that a special assessment is appropriate, but a minimum threshold, under which special assessments will not be considered, may be used.

8.11 Private development agreements

Where it is in the best interests of all parties, Auckland City Council may enter into a private development agreement with a developer. This agreement must clearly state the departures from the standard processes and calculations, and the reasons for these differences.

All costs for preparation of the private development agreement document will be met by the applicant.

8.12 Refunds

Development contributions already paid will be refunded (where taken as money) or returned (where taken as land) to the consent holder or to his or her personal representative (less reasonable administration costs), on written request from that person, in the following circumstances.

- The consent lapses or is surrendered.
- The development or building for which the consent was granted does not proceed.
- The council does not provide the reserve, network infrastructure or community infrastructure for which the contribution was required.
- A previous overpayment has been made (for whatever reason).

8.13 Treatment of developments carried out by the council

Developments carried out by the council will be subject to development contributions, except for any development contributions that are for the same activity as the development itself.

8.14 Rebates

8.14.1 Rainwater tank rebate

This applies when a development provides for stormwater management and re-use in a way that meets the requirements of the Development Contributions Rebate Programme for Rainwater Tanks (Stormwater) manual. Once the development is complete, the developer may apply for a partial rebate of any development contributions paid for the stormwater activity.

That application must confirm that the development has been completed and that the requirements of the manual have been met. The rebate will be calculated at $1000 (excluding GST) per HUE. The number of HUEs for which the rebate will be paid will be the lower of:

- the number of HUEs in the development for which development contributions for stormwater have been paid
- the number of HUEs that are participating in the stormwater management and re-use.

The rainwater tank rebate will not be taken into account when the consent application is assessed for development contributions, as it is only available once the development has been completed.

9 Bringing the 2009 policy amendments into force (starting arrangements)

This section sets out when the 2009 amendments to the development contributions policy come into force. It does not relate to other parts of the policy that were adopted in previous development contributions policies and that have had full force and effect on consents accepted for lodgement on or after 1 July 2005.

Development contributions are assessed on all applications for consent that meet the criteria set out in section 8.1. The treatment of each consent application will be governed by when that consent application was accepted for lodgement by Auckland City Council, as shown in the following table.

Date consent accepted for lodgement	Treatment
Before 1 July 2009	Subject to financial contributions and development contributions as provided for in the development contributions policy adopted in 2008 as part of the 2006-2016 long-term plan
On or after 1 July 2009, where the development was not under way before 1 July 2009	Subject to full financial and development contributions as provided for in this policy
On or after 1 July 2009, where the development was under way before 1 July 2009 in areas covered by the Isthmus and central area sections of the district plan	Subject to full financial and development contributions as provided for in this policy
From 1 July 2009 to 31 December 2009 (inclusive), where the development was under way before 1 July 2009 and is in the area covered by the Hauraki Gulf islands section of the district plan	Subject to financial contributions and development contributions, as provided for in the development contributions policy adopted in 2008 as part of the 2006-2016 long-term plan
On or after 1 January 2010 (anywhere in the city)	Subject to full financial and development contributions as provided for in this policy

For the purposes of this section, a development was under way before 1 July 2009 if either of the following applies:

- One or more consent applications (which were subject to financial contributions or development contributions under an earlier policy) for the same development had been accepted for lodgement before 1 July 2009, and have not lapsed.
- For non-residential developments only, one or more consent applications for the same development had been accepted for lodgement before 1 July 2009, and either have not yet been granted, or were granted on or after 1 July 2004, and have not lapsed.

To avoid doubt, where a consent relates to a stage of a development (stage A) other than one for which a financial contribution or development contribution under an earlier policy was required (stage B), full development contributions as provided for in this policy may be required for stage A.

All financial contributions provisions in the three sections of the district plan will remain in place. However, where a development contribution can be applied under this policy in respect of any activity, then that development contribution will be applied instead of the financial contributions provisions relating to the same community facilities or activity (see sections 3 and 8 of this policy).

No allowance (in terms of the starting arrangements) will be made for delays in lodging applications, even where such delay is outside the control of the applicant. It is intended that there be no discretion over whether a given application is subject to development contributions or not.

10 Summary of past projects with residual capacity

The following table summarises the growth component of the cost of selected past projects, which have residual capacity and which have been included in the calculation of the development contributions charges. This growth expenditure was incurred in the 2001/2002 or subsequent financial years, in anticipation of development.

Activity	Growth cost included in the cost of growth
Community amenities	$4.87 million

11 Key assumptions

The main assumptions on which this policy and the schedule of development contributions charges are based, and the effects if actual outcomes are significantly different, are as follows.

11.1 Growth

The medium growth scenario from Statistics New Zealand (2006 base projections) and information on current development patterns and the current economic outlook have been used to estimate future growth in the city (e.g., populations, number of households).

Information from previous impervious area studies for the Auckland isthmus was used to assess expected increases in non-residential impervious area. Information about non-residential building, and from traffic modelling, was used to assess expected increases in non-residential transport demands.

Further information on the growth projections is included in the development contributions information pack.

If growth is lower than these projections, contributions revenue will be lower, and growth-related projects may be delayed accordingly, with appropriate adjustments to recovery periods. The opposite will occur if growth is higher than projected.

11.2 Capital works

The current cost of growth estimates are based on the most up-to-date information on the council's planned capital works programme.

It is possible that the council may significantly alter the capital programme or the methods it uses for service delivery, and this could have a major impact on the required capital works programme and, correspondingly, on the costs of growth. Similarly, external agents (e.g. central or regional government, outcomes from the Royal Commission on Auckland's governance, and climate change) could have a large impact on the capital works programme.

11.3 Third party funding

Third party funding is provided for some of the council's projects. One example is the subsidy received from the New Zealand Transport Agency for many transport projects. These third party funds have been taken into account so that the reported cost of growth is based on the estimated net cost to the council.

If the level of third party funding is greater than has been assumed, the schedule of charges may overstate the council's cost of growth. In this case, the schedule would need to be revised accordingly.

11.4 Interest and inflation

The council uses assumptions about inflation and long-term interest rates as part of taking account of cost increases, the cost of finance and revenue from interest. Inflation and interest assumptions are drawn from the significant assumptions section in volume 3 of the council's 10-year plan.

12 Possible future changes to the policy

The development contributions policy and schedule will be reviewed as required, and at least once every three years, when the council's long-term plan is reviewed.

Currently, the council is investigating changes to the policy including:

- application of other activities to non-residential developments
- application of other activities to developments on the Hauraki Gulf islands
- other policy improvements that arise from experience in operating the policy.

Any changes that are proposed in the future will be presented for public consultation as part of a draft amendment to the 10-year plan.

13 Summary of financial contributions provisions

This section is provided for information purposes only. A summary of Auckland City Council's current financial contributions provisions is given in the following sections. The full details of these are available in the district plan, which can be inspected at the council's offices, service centres and libraries. You can also visit www.aucklandcity.govt.nz to see the three published sections of the district plan.

13.1 Isthmus section of the district plan

The following table outlines the financial contribution provisions that apply in the council's district plan (isthmus section).

Type of financial contribution	Purpose of funding tool	Target and payment mechanism
Financial contribution for residential development (clause 4B.4.4)[1]	To provide for additional areas of open space and to develop existing reserves more intensively to meet the recreational and open space needs of additional residents.	Residential development and subdivision. A contribution is required of either land (30m² per new residential unit or new residential allotment created) or the cash equivalent of this value, or a combination of the two. This amount is a maximum and may be reduced at the council's discretion.
Financial contributions for business development in business 2 and 3 zones (clause 4B.5.4)	To improve pedestrian amenities, landscaping, signage and the quality of open spaces in the city's shopping centres.	Commercial development within shopping centres. This contribution only applies to the business 2 and 3 zones and is based on a formula related to 7.5 per cent of the value of the building work. The 7.5 per cent is a maximum value, and can be in the form of land or cash, or a combination of the two.

Type of financial contribution	Purpose of funding tool	Target and payment mechanism
Parking (clause 4B.8.4)	To require a contribution where on-site parking is not feasible or desirable, and use this contribution for the purchase, provision and maintenance of a public car park or to improve on-street car parking in the vicinity.	New activities or development in residential and business areas. The level of contribution is based on the cost of the land and formation costs of providing the parking in the relevant area.
Physical infrastructure, particularly drains and roads (clause 4B.6.4)	To ensure adequate funding of roads and drainage improvements required by new development.	New development. The plan does not provide a specific mathematical formula, but rather sets a maximum for any infrastructure contribution of 5 per cent of the total capital cost of the project.
Environmental and heritage financial contributions (clause 4B.7.4)	To remedy or mitigate adverse effects of a development and use the financial contribution for the benefit of heritage or environmental features in the vicinity or elsewhere in the city.	New development. A contribution is required of either land or cash (or any combination of the two). The amount of the contribution is based on a case-by-case assessment.

Notes to table

1 This rule is considered to be replaced for residential developments (as set out elsewhere in this policy) for this area by the development contributions for public space infrastructure and public space land acquisition.

13.2 Central area section of the district plan

The following table outlines the financial contribution provisions that apply in the council's district plan (central area section).

Type of financial contribution	Purpose of funding tool	Target and payment mechanism
New developments with a value of work exceeding $250,000[1] (part 8)	Acquisition and development of public spaces and enhancement of public pedestrian facilities.	All new development, except permitted port and education activities in the tertiary education and port precincts. Subdivision and refurbishment of existing buildings are exempt. One per cent of the value of works exceeding $250,000 or the equivalent value in land or a combination of money and land.
Rule specific to development in the Viaduct Harbour		
All development except refurbishment[1] (part 14.7)	Purchase and development of public amenities, infrastructure and new roads required for development undertaken in precinct area 1.	All development. Maximum financial contributions shall be 7.5 per cent of the value of development if paid in cash, or 2.5 per cent provided in public works and 5 per cent in cash.

Note to table

1 These rules are considered to be replaced for residential developments (as set out elsewhere in this policy) for this area by the development contributions for public space infrastructure and public space land acquisition.

13.3 Hauraki Gulf islands section of the district plan

The following table outlines the financial contribution provisions that apply in the council's district plan (Hauraki Gulf islands section).

Type of financial contribution	Purpose of funding tool	Target and payment mechanism
Subdivision of land (rule 9.2.1)	Protecting and enhancing the environment, providing access to important natural areas, providing public open space, providing public infrastructure assets (roads and drainage).	New development. A financial contribution may be up to 10 per cent of the cash value of lots created. Financial contributions may be in the form of cash, land or works, or a combination of these.
Land use activity (rule 9.2.1)	Protecting and enhancing the environment, providing access to important natural areas, providing public open space, providing public infrastructure assets (roads and drainage).	New development. A land use activity financial contribution can be no more than 1 per cent of the total cash value of the development. Financial contributions may be in the form of cash, land or works, or a combination of these.

Partnerships with the private sector

Objective

This policy, required under the Local Government Act 2002, covers partnerships between Auckland City Council and the private sector.

This is an umbrella policy and must be flexible to handle different types of partnership proposals. Potential partnerships include:

- grants, loans, investments or guarantees by Auckland City Council, which meet the definition of partnerships with the private sector under the Local Government Act 2002
- ventures where Auckland City Council participates with a person engaged in business in some joint objective, but without any direct supply of goods or services by that person to or on behalf of Auckland City Council, where such ventures meet the definition of partnerships with the private sector under the Local Government Act 2002
- a partnership or joint venture to provide water services under section 137 of the Local Government Act 2002
- event sponsorships that meet the definition of partnerships with the private sector under the Local Government Act 2002
- land transport infrastructure, which is to be built or tolled on a public–private partnership basis
- other infrastructure projects built on a public–private partnership basis.

Proposals for the above partnerships and any other public–private partnerships will be assessed on a case-by-case basis, including consideration of matters set out in clause 4 of this policy. Each partnership will be subject to a separate, tailored agreement detailing the rights and responsibilities of each party.

Background

Section 102(4)(e) of the Local Government Act 2002 requires every local authority to adopt a policy on partnerships between The Local authority and the private sector. Section 107(1)(a) requires the policy to state:

> The Local authority's policies in respect of the commitment of local authority resources to partnerships between The Local authority and the private sector.

The policy must include the circumstances when such partnerships will be entered into, and the consultation to be carried out, conditions to be imposed, risk assessment and management procedures, and monitoring and reporting procedures for such partnerships. It must also include assessment, monitoring and reporting procedures on the extent to which a partnership has helped achieve community outcomes.

For the purpose of this policy, partnership with the private sector is defined in section 107 of the Local Government Act 2002 as:

> any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business[1], but does not include:
> a) any such arrangement or agreement to which the only parties are
> i) local authorities; or
> ii) one or more local authorities and one or more council organisations; or
> b) a contract for the supply of any goods or services to, or on behalf of, a local authority.

1 The act does not define the phrase "engaged in business". The Office of the Auditor General advises that for the purposes of this phrase, the nature of the entity's activities, rather than its legal form, is the relevant consideration. Not-for-profit organisations may be included if they engage in trading or business activities.

Auckland City Council adopted its first policy on partnerships with the private sector in 2003. Under section 102(6) of the Local Government Act 2002, the policy can only be amended as an amendment to the long-term council community plan.

Related policies

This policy applies to all partnerships with the private sector as defined in section 107 of the Local Government Act 2002 and applies if the private-sector partner is a person "engaged in business". Whether not-for-profit or community groups are included in this definition depends on the nature of their activities[2].

Auckland City Council already has a number of policies in place that apply to partnerships with community groups and not-for-profit groups[3]. They are:

- the facility partnership policy for partnerships with community organisations and other not-for-profit organisations to provide community, arts and cultural, and leisure facilities
- the Mainstreet policy for partnerships with local business communities involved in Mainstreet programmes
- the community loans policy for strategic recreational, community, sporting, and arts or cultural facilities
- the policy statement for community loans under $200,000, Hillary Commission loans and loan guarantees.

If a proposed partnership is already covered by one of these policies, it will be assessed under that policy, rather than the general provisions of this policy.

2 As noted in the Background section of this policy, council-controlled organisations and contracts for the supply of goods and services are excluded from the definition of partnerships with the private sector.

3 Copies of these policies are available on request from Auckland City Council. Copies of the facility partnership policy, the Mainstreet policy and the community loans policy are also available on Auckland City Council's website at www.aucklandcity.govt.nz\council\documents.

However, where the partner engages in trading or business activities to the extent that the relevant policy does not address the matters set out in section 107(1)(b) of the Local Government Act 2002, regard will also be had to this policy.

Auckland City Council's policy for all other partnerships with the private sector is set out on the following pages.

Circumstances in which Auckland City Council will consider providing resources to partnerships with the private sector

Criteria

Auckland City Council will consider providing resources to partnerships with the private sector if one or more of the following criteria are met:

- the partnership contributes to achieving the community outcomes identified in Auckland City Council's long-term council community plan or to Auckland City Council's strategic objectives as set out in its annual plan or long-term plan
- the partnership promotes the social, economic, cultural or environmental well-being of Auckland city, in the present and for the future
- the partnership provides access to funding, expertise or opportunities that would not otherwise be available to Auckland City Council, or the private sector is unwilling or unable to provide sufficient resources to achieve the partnership's objective without Auckland City Council's support
- there is scope, opportunity and incentive for innovative solutions to be achieved through the partnership in the case of large complex projects
- risks can be transferred to the partner best able to manage them
- the partnership provides a more cost-effective solution than if each party acted alone to achieve the objective.

Auckland City Council is not obliged to enter into a partnership with the private sector even if one or more of these criteria are met.

Deciding whether criteria are met

Auckland City Council will comply with the decision-making provisions in section 76 (and sections 77, 78, 80, 81 and 82 to the extent that they apply) of the Local Government Act 2002, when deciding whether a proposed partnership meets the above criteria.

Initial assessment

All partnership proposals will be assessed in accordance with Auckland City Council's policy on significance.

Assessing significant partnership proposals

For partnership proposals considered significant, Auckland City Council will carry out a more comprehensive assessment of:

- the extent to which the proposal contributes to Auckland City Council's strategic goals
- the rationale for Auckland City Council's involvement in the activity
- the suitability of the proposal as a public–private partnership, and the appropriate form of that partnership
- all reasonably practicable options for achieving the objectives of the partnership
- the costs and benefits of each option, including the capital and operational expenditure, and (where applicable) the financial benefit of the partnership proposal compared to the cost if Auckland City Council were to achieve the proposal's objective or desired outcome alone
- the implications of the proposal for the current and future social, economic, environmental and cultural well-being of the region.
- Significant proposals will also be subject to an internal or external peer review.

Auckland City Council may also require the proposed partner to provide a preliminary business plan and independently prepared feasibility study.

Consultation

The Local Government Act 2002 sets out various levels of consultation that must be carried out for different types of decisions. Auckland City will comply with the act's requirements, and, in situations not covered by the act, will carry out public consultation where considered desirable.

The extent and nature of the consultation will depend on the degree of significance of the partnership proposal.

In addition, all proposals for funding are reviewed by Auckland City Council as part of its annual budget process. These proposals are considered at community board and council meetings. The agendas for these meetings are open to the public, except in cases where issues need to be kept confidential for the reasons set out in the Local Government Official Information and Meetings Act 1987.

Conditions imposed by Auckland City Council on partnerships with the private sector

The extent to which the following conditions are applied to partnerships will depend on the level of resources that Auckland City Council is providing and the partnership's nature. Proposals will be assessed on a case-by-case basis.

Each partnership proposal will be subject to a separate, tailored agreement. The agreement may include:

- the partnership's objectives or the community outcomes that each party wants to achieve
- the parties' respective responsibilities and obligations, including responsibility for obtaining any necessary consents, licences or other approvals, or to undertake any matter or do any thing
- details of funding or other resources that Auckland City Council will provide to the partnership
- ownership of any assets generated
- Auckland City Council's requirements for monitoring and performance reporting

- each party's responsibilities for risk management
- a governance structure and the agreed level of Auckland City Council's involvement
- when the project will start and finish
- the minimum level of funding to be provided by the private sector partner
- the use of appropriate business processes for procurement and all other aspects of work associated with the project
- details of insurance cover for the project
- liability for ongoing operational expenditure and maintenance
- that Auckland City Council may appoint a project manager or adviser if it wishes
- that Auckland City Council has final sign-off for the various stages of the project
- the consequences if conditions are not met
- procedures for dispute resolution
- how Auckland City Council's contribution will be acknowledged
- a specification that the private-sector partner will submit their agreed financial and non-financial records for audit when reasonably requested to by Auckland City Council
- key performance targets.

Auckland City Council may impose any other conditions it considers appropriate.

Risk assessment and management

Every partnership proposal will be assessed for potential risks to Auckland City Council, using the council's risk assessment framework. Auckland City will get advice on potential risks.

In assessing risk, Auckland City Council will:

- identify material risks
- assess the consequences of those risks and the probability of those risks occurring
- identify the scope for mitigating those risks.

Risks that may be assessed include:

- default and termination risk
- insurance coverage and limitations risk
- financial and refinancing risk
- risk to the capacity of Auckland City Council to carry out its activities
- risk to the safety of persons and property
- risk to intellectual property
- design and construction risk
- commissioning and operating risk
- service and under-performance risk
- maintenance risk
- risk of force majeure
- risk of change to the legal or regulatory environment
- risk of legal challenge
- technology obsolescence risk
- planning risk
- price risk

- taxation risk
- residual value risk
- demand and usage risk
- valuation risk
- third-party revenue risk
- the relative investment of the private-sector partner
- the experience of the private-sector partner, particularly in that activity
- risk to the reputation of Auckland City Council, the elected council and Auckland city generally.

A risk management strategy to minimise or provide cover for significant risks will be developed for each partnership proposal. Risks will be allocated to the partner best able to cost-effectively manage them and the strategy will specify which party is responsible for which area of risk management. Indemnities and guarantees may be required from the private-sector partner.

Monitoring and reporting

The level, frequency and duration of monitoring and reporting requirements for partnerships will depend on the level of funding being provided by Auckland City Council, and the nature of the partnership.

The monitoring and reporting requirements will be included in the partnership's written agreement.

Generally, the private-sector partner must submit a report outlining:

- progress on agreed outcomes, objectives and key performance targets
- financial information (using generally accepted accounting principles that are appropriate to the entity)
- the impacts that the project has had, and will have, on the social, economic, cultural or environmental well-being of Auckland city.

Assessment, monitoring and reporting on community outcomes

Auckland City Council will review the partnership's performance and the reports provided by the private-sector partner. The review will include assessing and monitoring how community outcomes have been furthered by the partnership. Monitoring requirements for community outcomes will be included in the partnership's written agreement.

Auckland City Council will report on the partnership's performance in its annual report. The report will include:

- a comparison between the partnership's actual activities and performance, and its intended activities and performance, as set out in Auckland City Council's long-term council community plan or its annual plan
- the partnership's impacts on the social, economic, cultural and environmental well-being of the community
- the value of funds or resources allocated to the partnership during that year
- the partnership's objectives and how these link to community outcomes, and a statement about the extent to which the partnership has helped achieve the outcomes.

Policy on significance

Summary of changes to significance policy

The council has reviewed its policy on significance as part of preparing its 2009-2019 Long-term Council Community Plan (10-year plan), with a view to improving while maintaining the intent of the existing policy.

The council has made a number of minor amendments to its policy on significance. The improvements include:

- updating, minor editing and reordering of existing text
- removing redundant sections
- strengthening and clarifying the guidance on determining significance
- clarifying the consultation requirements
- improving the mechanisms for promoting and monitoring compliance with the policy.

The primary benefit of these amendments is to improve the conciseness, readability and relevance of the policy. The amendments also reduce the risk of council decisions being subject to review, due to ambiguity in the policy.

1 Objective

In accordance with the Local Government Act 2002, this policy sets out:

- the council's general approach to determining the significance of proposals and decisions, and the thresholds, criteria and procedures used in making this assessment
- the assets that the council considers to be strategic assets.

Definitions of terms used in the policy that come from the Local Government Act 2002 are set out in Attachment 1.

2 Background

Section 90 of the Local Government Act 2002 requires the council to have a policy on significance. Significance in this context means the degree of importance that can be attributed to any particular matter or thing and can be thought of as a continuum ranging from insignificant to very significant. There is a point on the continuum after which a matter will be considered significant, that is, it will have a high degree of significance.

The assessment of significance helps the council determine the nature, extent and degree to which it must comply with the decision-making and consultation requirements of the Local Government Act 2002 (sections 76 to 82). These requirements include identifying and assessing options, considering community views, identifying inconsistent decisions, enabling contributions to decision-making processes by Maori and carrying out consultation processes.

The more significant the issue the higher the standard of compliance required. For significant decisions, the council must ensure appropriate compliance with the act.

3 Determining significance

3.1 General approach

The council will use the thresholds and criteria in this policy to assess the significance of proposals or decisions in terms of their likely impact on, and likely consequences for:

- the current and future social, economic, environmental or cultural well-being of the district or region
- any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter
- the capacity of the council to perform its role, and the financial and other costs of doing so.

The issue of significance will be considered in the early stages of a proposal and reviewed as the proposal develops.

3.2 Thresholds

The council generally considers a proposal or decision to be significant if it involves one or more of the following:

(a) transfer of the ownership or control of a strategic asset to, or from, the council

(b) construction, replacement or abandonment of a strategic asset

(c) a significant change in intended service levels for a significant council activity, including a decision to commence or cease any such activity

(d) a significant impact on the capacity of, or cost to, the council in delivering any of the council activities identified in its long-term council community plan (10-year plan).

A list of strategic assets is contained in Attachment 2. A list of council activities is contained in Attachment 3.

3.3 Criteria

In determining whether a change or impact is significant with respect to thresholds c and d, the council will consider the proposal or decision against the following criteria:

(a) the extent of any change in service levels

(b) the extent of any change in net budget

(c) the extent of any change in asset base

(d) the relative size of the net budget for the activity compared to the council's overall budget

(e) the extent to which a decision flows logically from existing policies, resolutions or decisions in the long-term or annual plans.

As a general guide, the creation of a new activity, or a 40 per cent increase or 25 per cent decrease in the nature of an activity, would be considered significant.

A decision to rearrange current activities (for example through amalgamation) would not generally be considered significant.

If a proposal flows logically from existing policies, resolutions or decisions that would generally indicate that the decision is not significant.

3.4 Procedures

Reports by officers to the council or a council committee, which are seeking a decision, will generally include a statement addressing the issue of significance. If the proposal is considered to be significant, the report will include a statement about how the relevant sections of the Local Government Act 2002 and this policy will be observed.

4 Reviewing proposals of higher significance

For proposals that are determined to be significant, the council will generally carry out internal or external peer review, or both, to assess the robustness of the proposal, as well as its compliance with the Local Government Act 2002. The extent and focus of the peer review depends on the nature of the proposal.

5 Consultation requirements

The degree of significance of a change, proposal or decision will inform decisions about whether consultation is needed and its nature. However, a decision that a change, proposal or decision is significant, will not necessarily mean that consultation is required.

Unless consultation is required by statute, it is open to the council to decide whether consultation is required in order to determine community views, and if so the nature and extent of consultation. A change, proposal or decision that meets any of the thresholds listed in section 3.2 of this policy requires statutory consultation. A more complete list of matters that require statutory consultation is included in Attachment 4. The council's approach to and guidelines for consultation are outlined in its consultation policy.

6 Exclusions

This policy will not apply where, in the opinion of the council, failure to make a decision urgently would result in unreasonable or significant damage to property, or risk to people's health and safety, or the loss of a substantial opportunity to achieve the council's strategic objectives. Other policy and legislative requirements will still apply.

7 Adoption and amendment of this policy

The council must use the special consultative procedure set out in the Local Government Act 2002 to adopt or amend this policy.

Attachment 1: Definition of terms under the Local Government Act 2002

Term	Definition
Activity	means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation; and includes – (a) the provision of facilities and amenities; and (b) the making of grants; and (c) the performance of regulatory and other governmental functions
Group of activities	means one or more related activities provided by, or on behalf of, a local authority or council-controlled organisation
Significance	in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,- • the current and future social, economic, environmental, or cultural well-being of the district or region: • any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter: • the capacity of the local authority to perform its role, and the financial and other costs of doing so
Significant	in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance
Strategic asset	in relation to the assets held by a local authority, means an asset or groups of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes – • any asset or group of assets listed in accordance with section 90(2) by the local authority; and • 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 • any equity securities held by the local authority in: • a port company within the meaning of the Port Companies Act 1988: • an airport company within the meaning of the Airport Authorities Act 1966

Attachment 2: List of strategic assets

- Central City library.
- Community and mobile library network.
- The historical collection of the library.
- Auckland Art Gallery Toi o Tamaki.
- Community centres and halls network.
- The network of premier parks, parks, sports fields, and public open spaces.
- The Edge®.
- Auckland Zoo.
- The network of public swimming pools.
- The network of heritage buildings.
- The network of car parks.
- The Auckland road network as a whole.
- The Auckland stormwater network as a whole.
- Auckland City Council's shares in Auckland International Airport Ltd (defined as a strategic asset in the Local Government Act 2002)1.
- Auckland City Council's 100 per cent shareholding in Metro Water Ltd, and the local water and wastewater networks in Auckland city that Metro Water Ltd owns and operates.
- Auckland City Council's 41.6 per cent shareholding in Watercare Services Ltd, and the bulk water and wastewater networks in the Auckland region that Watercare Services Ltd owns and operates.
- Auckland City Council's 61.3 per cent shareholding in Auckland Regional Transport Network Ltd. The Auckland Regional Transport Network manages an operators' agreement for rail and bus operations at the Britomart Transport Centre and is responsible for operating the centre under a long-term lease agreement2.
- The Hauraki Gulf airfields and wharves network as a whole.

The council defines the network of a strategic asset as the whole of the asset group, rather than a single example of the asset.

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1 The council has previously consulted on a proposal to transfer its shares in Auckland International Airport Ltd to a council-controlled organisation and may take such action if deemed appropriate in the future.

2 Negotiations with the Auckland Regional Council to transfer the remaining Auckland Regional Transport Network Ltd assets to the Auckland Regional Holdings and the Auckland Regional Transport Authority have been suspended, pending the outcome of the Royal Commission on Regional Governance. If the assets are transferred, Auckland City Council will no longer consider its 61.3 per cent shareholding in the network to be a strategic asset. It is envisaged that Auckland Regional Transport Network Ltd will then be placed into voluntary liquidation and the company will be removed from the register.

Attachment 3: List of council activities 2009-2019

$000	Budget 2009/2010	40% of Budget 2009/2010 [1]	25% of Budget 2009/2010 [2]
Economic development			
AMETI	1,659	664	415
Economic growth and development	18,653	7,461	4,663
Lifestyle choices			
Arts and cultural facilities and programmes	45,202	18,081	11,300
Auckland Art Gallery	7,807	3,123	1,952
Auckland Zoo	4,245	1,698	1,061
Events	10,951	4,380	2,738
Marinas	(3,226)	(1,290)	(807)
Recreation	12,462	4,985	3,116
Quality built environment			
City planning	13,594	5,438	3,399
Development with Vision	1,075	430	269
Land and property related information	587	235	147
Management of development	11,155	4,462	2,789
Stormwater network management	30,530	12,212	7,632
Urban growth strategy and management	2,501	1,000	625
Quality natural environment			
Closed landfills management	3,416	1,366	854
Environmental policy and planning	913	365	228
Parks	46,134	18,454	11,534
Recycling services	8,872	3,549	2,218
Stormwater quality enhancement	651	260	163
Utilities advocacy	1,168	467	292
Strong and healthy communities			
Civil defence and emergency management	1,340	536	335
Community services	27,413	10,965	6,853
Environmental health and licensing	4,243	1,697	1,061
Libraries	30,753	12,301	7,688
Street environment and town centres	28,618	11,447	7,154
Waste management	18,423	7,369	4,606
Transport choices			
Parking	(25,619)	(10,248)	(6,405)
Transport infrastructure	106,843	42,737	26,711
Efficient, capable and user-friendly council			
Efficient and capable council	974	390	244
Representation	9,412	3,765	2,353
Total net operating expenditure	**420,750**	**168,300**	**105,187**

Notes to table

1 Included to provide guidance in determining whether a proposal or decision will increase the net budget of an output by 40 per cent.

2 Included to provide guidance in determining whether a proposal or decision will decrease the net budget of an output by 25 per cent.

The list will be updated each year and made available in Auckland City Council's annual plan or 10-year plan.

Attachment 4: Statutory provisions requiring consultation

The following matters are listed in the Local Government Act 2002 as requiring statutory consultation:

- establishing a council-controlled organisation (section 56)
- adopting, reviewing or amending a bylaw (section 86)
- any proposal for altering the mode by which a significant activity is undertaken by or on behalf of the council (s88(1))
- adopting a long-term council community plan (section 93(2))
- altering a long-term council community plan (section 93(5))
- adopting an annual plan (section 95(2))
- certain decisions that can only be taken if provided for in the long-term council community plan (section 97):
  - a decision to alter significantly the level of service provided for any significant activity carried out by or on behalf of the local authority, including a decision to commence or cease any such activity
  - a decision to transfer the ownership or control of a strategic asset to or from the local authority
  - a decision to construct, replace or abandon a strategic asset
  - a decision that will, directly or indirectly, significantly affect the capacity of the local authority, or the cost to the local authority, in relation to any activity identified in its long-term council community plan
- adopting or amending the policy on significance (section 90(4) and sections 103 to 108)
- adopting or amending the funding and financial policies (section 102(4))
- assessing the council's water and other sanitary services (section 125)
- entering into a partnership or joint venture to provide water services (section 137)
- disposing of a park (section 138).

Not all of these matters would be considered significant under the council's policy on significance.

Policy on Auckland Airport shares

Summary of changes to Auckland Airport shares policy

Auckland City Council has reviewed its Auckland Airport shares policy as part of preparing its 2009-2019 long-term council community plan (10-year plan). This review was conducted within the context of the strict requirement that the council must maintain at least a 12.75 per cent stake in Auckland International Airport Ltd. As a result of the review, some changes to the policy have been made.

The council adopted the policy on Auckland Airport shares in September 2007 as an amendment to its 2006-2016 10-year plan and the policy was worded and structured accordingly. The policy is now part of, not an amendment to, the council's 2009-2019 10-year plan and has been updated to reflect this. Some other minor edits have also been made.

The previous policy did not allow the council to buy shares or other securities in Auckland International Airport Ltd outside of a restructuring transaction. The council believes there are a few other scenarios where buying additional shares in the airport would be prudent and having the flexibility to do so, should such a scenario arise, would be beneficial.

Consequently, the policy on Auckland Airport shares, has been changed to enable the purchase of more shares in the airport subject to council approval, following rigorous analysis against the objectives and criteria outlined in the policy.

1 Objective and overview

This policy sets out the range of possible ownership arrangements available to the council with respect to its shares in Auckland International Airport Ltd and the key objectives and criteria that the council will apply when evaluating proposals relating to this shareholding.

The policy does not provide for any sale of the council's shareholding in Auckland Airport below 12.75 per cent, except as a technical step in a restructuring transaction that will result in the council holding not less than a 12.75 per cent ownership stake in the airport.

2 Background

Auckland City Council currently owns 155,766,240 shares in Auckland International Airport Ltd which equates to a 12.75 per cent shareholding.

Section 5 of the Local Government Act 2002 defines the council's shareholding in Auckland International Airport Ltd as a strategic asset. Under section 97 of the act, a transfer of ownership or control of a strategic asset can only occur if the decision to do so is provided for in the council's long-term council community plan (10-year plan).

Following approaches by several parties, and subsequent public consultation, the council decided at its 3 September 2007 meeting:

(1) not to sell down its ownership interest in Auckland Airport below 12.75 per cent

(2) to amend Auckland City Council's 2006-2016 10-year plan to include a policy on ownership options for the council's Auckland Airport shareholding that retains at least the council's 12.75 per cent ownership interest, but maximises returns and strategic benefits from that asset.

To seek public feedback prior to making this decision, the council developed consultation materials in accordance with the Local Government Act 2002's requirements. The statement of proposal sought to amend the 10-year plan to allow the council to transfer ownership or control, or restructure its interest in Auckland Airport, if doing so was in the best long-term interests of the residents and ratepayers of Auckland city. It also sought feedback on the council's potential ownership options in relation to its shareholding, and the criteria to be used by the council to assess its options.

The consultation process was widely promoted and potential submitters had a range of submission options. The special consultative procedure started on 15 July 2007 and submissions closed on 15 August 2007. Overall, 614 submissions were received. Public hearings were conducted on 27 August 2007.

Respondents indicated strong opposition to selling the shares (91.3 per cent opposed) and to decreasing the council's stake in the airport (90.8 per cent opposed). Respondents were somewhat less opposed to restructuring the council's shareholding in Auckland Airport (50.5 per cent opposed), while 50.9 per cent of respondents supported increasing the council's stake. The major themes in qualitative responses concerned foreign control, the importance of financial returns (in terms of dividends and capital appreciation) and the need to retain some public ownership. The results of public consultation endorsed the criteria outlined in the statement of proposal.

3 Policy details

3.1 Possible levels of ownership

Under this policy, a change in ownership is only provided for if the council's ultimate stake in Auckland International Airport Ltd is at least 12.75 per cent. The council has not yet decided whether or not it will change the size of its stake in Auckland Airport, rather this policy provides for two possible options for the level of the council's ownership or control:

- maintaining its stake at 12.75 per cent
- increasing its stake above 12.75 per cent.

3.2 Possible implementation options

A change in ownership or control of some or all of Auckland City Council's shareholding in Auckland Airport, or a restructure of the council's interest in Auckland Airport, may take place by any of the options listed below, or by a combination of those options, or in any other ways that satisfy the six general assessment criteria set out later in this document.

Option 1: The council joins a consortium, which will execute a full or partial takeover or otherwise acquire a substantial stake in Auckland Airport. The council would achieve an ultimate stake of at least 12.75 per cent in the airport by taking shares, or other securities, in the consortium.

Option 2: The council agrees to Auckland International Airport Ltd merging with another company, exchanging the council's shares in the airport for shares or other securities in the new entity (provided the council's ultimate stake is at least 12.75 per cent of that new entity).

Option 3: The council agrees to Auckland International Airport Ltd being restructured so that its business units separate into stand-alone entities, with the council receiving a proportionate equity stake in one or all of the stand-alone entities (provided that the council's ultimate stake is at least 12.75 per cent of the combined equity of the stand-alone entities).

Option 4: The council sells shares, or other securities, in Auckland Airport for cash or some other form of consideration, provided that the council's ultimate stake in the airport is at least 12.75 per cent.

Option 5: The council buys shares or other securities in Auckland Airport.

Option 6: The council transfers its ownership stake in Auckland Airport to a holding company.

3.3 General assessment criteria

The council will assess any options that may become available to it against the following six general criteria. In applying these criteria, the council will follow the decision-making principles outlined in the Local Government Act 2002 and consider the feedback received from the public consultation process.

1. Feasibility: the likelihood of successfully implementing the option, as measured by the extent of tax, legal and other issues that would need to be worked through to successfully do so.
2. Strategic value: the impact in terms of the council's long-term objectives, desired community outcomes and the broader public interest. This would be reflected in factors such as:
   - the council's ability to appoint directors to the board of Auckland Airport
   - the council's ability to have input into the management of Auckland Airport
   - the level of public scrutiny of the management of Auckland Airport
   - the level of New Zealand ownership of Auckland Airport
   - the council's ability to block a full takeover of Auckland Airport or otherwise block ownership changes that could significantly impact on the business plan and operations of Auckland Airport.
3. Financial returns: the impact on the council's projected after tax cash flows over the remaining period of the 2009-2019 long-term plan and beyond.
4. Liquidity: the ability of the council to quickly change its shareholding to cash if required. This would be reflected in factors such as whether the council's shares can still be traded on the New Zealand Stock Exchange, the likely number of buyers for the council's shareholding, and any new procedures or restrictions that may be put in place in relation to the council exiting its investment.
5. Risk: the likelihood and impact of negative consequences. This includes any operational risk associated with changes to the management or operation of Auckland Airport, as well as the financial risk associated with an increase in the level of debt funding of Auckland Airport. A higher level of debt would reduce the airport's capital expenditure flexibility and increase the risk associated with the airport's ability to make future distributions to shareholders.
6. Overall impact: the overall impact on the current and future social, economic, environmental and cultural well-being of the community. This assessment will include the likelihood of Auckland Airport's role as an integral part of the city's regional and national transport system being compromised.

3.4 Key objectives and criteria

When using the general assessment criteria to evaluate any proposals that may be put to the council regarding its stake in Auckland Airport, the council will consider the following to be key objectives and criteria.

1. No single investor controlling 50 per cent or more of voting rights in the airport.
2. Maximising both long-term and short-term financial returns.
3. The council being able to influence the governance and strategic direction of the airport.
4. Any significant new investors being committed and able to contribute to the sustainable long-term development of the airport.
5. Agreement that the council's ownership or influence will not later be diluted or reduced by circumstances outside its control.
6. Ongoing listing of Auckland Airport on the New Zealand Stock Exchange.
7. No reduction in the council's stake in the airport below 12.75 per cent.

4 Adoption and amendment of this policy

The council must use the special consultative procedure set out in the Local Government Act 2002 to adopt and amend this policy.

Establishing a new council-controlled organisation and holding company

Key decisions

Establishing a holding company and subsidiaries

In the draft 10-year plan, Auckland City Council proposed establishing a holding company to govern some of its assets and activities that have commercial objectives. The holding company would be a council-controlled organisation.

As part of establishing a holding company, the council also proposed establishing three new council-controlled organisations, which would be subsidiaries of the holding company. These subsidiaries would initially have no assets or liabilities, and would be non-trading entities.

Auckland City Council has decided to establish a holding company, but the implementation of this decision will be deferred to allow the council and the Auckland Transition Agency to maintain flexibility during the transition to the new Auckland Council. The use of a holding company (and subsidiaries) may allow for a more efficient transfer of assets and activities to the new Auckland Council or one of its subsidiaries.

Establishing a council-controlled organisation to manage Auckland City Council's marina assets

A recent review of the council's marina operations has found that the marinas' current governance structure does not provide the best value for money for the council's investment in them, or align appropriately with the marinas' commercial focus. The council therefore proposed a number of options in its draft 10-year plan to improve the management of its marina assets.

The council has decided that Westhaven marina should be operated as a council-controlled organisation (CCO). The council has also decided that this CCO should be included as part of a holding company structure where this would achieve similar outcomes and benefits as proposed in the draft ten-year plan. However, implementation of this decision will be deferred to allow the council and the Auckland Transition Agency to maintain flexibility during the transition to the new Auckland Council.

In the interim, to provide improved governance and commercial oversight over the marina operations, the council will establish a stand-alone business unit for its Westhaven marina operations.

Establishing a holding company and subsidiaries

Background

Auckland City Council has been considering establishing a holding company for some time and carried out public consultation about the possibility in both 2003 and 2006. However, as no action was taken at the time, and some time has elapsed since the previous consultation, the council wished to gain further feedback from the community before deciding whether to establish a holding company for its commercially focused assets.

To seek public feedback prior to making this decision, the council developed consultation materials in accordance with the requirements of the Local Government Act 2002. The statements of proposal sought to allow the council to establish a holding company and subsidiaries (council-controlled organisations) to provide improved governance over certain of its assets and activities that have commercial objectives.

The consultation process was undertaken as part of the 10-year plan consultation. This was widely promoted and potential submitters had a range of submission options. The consultation period opened on 17 April 2009 and submissions closed on 18 May 2009. Twelve submissions relating to the holding company proposal were received (of 428 total submissions on the 10-year plan). Public hearings were conducted on 2-4 June 2009.

After the draft 10-year plan was finalised, the New Zealand Government released its decision on the future of Auckland local government. Constraints have been placed on decision making during the transition period and current councils are required to act in ways that are consistent with the establishment of the new Auckland Council.

A very small proportion of submissions on the draft plan (12 out of 428) made comments on this proposal. Of these, a majority (10 out of 12) were opposed to the proposals, and the most common reason for their opposition was the impending changes to Auckland regional governance.

Apart from regional governance changes, no material new issues were raised in the submissions that had not previously been considered by the council or one of its committees.

Policy on establishing a holding company and subsidiaries

Given the uncertainty as to the process and outcome of transition to the new Auckland Council and the structure of the new Auckland Council (and its subsidiaries), Auckland City Council has decided to establish a holding company, but to defer implementation of this decision. This gives the council and the Auckland Transition Agency the flexibility to appropriately manage changes and ensure a smooth transition. The use of a holding company (and subsidiaries) may allow for a more streamlined, efficient transfer of assets to the new Auckland Council or one of its subsidiaries. The council will work closely with the Auckland Transition Agency to explore the most appropriate methods of facilitating the transfer of assets and activities to the new Auckland Council.

The holding company will be a council-controlled organisation governed by a board of independent directors. Only assets or activities with commercial objectives will be considered for transfer to the holding company, and the council is committed to consulting with the public about any proposal to transfer assets or activities.

As part of establishing a holding company, Auckland City Council may establish three new council-controlled organisations as subsidiaries of the holding company. These subsidiaries would allow the council to structure the holding company in a way that best represents the range of activities in which it may be involved. In particular, it would provide the holding company with the flexibility to hold assets directly, or within one of its subsidiaries.

If any such subsidiaries are established, each subsidiary company will be fully owned and controlled by the holding company. The statement of intent for the holding company will contain terms around the use of subsidiaries. The subsidiaries' operations will be subject to the holding company's statement of intent and a constitution consistent with that of the holding company.

Accountability and monitoring arrangements

The holding company will be a council-controlled organisation as defined in the Local Government Act 2002. As such, it would be subject to the reporting and monitoring requirements set out in that act. These requirements include the holding company and the council agreeing a statement of intent, and the holding company making regular financial reports to Auckland City Council. The council could also specify additional forms of control and monitoring when setting the constitution of the holding company.

If any subsidiaries are established, the council may exempt them from the statutory monitoring and reporting requirements of council-controlled organisations until they start operations.

The decision making and consultation requirements of the Local Government Act 2002 would still apply to any of the council's decisions regarding the funding, use and operation of the holding company and its subsidiaries. The council would still be required to consider the significance of its decisions in this regard, and the extent to which public consultation would be required (if any).

Establishing a council-controlled organisation to manage Auckland City Council's marina assets

Background

Auckland City Council has recently reviewed its marina operations, including:

- Westhaven Marina
- Hobson West Marina
- Viaduct Harbour Marine Village Marina.

The marinas are currently operated as an in-house council service, with a range of council staff, entities and groups involved in governing and managing them. The marinas have a commercial focus on price setting and the council's Property Enterprise Board oversees some of the operations at the Westhaven and Hobson West marinas.

The review of the council's marina operations has found that the current governance structure of the marinas does not provide the best value for money for the council's investment in the marinas or align appropriately with the marinas' commercial focus. The review recommended establishing a council-controlled organisation (CCO) to operate the council's Westhaven marina assets. The Hobson West and Viaduct Harbour Marine Village marinas are used in the delivery of the council's event objectives and are therefore run on a somewhat less commercial basis than Westhaven Marina, so would remain under the direct ownership of the council. It is possible that the Westhaven Marina company would contract with the council to manage these other marinas to support best value service delivery.

To seek public feedback prior to making this decision, the council developed consultation materials in accordance with the requirements of the Local Government Act 2002. The statement of proposal sought to allow the council to establish a CCO to operate its Westhaven marina assets, with this included in a

holding company structure, on the basis that this would provide improved governance aligned with its commercial objectives.

The consultation process was undertaken as part of the 10-year plan consultation. This was widely promoted and potential submitters had a range of submission options. The consultation period opened on 17 April and submissions closed on 18 May 2009. Three submissions relating to the marina CCO proposal were received (of 428 total submissions on the 10-year plan). Public hearings were conducted on 2-4 June 2009. Of the three submissions on the marina CCO proposal, one supported it, one opposed it and the other did not present a clear position.

Policy on establishing a council-controlled organisation to manage Auckland City Council's commercial marina assets at Westhaven

The council has decided that the council's commercial marina assets at Westhaven should be operated as a CCO. This CCO will be included as part of a holding company structure if this would achieve similar outcomes and benefits as proposed in the draft 10-year plan. However, given the uncertainty relating to the impending changes to Auckland local government, the council will wait for further details of the new Auckland local government structure and transition process before implementing these decisions. This will ensure that the establishment of the marina CCO will be done in a way that is consistent with other council controlled organisations in the Auckland region, for smooth integration into the new Auckland Council or one of its subsidiaries. Auckland City Council will work with the Auckland Transition Agency to determine the most appropriate timing and process for implementation.

When the Marina CCO is established, the council will transfer its Westhaven Marina operations, assets and staff into a newly created, wholly owned council-controlled organisation. This entity will operate Westhaven Marina and a board of independent directors will provide commercial oversight. There are a number of legal entities that currently make up Westhaven Marina's operations. The council will not make any changes to these, other than moving them from the direct control of the council to that of the Marina CCO, and appointing independent trustees.

If the Marina CCO is included as part of a holding company structure, the same arrangements would apply, except that marina CCO would be owned via the holding company rather than directly by the council. If an appropriate holding company structure is not in place, the marina CCO will be directly owned by council.

In the interim, to provide improved governance and commercial oversight over the marina operations, the council will establish a stand-alone business unit for its Westhaven marina operations. This new unit will ring-fence the Westhaven Marina operations, assets and staff, and provide improved governance of the marina operations.

Accountability and monitoring arrangements

When established, the marina company will be a council-controlled organisation as defined in the Local Government Act 2002. As such, it will be subject to the reporting and monitoring requirements set out in that act. These requirements include the marina CCO and the council agreeing a statement of intent, which will govern the marina's operations, and the marina CCO making regular financial reports to Auckland City Council. The council may also implement additional forms of control and monitoring when it sets the marina CCO's constitution.

Should the marina CCO be established as a subsidiary of a holding company, similar accountability and monitoring arrangements would apply.

Funding impact statement

This funding impact statement outlines Auckland City Council's funding methods, including the different rates it levies, and the amount of funding from each method that the council will use to pay for its expenditure. The statement also explains how each rate will be calculated and applied.

In July 2006, the council adopted additional projects to help achieve its long-term vision more quickly. This required rates increases higher than the council's rate of inflation to fund the additional projects. Since then, the council has shifted its focus to affordability, so that the next 10 years will see affordable progress for the city that is in keeping with the economic times facing New Zealand. Affordable progress involves keeping average rates increases over the next 10 years to less than or equal to the council's rate of inflation each year[1]. This will be achieved by carefully prioritising our spending, so that projects are completed at a slower and more sustainable pace. By putting the plans in place now, we can make positive, progressive and affordable change in the city.

For 2009/2010, the average rates increase for the city is 2 per cent. This is less than the council's projected rate of inflation for 2009/2010, which is projected to be 2.5 per cent.

The following table shows the council's projected inflation rate and the projected rates increases from 2009/2010 to 2018/2019.

Year	Projected rate of inflation	Projected average rates increase[1]
2009/2010	2.5	2.0
2010/2011	2.5	2.5
2011/2012	2.5	6.1[2,3,4]
2012/2013	2.6	1.0[3,4]
2013/2014	2.6	2.5[4]
2014/2015	2.6	2.5[4]
2015/2016	2.7	2.6[4]
2016/2017	2.7	2.6[4]
2017/2018	2.7	2.4[4]
2018/2019	2.8	2.6[4]
Average	2.62	2.68

Notes to table

1 Excludes the impact of the growth in rating base, and CBD, Mainstreet and additional recycling services targeted rates.

2 The impact of new targeted rates in 2011/2012 is a 3.6 per cent increase in rates.

3 The council intends to introduce two new targeted rates to help fund council's operating costs for Rugby World Cup 2011. This will result in a rates increase in 2011/2012 that is 1.6 per cent higher than council's projected rate of inflation. However, in 2012/2013 the rates increase will be 1.6 per cent lower than the council's projected rate of inflation.

4 The council will develop the Queens Wharf to provide public open space, international cruise ship terminal, as well as a number of other new activities and attractions. The cost of this development is currently budgeted at around $84 million dollars, which requires a rate increase of 2 per cent on top of the council's rate of inflation and the 1.6 per cent increase for the Rugby World Cup 2011. However, from 2012/2013 rate increases will be lower than council's rate of inflation.

Over the full 10 years, our rate increase, including the Rugby World Cup 2011 targeted rates and Queens Wharf increases, in in-line with inflation, average inflation 2.62 per cent, rate increase 2.68 per cent.

1 The rate increase for 2011/2012 is greater than council's rate of inflation for that year to fund the development of Queens Wharf and council's operating costs for Rugby World Cup 2011. However, from 2012/2013 rate increases are projected to be lower than council's rate of inflation.

Overview of funding sources

The council's operating revenue and sources of funding for the financial years from 1 July 2009 to 30 June 2019 are shown in the following tables. How the council allocates these funding sources for each activity is shown in volume 2.

Table A – Auckland City Council's funding sources for operating expenditure for 2009/2010 to 2018/2019

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
General rates											
Value-based [1]	200,925	191,161	196,163	192,341	179,192	173,752	171,694	179,040	189,336	187,789	186,838
Uniform charge [1]	27,660	43,355	53,037	59,843	69,383	77,382	85,746	95,087	104,841	115,016	126,230
	228,585	**234,516**	**249,200**	**252,184**	**248,575**	**251,134**	**257,440**	**274,127**	**294,177**	**302,805**	**313,068**
Targeted rates											
CBD (non-residential) [2]	7,370	7,607	7,956	10,700	11,916	12,298	9,679	9,164	9,000	9,214	9,442
CBD (residential) [2]	528	471	432	524	543	581	472	457	450	461	472
Mainstreet	6,849	7,568	7,568	7,568	7,568	7,568	7,568	7,568	7,568	7,568	7,568
Refuse	34,485	29,360	30,284	36,707	39,989	41,509	43,339	44,871	46,583	48,525	50,289
Rugby World Cup 2011 [3]	0	0	0	6,900	0	0	0	0	0	0	0
	49,232	**45,006**	**46,240**	**62,399**	**60,016**	**61,956**	**61,058**	**62,060**	**63,601**	**65,768**	**67,771**
Penalties, discounts and remissions [4]	(1,313)	(1,263)	(1,503)	(1,767)	(2,113)	(2,479)	(2,895)	(3,366)	(3,786)	(4,350)	(4,982)
Total rates	**276,504**	**278,259**	**293,937**	**312,816**	**306,478**	**310,611**	**315,603**	**332,821**	**353,992**	**364,223**	**375,857**
Revenue from activities											
Direct user charges [5]	75,202	68,038	70,447	72,707	75,190	77,666	80,341	83,532	87,113	90,961	95,173
Grants and subsidies [6]	15,155	17,345	19,220	24,552	18,435	19,168	19,849	20,597	21,294	22,019	24,036
Other operational	25,992	25,129	30,790	39,783	45,413	58,609	62,223	64,060	66,884	68,361	70,750
Rental Revenue	26,351	27,252	27,444	27,764	28,678	29,733	28,588	29,537	30,523	31,540	32,616
Penalties and fines	24,727	22,559	23,697	24,468	25,826	26,643	27,612	29,073	30,618	32,320	34,130
Sponsorship income	1,280	1,288	1,335	1,255	1,407	1,444	1,481	1,521	1,562	1,604	1,649
Recoveries	431	298	299	300	300	301	301	302	303	304	304
	169,138	**161,909**	**173,232**	**190,829**	**195,249**	**213,564**	**220,395**	**228,622**	**238,297**	**247,109**	**258,658**
Other revenue											
Interest and dividends [8]	27,875	32,920	35,245	37,301	40,176	43,477	47,048	50,821	53,147	56,400	60,241
Petrol tax and royalties [8]	3,225	3,569	3,469	3,369	3,269	3,169	3,169	3,069	3,069	2,969	2,869
	31,100	**36,489**	**38,714**	**40,670**	**43,445**	**46,646**	**50,217**	**53,890**	**56,216**	**59,369**	**63,110**
Working capital [9]	0	1,359	4,905	(1,554)	2,756	(1,329)	2,310	(2,304)	2,304	(2,431)	2,431
Total	**476,742**	**478,016**	**510,788**	**542,761**	**547,928**	**569,492**	**588,525**	**613,029**	**650,809**	**668,270**	**700,056**

Notes to table

1 The general rate is assessed on the annual value of each rating unit and assessed differentially on different categories of land as explained in the funding impact statement. In 2009/2010, the general rate also includes a uniform annual general charge of $250 per separately used or inhabited part of a rating unit.

2 The CBD targeted rate is $57 per residential unit in the CBD and is a value-based rate for CBD non-residential properties.

3 The Rugby World Cup targeted rate is projected to be $23 per residential unit and will generate around $3.4 million. The targeted rate for non-residential properties will be a value-based rate and will generate around $3.5 million.

4 The figures in this row show the council's net revenue from rates penalties on overdue rates payments, less the expenditure from the discount for early rates payments, as outlined in the council's discount policy, and less the remission of rates under the council's rates remission policies. The discount policy and rates remission and postponement policies are included in the rates assistance section of this document.

5 Includes fees, sales and rents.

6 The council classes grants and subsidies for operating expenditure as revenue from activities, while it classes grants and subsidies for capital expenditure as capital revenue.

7 Other operational revenue includes payments and reimbursements from council-controlled organisations for services provided by the council to the organisations.

8 Petrol tax and royalties, and interest and dividends in the table do not include revenue from council-controlled organisations and council-controlled trading organisations. Revenue from council-controlled organisations and subsidiaries is shown under the charitable receipts.

9 The council temporarily borrows to fund some of its expenditure, when there is a timing difference between when the council requires the funding for its expenditure and when it receives the revenue. The amount borrowed is repaid when the council receives the revenue.

General note: These figures are projections, and the actual operating expenditure in any particular year may vary.

Table B – Auckland City Council's funding sources for capital expenditure for 2009/2010 to 2018/2019

$000	Budget 2008/2009	Budget 2009/2010	Projection 2010/2011	Projection 2011/2012	Projection 2012/2013	Projection 2013/2014	Projection 2014/2015	Projection 2015/2016	Projection 2016/2017	Projection 2017/2018	Projection 2018/2019
General rates											
Value-based [1, 2]	**3,246**	**8,984**	**6,075**	**902**	**9,198**	**15,569**	**18,601**	**13,560**	**6,518**	**10,635**	**16,881**
Targeted Rates											
CBD (non-residential) [2, 3]	6,083	5,782	7,875	7,299	8,154	7,912	10,706	11,693	(66)	(70)	(75)
CBD (residential) [2, 3]	436	358	427	357	372	374	523	583	(3)	(4)	(4)
Refuse [2]	0	4	53	53	94	94	94	94	94	94	94
	6,519	**6,144**	**8,355**	**7,709**	**8,620**	**8,380**	**11,323**	**12,370**	**25**	**20**	**15**
Total rates	**9,765**	**15,128**	**14,430**	**8,611**	**17,818**	**23,949**	**29,924**	**25,930**	**6,543**	**10,655**	**16,896**
Revenue from activities											
Direct user charges[4]	545	729	734	779	805	871	974	1,073	1,044	1,027	1,018
	545	**729**	**734**	**779**	**805**	**871**	**974**	**1,073**	**1,044**	**1,027**	**1,018**
Depreciation	137,384	140,405	144,973	167,480	178,642	188,208	197,844	206,907	215,209	223,464	230,280
Capital revenue											
Borrowings and	129,260	186,652	267,178	43,545	14,927	(20,175)	(50,523)	(15,207)	(45,758)	(52,210)	(79,206)
Charitable receipts [6]	23,496	10,500	0	0	0	0	0	0	0	0	0
Development contributions	39,295	16,803	19,997	22,980	27,098	33,936	46,108	56,175	64,041	73,022	83,290
Grants and subsidies	69,414	110,779	57,563	54,949	61,731	70,962	72,315	62,034	52,905	47,467	54,372
Other gains/(losses) [7]	192	187	188	189	191	192	193	194	192	196	195
	261,657	**324,921**	**344,926**	**121,663**	**103,947**	**84,915**	**68,093**	**103,196**	**71,380**	**68,475**	**58,651**
Total	**409,351**	**481,183**	**505,063**	**298,533**	**301,212**	**297,943**	**296,835**	**337,106**	**294,176**	**303,621**	**306,845**

Notes to table

1 The general rate will be assessed on the annual value of each rating unit and assessed differentially on different categories of land, as explained in the funding impact statement. In 2009/2010 the general rate also includes a uniform annual general charge of $250 per separately used or inhabited part of a rating unit.

2 The capital projects funded by the council's rates are in some years funded by debt, which is repaid by rates in later years.

3 The CBD targeted rate for 2009/2010 is $57 per residential unit in the CBD, and is a value-based rate for CBD non-residential properties.

4 Includes fees, sales and rents.

5 The council temporarily borrows to fund some of its expenditure, when there is a timing difference between when the council requires the funding for its expenditure and when it receives the revenue. The amount borrowed is repaid when the council receives the revenue.

6 Revenue from council-controlled organisations and subsidiaries is shown under the charitable receipts.

7 The council uses the term "other gains/(losses)" to refer collectively to funds received from the sale of assets and other minor funding sources.

General notes:

a. Under the council's current policy, capital expenditure is fully funded over 30 years, but may not necessarily balance in any particular year.

b. Negative numbers mean the council has spent fewer funds than are available for that particular year. All the unspent funding is accumulated for the following years.

c. These figures are projections, and the actual capital expenditure in any particular year may vary.

Rating policies

This part of the funding impact statement outlines how the council will apply its rates policies for 2009/2010.

The council collects rates through three methods:

- a uniform annual general charge on every separately used or inhabited part of all rating units (see the end of this section of the document for a definition of a separately used or inhabited part)
- a general rate based on the annual value of a property and charged differentially for seven ratepayer groups[2]
- targeted rates that fund specific services and projects by charging those ratepayers who benefit from them.

The council administers targeted rates for refuse collection, the CBD development project, and Mainstreet programmes. The council will introduce a new targeted rate for ratepayers who request an additional recycling service and two new targeted rates in 2011/2012 to fund around $6.9 million of the operating costs for the Rugby World Cup 2011.The Rugby World Cup targeted rates will be included in the council's draft 2011/2012 annual plan for public consultation.

Impacts of the 2008 revaluation

Auckland City Council is required by legislation to revalue every property in the city at least every three years. The council has recently completed its three-year revaluation based on property values as at 1 July 2008.

The council does not generate any additional rates revenue from the citywide property revaluation. This is because the council does not grow its rates revenue with higher property values in the city (like central government does with income tax revenue), but adjusts its rates in the dollar to generate the required rates revenue.

However, the revaluation will have an impact on the distribution of rates between ratepayers, depending on how their property value increased relative to the citywide average. Properties that increased in value by more than the citywide average will experience a higher than average rate increase, whereas properties that increased in value by less than the citywide average will have a lower than average rate increase.

In general, non-residential and rural properties had higher than average valuation increases, while residential properties had lower than average valuation increases.

2 Note that the council is changing the names of the three rural ratepayer groups from rural 1, rural 2 and rural 3 to "farming and open space", "limited access" and "remote islands" respectively.

As a result of the revaluation, many residential ratepayers will have below average rates increases and some residential properties will have decreases. Non-residential properties will mainly have rates increases around the average. However, CBD non-residential ratepayers will, on average, see an increase in their contribution to rates, as the valuation increases for CBD businesses have generally been higher than the average for the city.

These impacts from the revaluation are before the impacts of applying the next step of the council's long-term general rate differential strategy, the uniform annual general charge and the change to the refuse collection targeted rate are taken into consideration.

The following table shows the average valuation increases following the 2008 property revaluations for the different types of property across the city.

Table C

Differential group	Capital value	Land value	Annual value (used to calculate the property rates)
Residential	11.7%	17.3%	11.5%
CBD non-residential	21.4%	23.1%	17.4%
Non-residential	13.8%	15.8%	12.9%
Rural	18.8%	19.4%	18.8%
Citywide average	13.0%	17.4%	12.5%

Note to table

See the "Valuation system used" section in this volume to see how annual value is determined.

Changes for 2009/2010

For 2009/2010 the average rates increase is 2 per cent (excluding the impacts of the CBD, Mainstreet, additional recycling service targeted rates), which is less than the council's rate of inflation which is projected to be 2.5 per cent (although some properties may have a rates increase that is either lower or higher than this average). This 2 per cent average rates increase will be applied by increasing the uniform annual general charge (as discussed in this section of the document) and reducing the refuse collection targeted rate. The increase is lower than the 8.9 per cent rates increase projected in the previous amended 2006-2016 long-term plan, and means that some projects will be completed at a slower pace.

The targeted rates are used to fund some of the council's current projects and activities, as well as some additional projects that the council adopted in order to achieve its long-term vision.

The council has made changes to the following targeted rates:

- changing the refuse collection targeted rate from $210 to $183 (including GST)
- increasing the CBD targeted rate for CBD non-residential properties, in line with the reduction in their general rate (as outlined under the council's long-term differential strategy)
- increasing the CBD targeted rate for residential properties from $55 to $57 (including GST) per residential unit in the CBD
- introducing a $63 recycling targeted rate for each additional recycling service provided.

The general rate differentials for ratepayers will also be adjusted to achieve the next step of the council's long-term differential strategy. Applying that next step in 2009/2010 will transfer about $2.7 million of general rate revenue from the non-residential groups to residential ratepayers.

Table D shows the percentage impacts on ratepayer groups of the revaluation, applying the next step of the long-term differential strategy, the 2 per cent average rates increase, and the changes to the targeted rates.

Table D – Impacts on ratepayer groups from a 2 per cent average rates increase and other changes

Ratepayer group	Impact from revaluations (%)	Impact of applying the differential strategy (%)	Increase to the general rates and refuse collection targeted rate (%)	Increase from the CBD targeted rates (%)	Average overall rate increase for 2009/2010 (%)
Residential	1.2 decrease	1.5	1.1	0.0	1.4
Non-residential	0.2 decrease	0.4 decrease	3.2	0.0	2.6
CBD non-residential	3.7	3.6 decrease	3.5	2.5[1]	6.1[1]
Great Barrier Island non-residential	6.8	1.5	1.9	0.0	10.2
Rural 1	1.7	2.4	2.8	0.0	6.9
Rural 2	12.2	0.1	3.1	0.0	15.4
Estimated overall citywide rates increase (%)	**0.0**	**0.0**	**2.0**	**0.6**	**2.6[1]**

Note to table

1 The CBD targeted rate for the CBD non-residential group will increase to reflect the decrease in the general rate paid by the CBD non-residential group and the CBD targeted rate increase is included in these figures.

Ratepayers can visit the council's website www.aucklandcity.govt.nz to see the impacts of the changes on rates for their own property, as well as for a range of sample properties.

The general rate

The uniform annual general charge

The council will increase its uniform annual general charge from $162 to $250 (including GST) for each separately used or inhabited part [3] of each rating unit for 2009/2010. The council believes that increasing the uniform annual general charge provides a more equitable way of distributing costs when these costs are largely fixed.

The uniform annual general charge forms the first part of the general rates collected from each rateable property, irrespective of a property's value. Revenue collected through the uniform charge is not allocated to fund specific council services, but goes into the general rates revenue pool, making up 11 per cent of the general rates revenue. A uniform annual general charge of $250 will generate about $43.4 million (excluding GST) of revenue in 2009/2010, which is 9.9 per cent of council's total rates revenue.

Where two or more contiguous properties 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 [4](in-line with section 20 of the Local Government (Rating) Act 2002).

In 2009/2010, the council will collect around $73.5 million (16.8 per cent) of its rates revenue from uniform charges (the UAGC, refuse collection targeted rate and CBD targeted rate for residential units in the CBD). In subsequent years, the council will use increases in the uniform annual general charge to achieve its average rates increases (after considering the other targeted rates), until its uniform rates revenue has reached 30 per cent of its total rates revenue, the maximum allowed under the Local Government (Rating) Act 2002.

3 The council's definition of a separately used or inhabited part is at the end of this section of the document.

4 Section 21 of the Local Government (Rating) Act 2002 allows councils to receive up to 30 per cent of their total rates revenue from uniform rates. This limit excludes revenue from targeted rates set solely for water supply or sewage disposal.

The value-based general rate

Valuation system used

The council assesses the value-based general rate on the annual value of each rating unit. The annual value is the greater of either:

- 5 per cent of the property's capital value
- the rental value of a property on the open market, less 20 per cent to cover normal expenses for developed land or less 10 per cent for vacant land.

How the rate is assessed

The value-based general rate is assessed by multiplying the annual value of a property by the rate per dollar that applies to that ratepayer group.

Different ratepayer groups pay different rates to reflect differing land use and location (called rates differentials). These differentials are listed as a rate in the dollar and as a proportion of the rate that applies to the residential ratepayer category, which is always 1.00 or 100 per cent. For example, if the non-residential differential was 200 per cent, this means non-residential ratepayers would pay two-times the rate in the dollar paid by residential ratepayers.

The value-based general rate includes differentials for seven ratepayer groups, including residential, non-residential, CBD non-residential, Great Barrier Island non-residential, farming and open spaces (previously known as rural 1), limited access (previously known as rural 2), and remote islands (previously known as rural 3)[5]. These are defined on the following page. The objective of including differentials in the general rate is to achieve a fair distribution of the general rate between categories of land.

The value-based general rate will generate about $341.3 million (excluding GST) of revenue in 2009/2010 and represents about 78.0 per cent of the council's total rates revenue.

The long-term differential strategy

Since 1999/2000, Auckland City Council has applied a long-term differential strategy to its general rate, based on moving to a set of target differentials over 10 years. The council reviewed this strategy in 2003/2004 and decided on the following.

The council will move to a single business rate for all non-residential groups over a transition period of nine years. The revised differential targets are 100 per cent for residential; 180 per cent for non-residential, CBD non-residential and Great Barrier Island non-residential; 86 per cent for farming and open space; 25 per cent for limited access; and 0 per cent for remote islands. These targets will be reached by 2012/2013. The lower differential target for non-residential groups will achieve a fairer distribution of rates than is currently the case.

Moving to a lower differential for the non-residential groups will involve progressively shifting some of the general rates from non-residential ratepayers to residential ratepayers over the nine years. About $2.7 million per year (excluding GST) will be transferred to ensure the strategy is carried out at an affordable pace. The council considers that increases greater than this would be less affordable for some residential ratepayers. Table D outlines the impact of the differential strategy for 2009/2010 on each of the ratepayer groups.

The measure used for the differential strategy was reviewed in 2003/2004 and an alternative adopted, which incorporates both the value-based general rate and the uniform annual general charge (the new measure is called the effective differential).

The council will review its long-term differential strategy as part of its 2012/2013 long-term plan to see if the projected level is appropriate, including the differential levels for all seven ratepayer groups.

5 Note that the council has renamed rural 1, rural 2, and rural 3, "farming and open space", "limited access", and "remote islands" respectively, to describe these ratepayer groups more clearly.

The following table shows the relationship between the general rate differentials for the 2008/2009, 2009/2010 and 2010/2011 financial years, and the differentials that will apply in the future (with residential stated as 1.00 or 100 per cent).

Table E

Differential group	Relative effective differentials[1] for the general rate for 2008/2009	Relative effective differentials[1] for the general rate for 2009/2010	Estimated relative effective differentials[1] for the general rate for 2010/2011	Proposed 2012/2013 differential targets for the general rate	Rate in the dollar for the value-based general rate for 2009/2010 (figures include GST)
	%	%	%	%	
Residential	100	100	100	100	0.038497
Non-residential	195	190	186	180	0.086818
CBD non-residential	217	206	196	180	0.095007
Great Barrier Island non-residential	180	180	180	180	0.074414
Farming and open space	83	84	84	86	0.035818
Limited access	27	26	26	25	0.008925
Remote islands[2]	0	0	0	0	0.000000

Notes to table

1 The relative effective differentials are calculated using the uniform annual general charge and value-based general rate.

2 Remote islands ratepayers are liable for the uniform annual general charge only, which is automatically remitted through a specific rate remission policy.

Differential categories in Auckland city are based on land use. The council has changed some of the differential category names and definitions for 2009/2010.

Changes

The council has renamed the rural 1, rural 2 and rural 3 ratepayer groups as "farming and open space", "limited access" and "remote islands" respectively, to describe the groups more clearly. The council has also changed the definitions for the residential and farming and open space ratepayer groups for 2009/2010 as follows:

- The council has expanded the definition for the residential group to include hotels, motels, serviced apartments, boarding houses and hostels when the property owner provides proof that the property is used exclusively or almost exclusively for residential purposes. This removes ambiguity around the rating of these types of properties. (Property owners must provide proof of long-term stay (at least 90 days) for over 50 per cent of the units, as at 30 June each year. Proof must be in the form of a residential tenancy agreement or similar documentation). It also includes all vacant land on Waiheke, Great Barrier and Rakino islands to reflect the most likely development under the Hauraki District Plan.
- The council has also expanded the definition for the farming and open space ratepayer group to include all vacant land and residential land greater than 4ha on Waiheke, Great Barrier and Rakino islands. The council believes that large vacant blocks and bush blocks (including bush blocks with a residence) contribute to the islands' open space character, which the council wants to retain. By extending the definition, properties of this type are better accommodated in the rating differential policy.

The differential definitions for 2009/2010 are shown in the following table.

Table F

Group	Ratepayer group	Definition
A	Residential	Includes all land that is used exclusively, or almost exclusively, for residential purposes, and includes tenanted residential properties, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels.[1] It includes all vacant land on Waiheke, Great Barrier and Rakino islands that is less than 4ha. It also includes vacant land[2] on the isthmus that was previously used for residential purposes before the land was cleared or is in a residential zone.
B	Farming and open space	Includes all land on Waiheke, Great Barrier and Rakino islands, which is used exclusively, or almost exclusively, for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock. It includes all vacant land and residential land greater than 4ha on Waiheke, Great Barrier and Rakino islands.
C	Limited access	Includes all coastal land (irrespective of land use) on Waiheke, Great Barrier and Rakino islands for which direct or indirect access by road is not provided or available, and all land situated on the islands of Kaikoura, Karamuramu, Little Barrier, Mokohinau, Motahaku, Mototapu, Motuihe, Pakatoa, Pakihi, Ponui, Rakitu, Rangiahua, Rotoroa and The Noises.
D	Remote islands	Includes land on all Hauraki Gulf islands other than the islands named in the definition of group C.
E	CBD non-residential	Includes all land in the central area[3] that is not in group A.
F	Great Barrier Island Non-residential	Includes all land situated on Great Barrier Island that is not in group A, B, or C.
G	Non-residential	It includes land not classified in any of the other ratepayer groups.

Notes to table

1 Hotels, motels, serviced apartments, boarding houses and hostels will be rated non-residential except when the property owner provides proof that the property is used exclusively or almost exclusively for residential purposes. Property owners must provide proof of long-term stay (at least 90 days) for over 50 per cent of the units, as at 30 June each year. Proof should be in the form of a residential tenancy agreement or similar documentation.

2 Vacant land on the isthmus previously used for non-residential purposes before the land was cleared, or is in either a mixed use or commercial/industrial zone will be classified as non-residential or CBD non-residential if the vacant land is in the central area.

3 The central area means that part of the inner city bounded by the Waitemata Harbour from the east side of St Marys Bay to the east side of Fergusson Wharf; the current motorways; the west side of Stanley Street and The Strand; the north side of Tamaki Drive from The Strand to Solent Street; and the west side of Solent Street to the east side of Fergusson Wharf. You can view a map of the central area at www.aucklandcity.govt.nz or at any Auckland City Council library or service centre.

Refuse collection targeted rate

Activities to be funded

The targeted rate for refuse collection is used to fund refuse collection and disposal services (including the inorganic refuse collection every two years), refuse recycling, some of the cost of upgrading the Waiheke Island waste transfer station, and educational and promotional activities associated with refuse management.

The refuse collection targeted rate also funds several other recycling projects, which the council adopted in July 2006 to speed up progress towards achieving its long-term vision of waste minimisation. These projects include developing a resource recovery park, expanding the coverage of the hazardous waste collection, and providing additional refuse education programmes to reduce waste.

The council has changed the refuse collection targeted rate from $210 to $183 (including GST) per service for 2009/2010. While the cost of providing the services has increased (including the new waste levy) the council has reduced the targeted rate by using $2 million of the targeted rate surplus carried over from 2007/2008. The surplus was a result of refuse expenditure being less than anticipated.

Categories of land liable

This targeted rate will be assessed on all land on the isthmus and Waiheke, Great Barrier and Rakino islands. The following exceptions will be applied in 2009/2010:

- vacant land
- land used exclusively or principally for forestry or mineral extraction
- land used exclusively or principally for transport, including car parks
- land used exclusively or principally for a school or university (not including day-care centres, child-care centres or creches)
- land used exclusively or principally as a licensed hospital or by a district health board to provide health services (not including medical centres)
- land used exclusively or principally as a church or place of worship
- land used exclusively or principally as a cemetery or crematorium
- land used exclusively or principally for passive outdoor activities, eg, parks
- land used exclusively or principally as part of a utility network
- coastal land (irrespective of land use) on Waiheke, Great Barrier and Rakino islands that does not have direct or indirect road access
- land used exclusively or principally as a billboard or billboards.

Land in these categories will nevertheless be liable for the targeted rate where a refuse collection service is provided to the rating unit as at 1 July 2009.

The council's refuse rates remission policy may provide rates relief for large residential blocks with an approved alternative collection service. Visit www.aucklandcity.govt.nz/rates for more details.

How the rate is assessed

For rating units made up of one separately used or inhabited part (see the end of this section of the document for the council's definition of this), the council will provide one refuse collection service. For rating units made up of more than one separately used or inhabited part, the council will provide the same service as was provided at 1 July 2009, unless otherwise informed by the owner of the rating unit (that is, at least one refuse collection service, and up to a maximum of one refuse collection service per separately used or inhabited part).

The targeted rate for refuse collection will generate revenue of about $29.3 million (excluding GST) in 2009/2010 and represents about 7 per cent of the council's total rates revenue.

In the future, the level of this targeted rate may be adjusted to reflect changes in the costs of providing refuse collection and disposal services.

Targeted rate for an additional recycling service

Background

The council believes that allowing ratepayers on the isthmus to request additional recycling services encourages greater waste minimisation. This will help ensure that waste is diverted from landfill and that valuable resources are collected and reused, which is an integral part of Auckland's commitment to becoming a sustainable city.

From 2009/2010, the council has introduced a new targeted rate for each additional recycling service (above the service provided through the refuse collection targeted rate) provided to ratepayers in the isthmus (excluding ratepayers in the CBD).

The recycling collection service provided through the refuse collection targeted rate involves the fortnightly collection of a 240 litre mobile recycling bin. The council now allows ratepayers to request additional mobile recycling bins. The new targeted rate applies to each additional recycling bin requested.

The targeted rate for an additional recycling service is $63 per year (including GST). Ratepayers can request and pay for the number of mobile recycling bins they require to meet their needs, provided the number of requested does not exceed the council's criteria. See www.aucklandcity.govt.nz/rates for more information about this targeted rate and its criteria.

Activities to be funded

The targeted rate for an additional recycling service funds the cost of collecting, processing and disposing of the recyclable materials collected.

How the rate will be assessed

Ratepayers are encouraged to apply for the additional recycling service before the start of the financial year (1 July 2009). The targeted rate applies for one additional service for one year (although ratepayers can request and pay the targeted rate for more than one service). Should ratepayers require an additional recycling service part way through the year, they will need to contact the council and the additional service will be applied as a charge.

CBD targeted rate

Changes

The council has increased the targeted rate for residential units in the CBD from $55 to $57 per unit for the 2009/2010 financial year. This increase will help to fund the higher costs associated with the CBD's redevelopment programme, caused by inflation. The council will also increase the targeted rate for CBD non-residential properties, in line with their reduction in their general rate from the differential strategy.

Background

The council adopted a CBD targeted rate in 2004/2005 to fund the development and revitalisation of the CBD (in-line with Auckland's CBD into the future strategy). The rate applies to both non-residential and residential ratepayers in the CBD.

This targeted rate is based on keeping the total of the general rate and the CBD targeted rate for CBD non-residential ratepayers constant in real terms (that is, at the same level as their general rate for the 2003/2004 financial year, with adjustments for inflation).

The CBD targeted rate for the CBD non-residential ratepayer group will be phased in over the same period as their general rate is reduced (as a result of the council's long-term differential strategy, which is gradually moving towards a lower general rate differential for businesses). The level of the CBD targeted rate for this group will be increased in-line with the decrease in their general rate.

Initially, the council anticipated that the CBD targeted rate would be applied from 2004/2005 to 2013/2014, generating about $100 million over the period. However, to cover higher-than-anticipated project costs, the council extended the CBD targeted rate in 2006/2007 for a further two years to 2015/2016, which will generate an additional $22 million (excluding GST). The targeted rate will then reduce in 2016/2017 to a residual amount, to cover the additional depreciation and operational expenditure generated by CBD projects associated with Auckland's CBD into the future strategy.

The targeted rate for CBD residential ratepayers is determined on a different basis than that used for CBD non-residential properties (residential rates are not decreasing because of the long-term differential strategy).

Activities to be funded

The CBD redevelopment programme aims to enhance the CBD as a place to work, live, visit and do business. It will achieve this by providing a high-quality urban environment, promoting the competitive advantages of the CBD as a business location, and promoting the CBD as a place for high-quality education, research and development. The programme intends to reinforce and promote the CBD as a centre for arts and culture, with a unique identity as the heart and soul of Auckland.

This targeted rate also funds the additional depreciation and operational expenditure generated by the projects in Auckland's CBD into the future strategy.

Land liable for the rate

This targeted rate will apply to all land currently in the central area, as it is defined for rating purposes. You can view a map of the central area at www.aucklandcity.govt.nz/rates, or at any Auckland City Council library or service centre.

How the rate will be assessed

The CBD targeted rate will be assessed as follows in 2009/2010.

For CBD non-residential land, the targeted rate will be assessed on annual value. The rate in the dollar for 2009/2010 is 0.019331 (including GST). This will generate about $13.4 million (excluding GST) in revenue in 2009/2010. This figure is based on the reduction in this group's general rate, which results from the decrease in its general rate differential under the council's long-term differential strategy (outlined in the general rate policy).

For residential land in the CBD, the targeted rate will be assessed as a fixed amount for each separately used or inhabited part of the rating unit. For 2009/2010, the targeted rate for residential land in the CBD is $57 (including GST) per separately used or inhabited part of the rating unit. This will generate revenue of about $0.8 million (excluding GST) in 2009/2010.

The level of the CBD targeted rate will be reviewed for 2010/2011.

How the rate will apply over the long term

The CBD targeted rate in its current form will be increased for the CBD non-residential group over nine years (from 2004/2005 to 2012/2013) based on the reduction in that group's general rate over the same period. The level of the CBD targeted rate for CBD residential ratepayers over the same period will be determined as part of the council's annual financial planning process.

Having reached its peak in 2013/2014 the CBD targeted rate will remain around this level until 2015/2016. From 2016/2017, the CBD targeted rate will be reduced to a residual amount, which will cover only the additional depreciation and operating expenditure associated with the higher level of service and amenity required by Auckland's CBD into the future strategy.

Mainstreet targeted rate

Change

The council has extended the Newmarket, Heart of the City, and Karangahape Road Mainstreet boundaries after consultation with ratepayers and business owners in the new areas.

Background

The council values good working relationships with local businesses and communities, and will continue to be involved in 17 Mainstreet programmes across the city in 2009/2010. Mainstreet programmes build on the distinctive character of Auckland's town centres and business areas, as well as the energy and skills of people who have businesses there. The programmes, which are funded through a Mainstreet rate collected from local businesses, are an important element in sustaining Auckland's economic growth.

Activities to be funded

The main objectives of the Mainstreet programmes are to enhance the physical environment, promote business creation and development, and increase employment and local business investment in Mainstreet areas. The programmes also involve community development and heritage conservation, and are intended to identify and reinforce the unique identity of a place and to promote that identity as part of its development.

Land liable for the rate

The Mainstreet rates will be applied to non-residential land in defined areas in the following commercial centres: Avondale, Blockhouse Bay, Eden Valley, Ellerslie, Glen Innes, Heart of the City, Karangahape Road, Mt Eden village, Newmarket, Onehunga, Otahuhu, Panmure, Parnell, Ponsonby, Remuera, Rosebank business development community and St Heliers. The council has expanded the boundary for the Newmarket Mainstreet targeted rate.

For maps of the areas where the Mainstreet rates will apply (including the expanded Newmarket boundary), go to www.aucklandcity.govt.nz/rates, or visit any Auckland City Council library or service centre.

How liability will be assessed

The Mainstreet targeted rate will be assessed on the annual value of properties. The Mainstreet rate for each area will be applied as a rate in the dollar. There will be a different rate for each Mainstreet programme. The budgets and estimated rates for each Mainstreet area for 2009/2010 are shown in the table below.

Table G

Mainstreet area	Budgets for 2009/2010 (excluding GST)	Rate in the dollar for 2009/2010 (including GST)
Avondale	$100,000	0.021240
Blockhouse Bay	$40,263	0.025193
Eden Valley	$97,500	0.017271
Ellerslie	$91,850	0.032165
Glen Innes	$156,248	0.026352
Heart of the City	$3,371,000	0.007716
Karangahape Road	$294,840	0.007103
Mt Eden village	$68,035	0.017616
Newmarket	$1,190,000	0.011082
Onehunga	$367,416	0.027239
Otahuhu	$370,000	0.031142
Panmure	$366,025	0.027831
Parnell	$281,416	0.013785
Ponsonby	$220,000	0.009788
Remuera	$235,587	0.033730
Rosebank	$198,000	0.004639
St Heliers	$131,890	0.032267
Total	**$7,580,070**	

Other changes in 2011/2012

Rugby World Cup 2011

Background

Auckland City Council is leading the regional planning, and working together with other councils in the region, to plan for the 2011 Rugby World Cup.

The Rugby World Cup is the third largest sporting event in the world. Hosting the cup will foster Auckland's national and international reputation as an exciting arts, culture and sports destination, and will attract visitors and investment, helping to build local industries and strengthen the country's economy. The council believes there are significant economic, social, environmental and cultural benefits for the city from hosting the cup, both during the event, and after it has taken place.

The council is planning a $28.8 million operating programme to successfully deliver the Rugby World Cup. The council will use the following sources to fund the programme:

- $4 million of external revenue
- $6.8 million reprioritised from within the council's current budget
- $11 million operating surplus revenue from 2007/2008
- $6.9 million from targeted rates.

The council intends to introduce two new targeted rates to help fund the $6.9 million required to pay for tourism and events in 2011/2012 only, associated with the Rugby World Cup 2011. The two new rates are a citywide targeted rate and a targeted rate on the accommodation sector.

The citywide targeted rate will be applied on the following basis.

- A targeted rate charged to residential properties as a fixed amount of around $23 per separately used or inhabited part of a property, to collect around $3.4 million (49 per cent of the $6.9 million), which is on average a 1.35 per cent increase for residential properties.
- The targeted rate will be charged to non-residential and CBD non-residential properties as a value-based targeted rate to collect around $2.9 million (42 per cent of the $6.9 million), which is around a 1.35 per cent average rates increase for these properties.

While the council believes that the benefits of hosting the Rugby World Cup 2011 will be community-wide, the event will benefit the accommodation sector in particular. The event is predicted to bring in over $300 million in additional spending for the Auckland region, and the council estimates that nearly one quarter of international visitor spending will be in the accommodation sector. As a result, the council believes it is appropriate to charge the accommodation sector an additional value-based targeted rate to be used towards expenditure associated with the event.

In addition to the citywide targeted rate, the council plans to introduce an additional accommodation sector value-based targeted rate to collect around $600,000 (9 per cent of the $6.9 million), which is around a 6 per cent average rates increase for these properties.

At this stage, these amounts are only indicative and the proposed targeted rates will be included in the council's draft 2011/2012 annual plan for public consultation.

Definition of a separately used or inhabited part of a rating unit

The council defines a separately used or inhabited part 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 either non-residential, CBD non-residential or Great Barrier Island non-residential) 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 and storage container businesses.

Vacant land will be treated for rating purposes as having one separately used or inhabited part.

Where two or more contiguous properties are owned by the same person or persons, and are used jointly as a single unit, they will be treated as a single property (in line with section 20 of the Local Government (Rating) Act 2002).

Rates assistance policies

Auckland City Council has various rates assistance schemes, which help to address affordability issues, promote particular land uses or address anomalies with the council's rating policy. The assistance schemes act through rates remissions, rates postponements, an extended rates rebate scheme and a rates discount policy.

The council currently offers the following rates assistance policies.

Rates remission policies

Remission of rates penalties

This policy allows the council to act fairly and reasonably in relation to penalties that have been applied because rates have not been received by the due date. The policy sets out the circumstances and criteria for when penalties can be remitted.

Remission of rates for Maori freehold land

The policy is a two-part remission policy for Maori freehold land (as legally determined by the Maori Land Court) to help meet the objectives outlined in Schedule 11 of the Local Government Act 2002:

- a full remission of rates on land that is undeveloped
- a remission on land that is developed and used by iwi members for non-commercial purposes, which caps the rates using a property value that corresponds to the lowest 20 per cent of land values in the city. Maori freehold land that has a land value less than this cap does not qualify for this remission.

The council has modified this policy to allow the council to apply on the owners' behalf if the property meets the qualifying criteria. The council believes this will make application of the policy easier.

Remission for private covenanted land

This policy acknowledges conservation efforts by providing a 100 per cent rates remission for any part of a private property that an individual has voluntarily placed under a conservation covenant under the QEII Trust. It also includes private land covenanted under the Reserves Act 1977, which has a management plan in place that meets the council's conservation objectives.

Remission of rates for an approved refuse service

The council currently remits a proportion of the refuse collection targeted rate, relating to the council's rubbish collection service, for large residential blocks that have their own approved alternative rubbish service. Ratepayers for these blocks are still liable for the refuse collection targeted rate and will have access to, and must contribute fairly towards, the cost of the council's waste minimisation initiatives. The council will also remit the cost of its recycling service for large residential blocks that have an approved recycling service. For 2009/2010, the council will remit $115 for having an approved alternative rubbish collection service and $63 for having an approved alternative recycling collection service.

Remission of rates on car parks

Where a car park on a separate title is used in conjunction with another rating unit (for example, an apartment or office) the policy provides relief from the uniform rates that are assessed on the car park (that is, the uniform annual general charge and the CBD targeted rate for residential properties). Ratepayers are still liable for all value-based rates assessed on the car park.

Remission of rates on remote island properties (previously known as rural 3)

The remote islands differential category relates to uninhabitable islands in the Hauraki Gulf. Remote island properties have a zero rate in the dollar for the value-based portion of their general rate. The uniform annual general charge is applied to all rateable properties in Auckland city. This policy remits the uniform annual general charge on remote island properties (previously the rural 3 ratepayer group).

Remission of rates in miscellaneous circumstances

This policy enables the council to remit rates in miscellaneous circumstances not specifically covered by the other policies noted above, but where it considers it appropriate to do so.

Rates postponement policies

Postponement for commercial farmland

This policy encourages farming activity by postponing 25 per cent of the value-based component of rates on land that is primarily used for commercial farming activities. The land must be greater than 12ha and be GST registered. The postponed rates will be written off after five years, provided the land's use does not change.

Postponement for Great Barrier Island businesses

This policy helps mitigate the effects on rates of other potential uses for the property, and provides financial support for those who use their properties on Great Barrier Island for business purposes. The council will postpone the difference between the rates based on rateable value and the rates based on 80 per cent of the actual commercial use of the property (annual rental). The postponed rates will be written off after five years if the property's use does not change.

Postponement of residential rates

This policy assists residential ratepayers who want to defer paying their rates by using the equity in their property. The qualifying criteria is based entirely on the ratepayer's equity in their property, which means most ratepayers who own their own home can access the scheme, as well as those in extreme financial difficulty. There is no means test or compulsory minimum payments.

Other assistance schemes

Extended rates rebate scheme

The extended rates rebate scheme is a top-up of the central government scheme (which aims to provide financial relief to ratepayers whose rates are disproportionately higher than their income by providing a rates rebate of up to $550 for 2009/2010). The council's top-up, includes Metro Water Ltd's water-related charges in the rebate calculation and allows farms with a residence on them to apply for a rebate. The central government scheme does not include either water charges or farms in its rebate calculation.

For 2009/2010, the council has changed the extended rates rebate scheme to a remission policy. This is a purely technical change and does not affect the application of the policy, or affect ratepayers. The remission is essentially the difference between Auckland City Council's calculation of the rebate and the rebate as calculated under central government's scheme. The remission will be based on the government rebate thresholds for 2009/2010, as outlined in the policy.

Policy on early payment of rates in the 2009/2010 year (discount rate)

This policy provides a 1.50 per cent discount for early payment of rates to encourage ratepayers to pay their rates in full by the first instalment date.

Policy on remission of rates penalties

Objective

This policy enables the council to act fairly and reasonably in relation to penalties applied when rates have not been received by the due date.

Conditions and criteria

Penalties on rates may be remitted when one or more of the following criteria are met.

(a) The ratepayer:

- is a beneficiary, earns a low income, or has recently been made redundant or unemployed, is without substantial other income and has exhausted other avenues of relief, and
- makes acceptable arrangements for paying future rates instalments.

(b) The ratepayer is experiencing significant family disruption, such as illness or accident of the ratepayer or a family member, birth, death, marriage, separation or divorce.

(c) There are extenuating circumstances, such as the loss of records by fire or theft.

(d) The ratepayer has paid after the penalty date, but has not received a rates penalty remission under this policy within the past two years.

(e) The ratepayer has purchased the rating unit, but has not received a notice of instalment of rates, for example in the case of a cross-lease or subdivision where the rates notices continue to be sent to the previous owner until the end of the financial year.

(f) The ratepayer can no longer manage his or her own affairs because of age or health issues, and another person has assumed responsibility for paying the ratepayer's accounts. This criterion can only be used once by each ratepayer.

(g) The ratepayer has advised the council before the penalty date that he or she will not have funds available to pay the rates instalment until after the penalty date, and the payment is then made within 14 days of the penalty date. This criterion can only be used once within any two-year period by each ratepayer.

(h) The ratepayer has contacted the council within seven days of a penalty date requesting a copy of the instalment notice but did not receive the copy before the penalty date, as long as payment is made within 10 days after the date the request was made.

(i) Where correspondence disputing the payment of rates on the rating unit has been sent to Auckland City Council but no record of receipt is found, and a copy of the correspondence together with proof that it was sent before the penalty date is supplied by the ratepayer.

(j) Where circumstances are such that to not remit some or all of the penalties would be unfair or unreasonable and inconsistent when compared to the criteria in (a) to (i) above.

The remission will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Treatment of penalties on small overdue balances

When a small balance is overdue, which it is uneconomical to collect, council officers may write off the balance in line with other council procedures. Penalties will not be applied in these circumstances.

Delegation of decision making

Decisions about remission of penalties will be made by council officers.

Policy on remission of rates for Maori freehold land

Background

Maori freehold land is land that has had its beneficial ownership determined by the Maori Land Court by freehold order. The Local Government Act 2002 requires councils to adopt a policy on the remission and postponement of rates on Maori freehold land (section 102(4)(f)). In developing this policy, the council must consider the matters set out in schedule 11 of the act.

There are a number of legal and cultural issues that distinguish Maori freehold land from other types of land, including:

- the land is generally in multiple ownership
- there are legislative and cultural constraints on the alienability of Maori freehold land
- there are often situations where the land is undeveloped and unoccupied for cultural, spiritual or practical reasons.

Objectives

This policy aims to support iwi to retain ownership of this land, and to use the land in a manner that aligns with their spiritual and cultural world view. It provides rates relief for Maori freehold land that is undeveloped, and land that is developed and used for non-commercial purposes for the benefit of iwi members.

The Local Government Act 2002 requires that, in deciding on a policy under section 102(4)(f), the council must consider the desirability and importance of the following objectives from schedule 11 of the act:

a) supporting the use of the land by the owners for traditional purposes
b) recognising and supporting the relationship of Maori and their culture and traditions with their ancestral lands
c) avoiding further alienation of Maori freehold land
d) facilitating any wish of the owners to develop the land for economic use
e) recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes
f) recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
g) recognising and taking account of the importance of the land for community goals relating to:
    - the preservation of the natural character of the coastal environment
    - the protection of outstanding natural features
    - the protection of significant indigenous vegetation and significant habitats of indigenous fauna
h) recognising the level of community services provided to the land and its occupiers
i) recognising matters related to the physical accessibility of the land.

In addition to these objectives, this policy aims to:

- facilitate a fair and equitable contribution to rates
- build on the supportive treaty-based relationship that exists between Auckland City Council and the city's tangata whenua groups.

How the policy will help to meet these objectives

This policy is in two parts.

Part 1 provides relief to owners of Maori freehold land that is in multiple ownership and that is undeveloped and unoccupied. It will help to:

- enable a fair and equitable collection of rates by recognising situations where the particular features and ownership structures of Maori freehold land make payment impractical

- support and assist iwi to retain ownership of the land, and support the traditional Maori relationship of kaitiakitanga (guardianship) in cases where no income is derived from the land (see objectives a, b and c).
- support any wish of the owners to develop the land for economic or other purposes by removing the rates burden while they plan for this development (see objectives d and f)
- recognise situations where land has been set aside for cultural or natural heritage reasons and no income is derived from the land (see objectives e and g).

Part 2 provides relief to owners of Maori freehold land that is developed and used for non-commercial purposes for the benefit of iwi members (for example for papakainga housing, community facilities, marae and associated infrastructure). It will help to:

- recognise and support the relationship of Maori with their ancestral lands, and support the continued ownership and use of the land for traditional purposes by mitigating the effects on rates of the land's location (see objective a, b and c)
- support efforts to attract iwi members to the land and develop marae, papakainga housing and associated infrastructure (see objectives b, f and h)
- recognise situations where the cultural best use of the land does not align with its potential economic best use by providing some rates relief for non-commercial developments (see objectives a, b and f).

Conditions and criteria

This policy allows the council to remit the rates on Maori freehold land that is in multiple ownership. This policy is not available for land that is used for commercial purposes, including commercial farmland. However, farmland may be eligible for a postponement of rates under the farmland postponement policy.

The council encourages the ratepayer or the ratepayer's agent to apply to the council on the prescribed form and specify whether they are applying for remission under part 1 or 2 of the policy. For the rates to be remitted, the council will require evidence each year, by way of statutory declaration, to confirm that the rating unit still complies with the conditions and criteria of the policy. The council can apply for the remission on behalf of the ratepayer, provided the property meets all the criteria.

The remission will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Part 1 – Remission for undeveloped or unused Maori freehold land

A property is eligible for a remission under part 1 of this policy if the land, or part of the land, is undeveloped and unused. This means that no person:

- leases the land, or
- does one or more of the following things on the land, for profit or other benefit:
- resides on the land
- de-pastures or maintains livestock on the land
- stores anything on the land
- uses the land in any other way.

This category includes waahi tapu sites and land that has been set aside and protected for cultural, historic or natural conservation purposes.

A qualifying rating unit will be eligible for a 100 per cent remission of the rates (excluding the refuse collection targeted rate) on the portion of the rating unit that is undeveloped or unused.

Part 2 – Remission for land developed and used for non-commercial purposes for the benefit of iwi members

Part 2 caps the rates paid on land that is developed and used for non-commercial purposes for the benefit of iwi members, using a land value that corresponds to the lowest 20 per cent of land values in the city. Maori freehold land that has a land value less than this cap will not qualify for a remission.

A property is eligible for a remission under part 2 of this policy if the land, or part of the land, is developed and used for non-commercial purposes for the benefit of iwi members (including papakainga housing, community facilities, marae and associated infrastructure).

For eligible rating units, the council will calculate:

- the portion of the rating unit's rates that are attributable to its land value
- the rating unit's land value per square metre of land area
- a rates remission value.

The remission value per square metre will be set so that 20 per cent of land within the same geographical area as the rating unit has a value less than this. For properties on the isthmus, the value will be calculated on the basis of all fully rateable rating units on the isthmus, and for properties on the Hauraki Gulf islands, on the basis of all fully rateable rating units on the Hauraki Gulf islands.

The rating unit will receive a remission of rates under this policy if its land value per square metre of land area is greater than the rates remission value.

The amount of rates that are remitted for any rating period will be based only on the portion of the rates that are attributable to the rating unit's land value. The remitted rates will be the difference between:

- the land value portion of the rates calculated using the rateable value of the rating unit, and
- the land value portion of the rates calculated using the rates remission value.

The value of the rates to be remitted will be calculated at the time of the initial application and will only be recalculated at the time of subsequent triennial property revaluations. A remission percentage, based on the amount of the initial remission, will be used to calculate the amount of the remission in the years between triennial revaluations, and will be reviewed at each revaluation. The council may recalculate the value of the rates to be remitted between property revaluations if there are significant changes to the property.

There will be no right of objection to any of the values or to the rates to be remitted as calculated under part 2 of this policy.

Delegation of decision making

Decisions relating to remission of rates payments under this policy will be made by council officers.

Policy on remission of private covenanted land

Objective

The council wants to encourage landowners to covenant their land for conservation purposes.

Criteria

The council may remit rates where:

- a rating unit is wholly or partly subject to a registered open space covenant under section 22 of the Queen Elizabeth II National Trust Act 1977
- private land has a conservation covenant under section 77 of the Reserves Act 1977 registered against its certificate of title.[1]

To receive rates remission, land covenanted under the Reserves Act 1977 must have a council-approved management plan in place that meets the council's criteria, to ensure that the conservation area is protected and maintained.

The council will inspect the conservation area every two years to ensure that the conservation area is being maintained to the agreed standard in the management plan.

Conditions

The ratepayer or the ratepayer's agent must apply to the council on the prescribed form, which will include a council-approved covenant management plan. After the initial application has been approved, the council will continue to apply any remission until the rating unit ceases to qualify for a remission under this policy.

A qualifying rating unit will be eligible for a remission of 100 per cent of the rates (excluding the refuse collection targeted rate) on the part of the rating unit to which the covenant applies, as long as the conservation area is maintained to the standard agreed in the management plan.

If the conservation area is not maintained to the standard agreed in the management plan, the council may reduce the level of the remission, including the complete removal of the remission.

The remission will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Delegation of decision making

Decisions relating to remission of rates under this policy will be made by council officers.

1 If a conservation covenant has been issued as part of a subdivision, property owners may still be eligible for a rates remission if the property owner has a management plan meeting council's conservation criteria and the property is maintained to that standard.

Policy on remission of rates for an approved refuse service

Objective

The council allows large residential blocks (such as apartment blocks and retirement villages) to arrange for their own approved alternative rubbish and recycling collection services, rather than using the services provided by the council.

However, rating units within these large residential blocks will be liable for the refuse collection targeted rate.

This remission policy provides rates relief in these circumstances by remitting the part of the refuse collection targeted rate that relates to the council's rubbish and recycling collection services. Such properties will still have access to, and will be expected to contribute fairly towards, the cost of the council's other waste minimisation initiatives, but they will not have to contribute towards the cost of the rubbish and recycling collection services that they have opted out of.

Under this policy, the part of the refuse collection targeted rate that relates to the cost of rubbish collection can be remitted for rating units in large residential blocks that have an approved alternative rubbish collection service. For rating units that are eligible for remission under this policy, $115 of the refuse collection targeted rate can be remitted. In addition, the part of the refuse collection targeted rate that relates to the cost of recycling collection, a further $63 can be remitted for rating units in large residential blocks that have an approved alternative recycling collection service.

The level of the remission for an approved refuse service and approved recycling service will be updated each year to reflect the council's costs in providing these services.

Conditions and criteria

$115 of the refuse collection targeted rate may be remitted for rating units in a large residential block where:

- the block has 10 or more residential rating units
- the block provides an approved alternative rubbish collection and disposal service for all the rating units within it, as at 1 July 2009
- the rating unit is liable for the refuse collection targeted rate.

A further $63 of the refuse collection targeted rate may be remitted for rating units in a large residential block where:

- the block has 10 or more residential rating units
- the block provides an approved alternative recycling collection and disposal service for all the rating units within it, as at 1 July 2009
- the rating unit is liable for the refuse collection targeted rate.

The remission will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Delegation of decision making

Decisions relating to the remission of rates for large residential blocks with an approved alternative rubbish service will be made by council officers.

Policy for remission of rates on car parks

Objective

This policy provides relief from fixed uniform charges (these are the $250 uniform annual general charge and the $57 CBD targeted rate for CBD residential properties for 2009/2010), where they are applied to both a rating unit and any car park that is used with the rating unit.

Under this policy, the uniform annual general charge can be remitted on non-residential car parks that are eligible for remission. For residential car parks that are eligible for remission under this policy, both the uniform annual general charge and the $57 CBD targeted rate for CBD residential properties can be remitted.

Conditions and criteria

The uniform annual general charge and the CBD targeted rate applied to CBD residential properties may be remitted on a car park where:

- both the car park(s) and the main property are owned by the same person or persons, and
- they are jointly used as a single unit, and
- no car parking is available on the main property.

The ratepayer or the ratepayer's agent must apply to the council on the prescribed form. The council has the final discretion about whether to grant a rates remission.

The remission will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Delegation of decision making

Decisions relating to the remission of rates on car parks will be made by council officers.

Policy for remission of rates on remote island properties

Objective

This policy allows the council to remit the uniform annual general charge for rating units in the remote islands differential category. This is to recognise that these rating units are on islands that are uninhabitable or cannot be developed due to their geography or size.

Conditions and criteria

The council will automatically remit the uniform annual general charge in full on all rating units in the remote islands differential category.

Policy for remission of rates in miscellaneous circumstances

Objective

This policy enables the council to remit rates in circumstances that are not specifically covered by other policies, but where the council considers it appropriate to do so.

Conditions and criteria

The council may remit rates on a rating unit where it considers it just and equitable to do so because:

- there are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit's rates are disproportionate to those assessed for comparable rating units, or
- the circumstances of the rating unit or the ratepayer are comparable to those where a remission may be granted under the council's other rates remission policies, but are not actually covered by any of those policies.

The council has the final discretion to decide whether to grant a rates remission under this policy.

The remission will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Delegation of decision making

Decisions relating to remission of rates in miscellaneous circumstances will be made by council officers.

Policy for postponement of rates on commercial farmland

Objective

This policy aims to encourage owners of farmland to continue productive farming businesses, rather than subdividing or using their land for non-farming purposes. It recognises cases where the rateable value of a rating unit that is operated as a commercial farm is significantly attributable to the potential use that the land may be put to for residential, commercial, industrial or other non-farming development.

Criteria

For the purposes of this policy, farmland is land that is separately rated and is used exclusively or principally for agricultural, horticultural, or other pastoral purposes, or for keeping bees or poultry or other livestock, and farming has a corresponding meaning.

The council will postpone a portion of the rates if the rating unit meets the following criteria:

- it is farmland
- it is in either the farming or open space rating group, or the limited access rating group
- it is used solely or principally for the purposes of a farming business, and is GST registered
- it is not less than 12ha.

Conditions

1 The ratepayer or the ratepayer's agent must apply to the council on the prescribed form.

2 If the application is approved, the council will postpone 25 per cent of the value-based rates (that is all rates excluding the uniform annual general charge and the refuse collection targeted rate) on the rating unit for the relevant year or years.

3 Unless the postponed rates become payable in accordance with condition 4 of this policy, the council will write off the postponed rates, including any postponement fees and interest, after five years.

4 The rates that are postponed under this policy, and that have not been written off under condition 3, become due and are to be paid immediately if the rating unit ceases to qualify for rates postponement under this policy.

5 Where the ratepayer's interest in the land becomes vested in another person, the rates postponement will continue to have effect for the land, if the land continues to qualify for rates postponement under this policy.

6 The postponement will apply from the beginning of the rating period in which the rates postponement value is determined and will not be backdated to prior years.

7 Postponed rates will be registered as a statutory land charge on the title of the rating unit.

8 The council will add a postponement fee to the postponed rates, for the period between the date when they are due and the date that they are paid. This fee will not exceed the council's administrative and financial costs.

9 For the rates to be postponed, the council will require evidence each year, by way of statutory declaration, to confirm that the rating unit still complies with the conditions and criteria of the policy.

The postponement will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Delegation of decision making

Decisions relating to postponement of rates payments under this policy will be made by council officers.

Policy for postponement of rates on Great Barrier Island

Objective

This policy aims to encourage and support owners of commercial properties on Great Barrier Island to continue to use their properties for this purpose, rather than pursuing non-commercial developments. It provides relief where the rateable value of a rating unit that is used for commercial purposes on Great Barrier Island is significantly attributable to the potential use that the land may be put to for residential or other non-commercial use.

Criteria

The rates will be postponed, to the extent specified below, where a rating unit comes within the Great Barrier Island non-residential differential rating group and is used principally for commercial purposes. If only part of the rating unit is used for commercial purposes, the rates postponement will apply only to that part of the rating unit.

Conditions

1 The ratepayer must apply to Auckland City Council on the prescribed form.

2 If the application is approved, the council will postpone a portion of the rates on the rating unit (or part of the rating unit) for the relevant year or years. The amount of rates that are postponed for any rating period will be equal to the difference between:

- the rates calculated using the rateable value of the rating unit (or part of the rating unit), and
- the rates calculated using 80 per cent of the rating unit's (or part of the rating unit's) gross annual rental as the rateable value.

3 Unless the postponed rates become payable in accordance with condition 4 of this policy, the council will write off the postponed rates, including the postponement fee, after five years.

4 The rates that are postponed under this policy, and that have not been written off under condition 3, become due and are to be paid immediately if the rating unit ceases to qualify for rates postponement under this policy.

5 Where the ratepayer's interest in the land becomes vested in another person, the rates postponement will continue to have effect for the land if it continues to qualify for rates postponement under this policy.

6 The postponement will apply from the beginning of the rating period in which the application is determined and will not be backdated to prior years.

7 Postponed rates will be registered as a statutory land charge on the title of the rating unit.

8 The council will add a postponement fee to the postponed rates, for the period between the date when they are due and the date that they are paid. This fee will not exceed the council's administrative and financial costs.

9 For the rates to be postponed, the council will require evidence each year, by way of statutory declaration, to confirm that the rating unit still complies with the conditions and criteria of the policy.

The postponement will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Delegation of decision making

Decisions relating to postponement of rates payments under this policy will be made by council officers.

Policy for postponement of rates payments on residential properties

Objective

This policy assists residential ratepayers who want to defer the payment of rates by using the equity in their property.

Criteria

The ratepayer must meet the following criteria to be considered for rates postponement.

a) The ratepayer must be the current owner of the rating unit.

b) The rating unit must be used solely by the ratepayer as his or her residence.

c) The postponed rates will not exceed 80 per cent of the available equity in the property. The available equity is the difference between Auckland City Council's valuation of the property (the capital value at the most recent triennial revaluation) and the value of any encumbrances against the property, including mortgages or loans, if the ratepayer has insured the property for its full value. Otherwise, the available equity will be the council's valuation of the land.

d) The ratepayer or the ratepayer's authorised agent must apply to the council on the prescribed form.

Conditions

1 The council recommends that ratepayers considering postponing their rates seek advice from a financial adviser on the financial impacts and appropriateness of postponing their rates.

2 The council will postpone payment of the residual rates (what is left after any optional payment) if the ratepayer meets the above criteria.

3 The council may add a postponement fee each year to the postponed rates. The fee will cover the period from when the rates were originally due to when they are paid. The fee will not exceed the council's administrative and financial costs of the postponement.

4 The postponement will apply from the beginning of the rating year in which the application for postponement is made, although the council may backdate the postponement application, depending on the circumstances.

5 Once the postponed rates are equal to, or greater than, 80 per cent of the available equity in the property, no further rates will be postponed. Any postponement will apply until one of the situations listed below occurs, at which time the postponed rates (and any postponement fee) will be immediately payable:

- the ratepayer's death
- the ratepayer no longer owns the rating unit
- the ratepayer stops using the property as his or her residence
- a date set by the council in a particular case.

6 All or part of the postponed rates may be paid at any time.

7 The applicant can choose to postpone the payment of a lesser amount of rates than the full amount that they would be entitled to postpone under this policy.

8 Postponed rates will be registered as a statutory land charge on the rating unit's title.

9 For the rates to be postponed, the council will require evidence each year, by way of statutory declaration, of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

Delegation of decision making

Decisions relating to postponement of rates payments will be made by council officers.

Policy for rates remission top-up to the government's rates rebate scheme

Background

The central government's rates rebate scheme for ratepayers who have high rates in relation to their income does not include charges, such as Metro Water Ltd's water-related charges, in its rebate calculation. In addition, the central government rebates scheme does not allow farms with a residence to apply, even if they meet the same criteria as a residential property.

The council's extended rates rebate scheme allows farms with a residence to apply for a rates rebate, as long as they meet the same criteria as a residential property. The council's rebate calculation also includes Metro Water Ltd's water-related charges in its rebate calculation.

The council's rebate scheme is based on the same thresholds as the government's rates rebate scheme (the maximum allowable rebate, the allowable income, and the dependent income allowance).

Objective

This policy allows the council to remit the difference between Auckland City Council's extended rates rebate calculation and the government's rates rebate scheme.

Conditions and criteria

To be eligible for the top-up remission, the ratepayer must meet the following criteria:

1 be a residential ratepayer and reside on the property (includes farms with a residence)

2 have resided on the property at the beginning of the rating year (1 July 2009)

3 be an individual, rather than an organisation or trust.

The amount remitted will vary according to:

- the ratepayer's gross income, including any overseas income
- the amount of Auckland City Council rates payable by the ratepayer
- the amount of Auckland Regional Council rates payable by the ratepayer
- the amount of water-related charges payable by the ratepayer
- the number of children or other dependants that the ratepayer supports.

The remission will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Central government's rates rebate scheme

From 1 July 2009 the central government will provide a rates rebate of up to $550 for ratepayers who have rates that are disproportionate to their level of income.

Residential ratepayers with an income below $21,910 who have rates and water-related charges that total more than $161 will qualify for a top-up rates remission. Residential ratepayers with incomes greater than $21,910 may still qualify for all or some of the council's top-up remission, depending on the level of the ratepayer's combined rates and water-related payments, their income and the number of dependents the ratepayer supports.

An additional income allowance of $500 for each dependent is allowed.

Central government updates thresholds for its rates rebate scheme each year. The council's extended rates rebate scheme is automatically updated for the new thresholds.

Delegation of decision making

Decisions relating to remission of rates under this policy will be made by council officers.

Policy on early payment of rates in the 2009/2010 year (discount rate)

Objective

The council encourages ratepayers to pay their rates in full by the date that their first instalment is due by providing a discount, which will be applied on a consistent and fair basis.

Conditions and criteria

Ratepayers will qualify for the discount of 1.50 per cent on their rates for the 2009/2010 financial year if all 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 2009/2010 year is due.

Delegation of decision making

Decisions about applying the discount will be made by council officers.

Review process

If council wants to make any significant change to the discount policy, it must consult with the public using the special consultative procedure.

However, the council will review the rate of discount that ratepayers are eligible for on an annual basis, taking into account current market interest rate forecasts provided by financial institutions, and the council's cost of borrowing for the relevant period. The rate will be set at a level that reflects market interest rate forecasts. The reviewed discount rate will be adopted by a council resolution, and will coincide with other rates-related decisions that the council makes as part of its annual plan or long-term council community plan decision-making process.

Part 2

Appendices

Water and sanitary services plan	142
Waste management plan 2005	162
Fees and charges – licensing and consent	164
Maori contribution to decision-making processes	184
Glossary	185

Water and sanitary services plan

Explanatory note

In accordance with the requirements of the Local Government Act 2002, a copy of Auckland City Council's water and sanitary services assessment (WASSA) is attached. The WASSA is in two parts, one covering the Auckland city isthmus area and the other the Hauraki Gulf islands.

Auckland City Council completed the WASSA between 2004 and 2006. No further water and sanitary service assessments have been completed since that date, and the council considers that the public health assessments in the attached WASSA remain appropriate. The expenditure and development contributions information reflects the period when the assessment was made. See development contributions policy in this volume for more information.

Hauraki Gulf islands WASSA

The Hauraki Gulf islands section of the WASSA is to be updated as resolved by Auckland City Council's Works and Services Committee at its August 2006 meeting.

The committee approved a change in the dates contained in the note to section 3.2 as follows:

i) Allowing time for the beneficial effects of (i) to be realised, undertake reviews of the following on/by end of March 2009:

ii) water quality test results over the period mid 2005 to late 2008, to quantify any improvements over the current position vis-à-vis exceedances of Ministry for the Environment's freshwater quality health risk thresholds attributable to contamination from onsite wastewater effluent;

iii) based on the findings from (ii) Council/Auckland City Environments to prepare a plan of recommended works, if any; this plan to be documented in the Auckland City Council Draft 10-year plan 2009-2019 for consultation with the affected communities.

Auckland city isthmus WASSA

The only significant change that is proposed for this 10-year plan is to reduce the capital works budget for stormwater. The reduction is in line with the council's general desire to keep rate increases within the council's rate of inflation.

The reduction will have the effect of extending the time taken to reduce flooding on the isthmus by 12 years. The time taken will now be 34 years (it was previously 22 years).

Update to WASSA

The council will next consider whether to update its WASSA in 2012.

Hauraki Gulf islands executive summary

Background

In early 2004, Auckland City Council prepared a water and sanitary services assessment (WASSA) for the Hauraki Gulf islands to meet its statutory requirement under part 7 of the Local Government Act 2002.

The majority of properties on the gulf islands are reliant on individual onsite wastewater systems. These systems have traditionally been conventional septic tanks feeding soakage fields. However, new developments often require installing modern, high-technology systems that produce better effluent quality.

The assessment also looked at the public health risks and environmental effects of wastewater and stormwater systems. The main high-risk areas on Waiheke Island were Hekerua, Palm Beach, Blackpool, Oneroa, and Surfdale and Kennedy Point.

Auckland City Council's Works and Services Committee heard the submissions received during the public consultation period in July 2004. The process finished in August 2004 where the council resolved the following.

1 Great Barrier Island

1.0 Policies on water supplies

a) That the current policy of individual sites providing for their onsite collection and storage of water continue.

b) That the Hauraki Gulf islands development code be amended to, and promote, optional installation of 'first flush' diversion systems for all new rainwater collection systems to reduce contamination.

1.1 Wastewater

a) Council will continue with its policy of requiring onsite wastewater treatment and disposal.

b) Council will carry out investigations to attempt to determine the source or sources of contamination in the various streams at Tryphena.

c) Council's septage disposal site at the Claris landfill will continue to be monitored to detect its effects upon the ground water table.

1.2 Stormwater

There is no change to the existing policy of managing stormwater.

1.3 Cemeteries

The existing cemeteries on the island are considered to provide adequate levels of service for the medium term.

1.4 Public toilet facilities

The existing public toilet facilities on the island are considered sufficient for the medium term.

2 Rakino Island and other islands

2.1 Policies on water supplies

a) That the current policy of individual sites providing for their onsite collection and storage of water continue.

b) That the Hauraki Gulf islands development code be amended to, and promote, optional installation of 'first flush' diversion systems for all new rainwater collection systems to reduce contamination.

2.2 Wastewater

Council will continue with its policy of onsite wastewater treatment and disposal.

2.3 Stormwater

Council will continue with its policy of onsite stormwater management.

2.4 Cemeteries

There are no existing cemeteries on the islands. No new cemeteries are required.

2.5 Public toilet facilities

The existing public toilet facilities on the islands are considered sufficient for the medium term.

3 Waiheke Island

3.1 Policies on water supplies

a) That the current policy of individual sites providing for their onsite collection and storage of water continue.

b) That the Hauraki Gulf islands development code be amended to, and promote, optional installation of 'first flush' diversion systems for all new rainwater collection systems to reduce contamination.

3.2 Wastewater

a) That the current policy of individual sites providing for onsite wastewater treatment and disposal continue.

b) That where it can be proven that onsite disposal is no longer sustainable, the current policy of establishing small community-based wastewater reticulation and treatment systems continue. These systems will be constructed and operated by Metro Water Ltd or as a private cooperative arrangement.

c) Any council-initiated wastewater system be funded on a 'user pays' basis by Metro Water Ltd.

d) That Metro Water Ltd funds any expansion of the capacity of the Owhanake Wastewater Treatment Plant and any reticulation leading thereto, subject to the available treatment and disposal capacity and any required consents.

e) Subject to available treatment and discharge consent capacity, Metro Water Ltd will give preference to reticulating properties in identified risk areas.

f) Council will develop a trade-wastes bylaw if requested to do so by Metro Water Ltd.

Note:

Before proceeding to implement any works under the provisions of (e) above, the following procedure shall be applied.

i) Auckland City Environments to actively monitor compliance with the wastewater bylaw (note: Waiheke wastewater officer employed, commenced inspections May 2004).

ii) Allowing time for the beneficial effects of (i) to be realised, undertake reviews of the following on by end of May 2007:

- water quality test results over the period mid 2005 to early 2007, to quantify any improvements over the current position vis-à-vis exceedances of Ministry for the Environment's freshwater quality health risk thresholds attributable to contamination from onsite wastewater effluent
- re-apply the draft Ministry of Health protocol, with more accurate field data, to identify the level of risk on an area-by-area basis
- where existing onsite wastewater systems are proven to be unsustainable, explore various options such as upgrade of systems, alternative technologies, 'cluster' or 'centralised' wastewater collection, treatment and land application schemes.

iii) Based on the findings from (ii) council/Auckland City Environments to prepare a plan of recommended works, if any, this plan to be documented in Auckland City's draft annual plan 2007/2008 for consultation with the affected communities.

3.3 Stormwater

a) Flood hazard mapping exercises will continue to be carried out on selected catchments to determine the hazards posed to existing and future developments.

b) All watercourses on the island are considered to be private property.

c) Stormwater management using long-term detention storage for the treatment of contaminants will be a priority.

3.4 Cemeteries

The existing cemetery on the island is considered sufficient for the long term.

3.5 Public toilet facilities

The existing public toilet facilities on the island are considered sufficient for the medium term. This does not preclude council renewing and upgrading individual facilities on the island as part of its ongoing citywide public convenience renewal and upgrade programme.

4 Update on progress since completion of the WASSA

An update on progress since the completion of the Waiheke Island WASSA is as follows.

a) Auckland City Council is monitoring onsite wastewater systems as required by the council's August 2004 resolutions on the WASSA and the wastewater bylaw provisions.
b) Good progress is being made to date, with monitoring and pump-outs under the bylaw. However, it is unlikely that the May 2007 deadline for all wastewater systems to be pumped out will be met if large numbers of property owners wait until close to the deadline to take action.
c) Auckland City Council has considered options for resolving problem systems, but more work will be required once improved information is available.
d) Options to use some or all of the newly consented capacity increase at the Owhanake treatment plant are under review.
e) Further work is needed to identify practical long-term solutions to providing disposal facilities for septic tank bio-solids.

The forthcoming Hauraki Gulf islands district plan review is a good time to consider provisions for wastewater (including bio-solids) reticulation treatment and disposal.

The December 2005 meeting of the Works and Services Committee resolved the following.

That the review of the Hauraki Gulf islands district plan consider:

a) an ongoing need to provide for activities associated with bio-solids and septage disposal on Waiheke Island
b) providing for wastewater reticulation treatment and disposal options such as 'cluster' or 'centralised' schemes and land application schemes in accordance with the council's water and sanitary services assessment of August 2004
c) that briefings be held in 2006 to inform the elected representatives from Great Barrier and Waiheke islands community boards, Works and Services Committee and members of the Hauraki Gulf district plan working party on waste disposal options.

Auckland city isthmus executive summary

Purpose

To update the 2005 WASSA for stormwater and wastewater on the Auckland city isthmus.

1 Two-stage assessment

Under the provisions of part 7 of the Local Government Act 2002, territorial authorities were required to prepare their first WASSA by June 2005. The core focus was on the impact of water and sanitary services on public health and the environment. The assessments were to then undergo community consultation, by the special consultative procedure.

The WASSA is being carried out in two stages. The first stage was undertaken in 2004/2005, which for stormwater and wastewater involved the following.

- A description of the service provided.
- Identification of the significant issues related to each service.
- A discussion of the options available for potential service level improvements.

The first stage, for stormwater and wastewater services, did not evaluate future options for service level provision, as the council and Metro Water Ltd were jointly undertaking an integrated catchment study (ICS) to determine the relationship between costs and outcomes across a range of factors.

The second stage of the WASSA has involved taking the activities of the ICS and, through the process of a drainage strategic review, using them to provide a range of scenarios that:

- provide alternative levels of service
- provide alternative timeframes to achieve a defined level of service.

The scenarios, including the preferred option the council judges to best balance social, economic, environmental and cultural aspects, are to be consulted on through this draft long-term plan. The scenario adopted by the council following public consultation will then form the basis for the council and Metro Water Ltd to renew their network consents. These consents are required under the Resource Management Act 1991 for the council to continue to discharge to the environment from stormwater and wastewater networks.

2 Summary of stage one of the WASSA

The assessment made the following conclusions.

Water

Water supply quantity and quality issues are adequately provided for the region up to 2025 through staged upgrades of the Waikato water supply source, together with programmed asset renewals and enhancements.

Wastewater

The Mangere treatment plant is expected to have sufficient capacity until at least 2028.

Options for network capacity upgrades are being considered to increase both dry weather flow capacity and to reduce wet weather overflows. These will be considered in conjunction with the stormwater options as part of the ICS. Outcomes will be considered as part of the second stage of the WASSA.

Stormwater

The public health impacts are the highest stormwater priority for the council. These are being addressed through the reduction of habitable floor flooding and the reduction of wastewater overflows into the environment, together with the significant reduction of contaminants reaching the receiving environment. It is proposed that the current strategic targets remain until completion of the ICS and the second part of this WASSA, scheduled for June 2006.

Growth generally leads to an increase in impervious surface coverage. This results in an increase in peak stormwater flows during storm events. These

increased peak flows can increase flood and erosion risk to downstream properties. If these increased flows are not adequately managed growth can be constrained.

At this stage preliminary investigations are under way on options available to manage these peak flows and fund any associated public works. One option intended for detailed study following completion of the above-mentioned ICS is to use onsite stormwater management techniques. These techniques involve items such as rain tanks and rain gardens.

New policies involving stormwater associated with growth management are expected to be put forward for consideration in 2006 as part of the second stage of the WASSA.

Sanitary services

Public conveniences: the council's asset management plan provides for an ongoing programme of upgrading and developing public toilet facilities. This programme is considered adequate to accommodate growth in demand over the medium term.

Cemeteries and crematoria: with very limited council involvement in these functions growth is expected to be entirely serviced by others operating in the wider Auckland region.

3 The council's role

The council will retain its current role as owner of stormwater and combined sewer assets, public conveniences, 100 per cent owner of Metro Water Ltd and part shareholder of Watercare Services Ltd. The council will continue with a very limited role in cemeteries and crematoria.

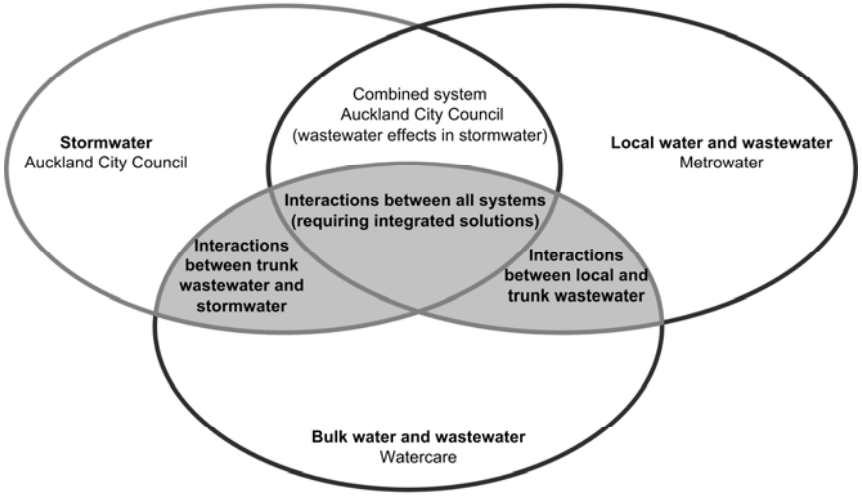
	Public health risk assessment	
Activity	**Present**	**Future**
Water	Adequate	Adequate
Wastewater	Generally adequate but undergoing further evaluation	Generally adequate but undergoing further evaluation
Stormwater	Generally adequate but undergoing further evaluation	Generally adequate except risk from flooding increasing from new development
Cemeteries and crematoria	Adequate, provided that continued use is made of other facilities in the Auckland region	Adequate, provided that continued use is made of other facilities in the Auckland region
Public conveniences	Adequate	Adequate

The public health risks for both present and future situations are assessed as generally adequate for all activities, with the proviso that a more detailed evaluation is to be undertaken related to wet weather overflows and for stormwater quality through the ICS.

In June 2005, following the hearing of public submissions, the council resolved as follows.

a. That following the assessment of water and sanitary services on the Auckland city isthmus, as required by the Local Government Act 2002, there be no change to the existing policies, and role of the council, for managing water, wastewater, stormwater, public conveniences and cemeteries on the Auckland isthmus.
b. That the Purewa Cemetery Trust Board be advised that further consideration by the council of extensions to the Purewa Cemetery be deferred until a report is received from the Purewa Cemetery Trust Board evaluating the full range of options that may be available to the Purewa Cemetery Trust Board.
c. That the recommendations from the Auckland Regional Public Health Service be noted and referred to the manager Utility Planning for consideration in the development of the future water and sanitary services assessments.

4 Stage two of the WASSA



4.1 Description of services

The Isthmus is provided with a fully reticulated potable water supply and a fully reticulated waste water system. Part of the wastewater system comprises combined pipes which convey both wastewater and stormwater. Water supply and wastewater disposal services in Auckland isthmus are delivered through a structure that separates the wholesale and retail sections of the business, in which:

- Watercare Services Ltd provides the bulk wholesale services
- Metro Water Ltd provides the local retail services.

The Isthmus stormwater system comprises a combination of reticulated pipes, private and public watercourses and direct soakage to the ground. Stormwater services are the direct responsibility of Auckland City Council. The management of operational service delivery tasks is mostly contracted out to Metro Water Ltd.

Auckland City Council's water, wastewater and stormwater assets[1] have a book value of approximately $1.8 billion[2]. The annual operating expenditure is approximately $122 million. For 2004, the annual expenditure was split as follows.

Annual expenditure $millions				
Group	Water	Wastewater	Stormwater	
Metrowater, including Watercare charges	42.1	63.5		
Auckland City Council			16	
Total	42.1	63.5	16	Total 121.6

Watercare Services Ltd is owned by the councils of the Auckland region with the following shareholding:

- Auckland City Council 41.6%
- Manukau City Council 25.1%
- Waitakere City Council 16.7%
- North Shore City Council 11.5%
- Papakura District Council 3.7%
- Rodney District Council 1.4%

Watercare has a board of directors whose responsibility it is to achieve the objectives as set out in its statement of corporate intent, which is approved by its owners. The owners are represented through a shareholders' representative Group, comprising elected members from the shareholders.

1 This includes Auckland City Council's and Metro Water Ltd's assets, but excludes Watercare Services Ltd's assets. Note Watercare's assets cover the whole Auckland region.

2 Auckland City Council's Annual Report 2004/2005.

Watercare provides the following services within the Auckland city isthmus:

- bulk water supply, treatment and delivery
- bulk wastewater transport and treatment (including trade wastes).

Metro Water Ltd is a council-controlled organisation owned 100 per cent by Auckland City Council.

It also has a board of directors and operates under a statement of corporate intent, which is approved by its owners.

Metro Water Ltd is responsible for the following:

- local retail water supply
- local retail wastewater collection.

Stormwater assets and combined sewer assets are owned directly by Auckland City Council. Accountability for overall budget management on both operational and capital expenditure tasks is with the Utility Planning group within Auckland City Council. Within Utility Planning, service delivery is structured as follows.

Activity	Group responsible
Stormwater planning	Utility Planning group with aspects contracted to Metrowater
Operation and maintenance	Contracted to Metrowater
Capital works	Contracted to Metrowater (part) Contracted to BECA Ltd (part)

4.2 Issues

The significant issues facing the stormwater and wastewater functions are:

- flooding of residential housing
- contaminants from urban development and activities such as zinc and copper accumulating in the environment
- overflows of wastewater during wet weather resulting in potential public health risks in urban streams and for marine recreational activities
- growth, which places greater pressure on the above three issues
- funding growth through development contributions
- the need for a long-term regional bulk wastewater transport and treatment plan to efficiently plan local wastewater improvements
- the need for resource consents to continue to legally discharge from the stormwater and wastewater networks.

To address these issues in a cooperative way there needs to be a continuation of the current joint planning between the three bodies operating the stormwater and wastewater networks – Auckland City Council, Metrowater and Watercare.

4.3 Network consents and integrated catchment study (ICS)

In order to be in a knowledgeable position to specify how the stormwater and wastewater systems are expected to operate in the future as part of the network consent application, Auckland City Council and Metrowater have undertaken the ICS over the past four years.

The findings of the ICS include the following:

- Stormwater
  - 1250 residential houses are at high risk of flooding in the 50-year storm.
  - Volcanic aquifers are suitable for discharging more stormwater into without causing downstream problems.
- Environment
  - Contaminant sources, loads and fates have been assessed, with the main contaminants of concern being zinc and copper.
  - Most of the zinc comes from unpainted or poorly maintained galvanised iron roofs, particularly in industrial areas.
  - The control of contaminants at source (ie reducing the amount of zinc from galvanised roofing that makes its way into stormwater runoff) will result in the greatest reduction of zinc and have the greatest long-term environmental benefits. It will also significantly reduce the need for ongoing operational costs associated with stormwater treatment.

- Public health
  - Volumes of wet weather overflows have been quantified and a range of alternative reduction options have been costed based on different receiving environments.

Public Health – wet weather overflows

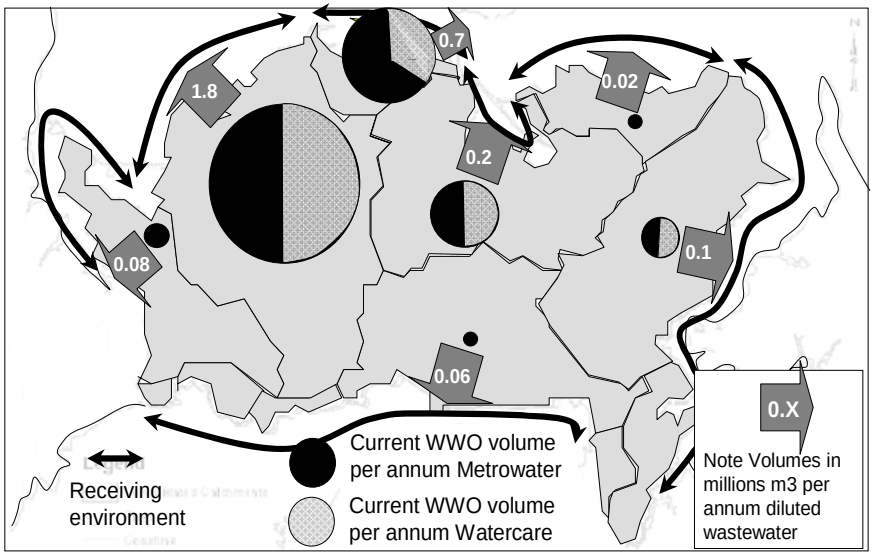
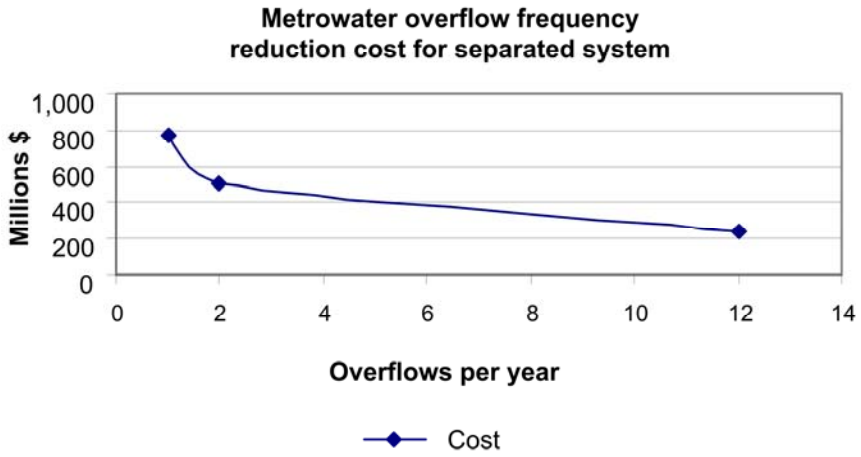


Figure showing annual volume of diluted wastewater discharging to the environment

  - The Watercare trunk main wastewater pipes need increased capacity for future growth and environmental improvement, however their size and location will be dependent on where future wastewater treatment is provided. Thus, regional wastewater planning is now a priority issue.

- Growth
  - The defined growth nodes have been prioritised and the cost of infrastructure upgrades quantified for each node, dependent upon the strategic outcome adopted.

From the ICS study data, relationships have been developed for each of the above issues to quantify outcomes against cost. An example for reducing wastewater overflows is shown.



4.4 Options

4.4.1 Scenario development

To resolve the issues discussed under section 3.2, Auckland City Council has developed five scenarios for public consultation to compare a range of alternative outcomes against cost.

On the outcome side, the scenarios are based on setting appropriate environmental targets using a range of factors including the requirements of different environments (eg, urban streams, bathing beaches, estuaries) and priority areas for growth.

On the input (funding) side, the two income sources for stormwater are rates and development contributions, while the income sources for Metro Water Ltd are wastewater and network upgrade charges.

The strategy used to develop the scenarios was as follows:

Regional planning

Undertake joint investigations and planning with Watercare Services Ltd to develop regional solutions for wastewater transport and treatment, including dry weather capacity, overflow reduction and long-term wastewater treatment options.

Wastewater system

Work towards a citywide reduction in wet weather overflow volumes and frequency of occurrence in separate wastewater systems. Consider achieving a higher performance standard in designated bathing beach areas and other areas of high recreational use. Initial priorities for improving performance are as follows:

- catchments or areas that discharge to designated bathing beaches and major urban streams
- catchments or areas impacted by growth which require upgrades to avoid dry weather overflows
- catchments or areas largely independent of regional wastewater infrastructure solutions.

Combined system

Progressively reduce overflow volumes from the combined stormwater and wastewater system by:

- separating the combined system
- strategic storage, pipe upgrades or other overflow mitigation methods
- regional transport and treatment solutions (medium term).

Initial priorities for reducing overflow are as follows:

- catchments or areas which discharge to designated bathing beaches and major urban streams
- catchments or areas impacted by growth which require upgrades to avoid dry weather overflows
- catchments or areas that have high overflow volumes and which are largely unaffected by potential regional solutions.

Stormwater system

Flooding

Work towards a minimum citywide habitable floor flood standard of 1-in-50 years. Priority areas for improvement are:

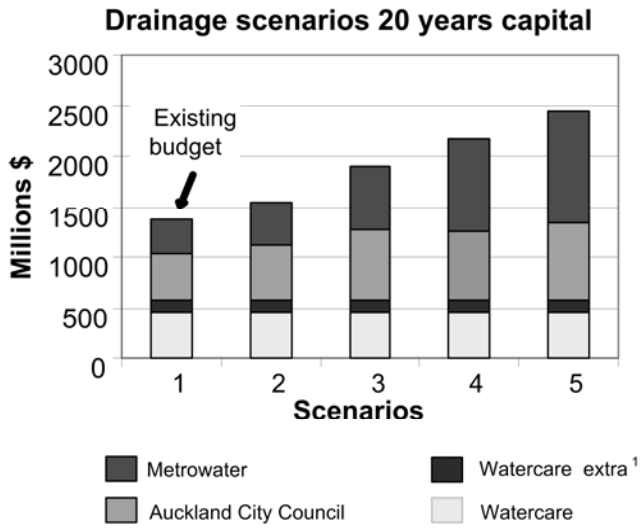
- priority 1 and 2 growth areas with stormwater capacity issues
- other areas of significant habitable floor flooding.

Quality

To minimise the discharge of contaminants of concern from the stormwater system by:

- supporting the Auckland Regional Council's planning initiatives to control roofing and other building materials
- developing district plan controls (where necessary) to complement regional controls
- specifically targeting stormwater quality treatment in areas with high ecological value or high loads.

The five scenario budgets developed are as follows, with scenario 2 representing existing funding.



Note

1 Watercare extra is increased wastewater capital in the 2005 asset management plan

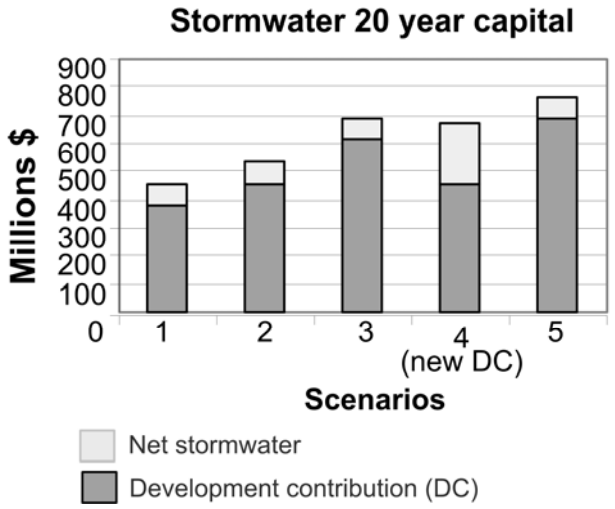
Watercare amount is shown as 47 per cent of Watercare total to represent Metrowater's share.

4.5 Development contributions for stormwater

The current development contribution charge for stormwater is based on 15 per cent of capital expenditure being related to growth and is expected to realise $3.1m per year.

The strategic review has developed a methodology that determines the cost of growth at 46 per cent of capital expenditure. The reasoning for the increase is based on a philosophical approach of sharing the economies of scale between service level improvements and growth as well as reprioritising capital works into priority growth areas. The total expected income for stormwater from development contributions will move from $3.1m per year to $10.1m per year ($1340 per household unit equivalent (HUE) to $4380 per HUE excl GST).

The higher development contribution has been attached to scenario 4, as shown in the figure below.



4.6 Scenario outcomes

The outcomes associated with each scenario are listed in the following table:

Scenario stormwater	Flooding growth 1 and 2	Flooding	Stormwater quality	20 year $m	+% exist
1	13,21	32 years	Source control	457	-14%
2 Existing	11,18	27 years	Source control	531	
3	9,13	20 years	Source control	692	+30%
4a New SW DC	7,10	21 years	Source control	672	+26%
4b New SW DC	10,14	21 years	Source control	672	+26%
5	7,9	12 years	Source control plus $4mpa	846	+59%

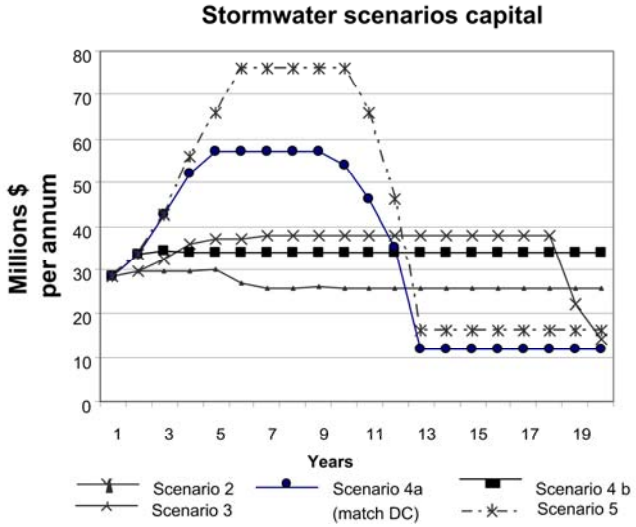
4.6.1 Stormwater outcomes

- Flooding growth 1 and 2: shows the time taken to service the priority 1 and 2 growth areas.
- Flooding: shows the time taken to reduce 1250 houses at high risk of flooding in the 1-in-50-year event
- Stormwater quality: proposes developing regional and district plan controls for all strategies to reduce contaminants at source. The focus is on the effects of stormwater on the environment rather than a total focus on removing sediment. Some expenditure would continue for priority areas to reduce sediment where there is a high benefit.
- The 20-year total shows Auckland City Council's total capital spending for that scenario.

Scenario 4 has been modelled with two options.

- 4a has accelerated expenditure over the first 10 years with a reduction in the last 10 years
- 4b has even expenditure over the 20-year period.

The gross capital spend profile for each stormwater scenario is shown below.

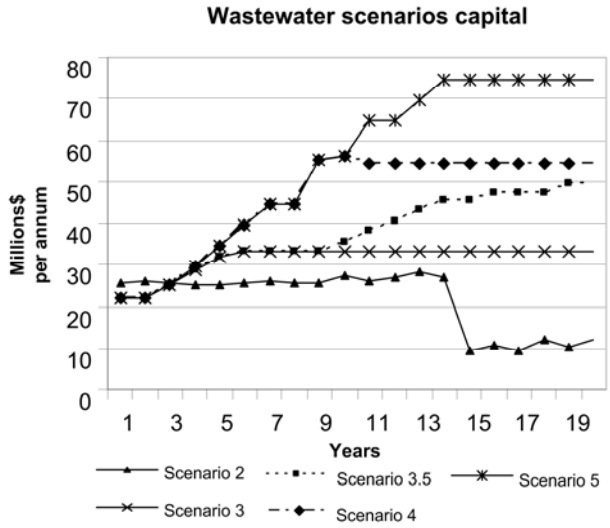


4.6.2 Wastewater outcomes

Scenario wastewater		Combined overflows	Wet weather overflows	20 year $m	+% exist
1		32 years	not addressed	335	-22%
2	Existing	22 years (2028)	not addressed	432	
3		15 years	12 and 2 by 2036	626	+45%
3.5		15 years	12 and 2 and 1 by 2033	751	+74%
4		12 years	12 and 2 and 1 by 2027	919	+113%
5		12 years	2 and 1 by 2027	1094	+154%

- Combined overflows: shows the time taken to complete the equivalent of sewer separation.
- Wet weather overflows: shows the service level of the average number of overflows per year and the time taken to achieve this as shown in the maps in section 4.8.
- The 20-year total shows Metro Water Ltd's total capital spending for that scenario.

The gross capital spending profile for each wastewater scenario is shown below.



An additional scenario (3.5) has been introduced for wastewater following cost benefit analysis work.

4.6 Stormwater financial modelling

The scenarios have been modelled with the following outcome:

	Percentage increase on 2005/2006 rates
Scenario 1	-0.9%
Scenario 2 (current)	0.0%
Scenario 3	2.1%
Scenario 4a (new DC)	1.3%
Scenario 4b (new DC)	-0.1%
Scenario 5	4.5%

4.7 Stormwater preferred scenario

Scenario 4b is the preferred scenario as it:

- addresses priority 1 and 2 growth areas over 14 years
- is based on providing public infrastructure to reduce flooding
- has minimal impact on rates
- relies on increased development contributions of $3.1m pa to $10.1m pa
- proposes to have on site stormwater management (eg, rainwater tanks) available to developers as an option of their choice, with a $1000 rebate off their development contribution
- addresses stormwater quality issues through a collaborative approach with the Auckland Regional Council to develop a framework for managing stormwater contaminants at source, with targeted stormwater treatment in priority areas.

4.8 Wastewater scenario analysis

4.8.1 Scenario 1

Combined system

Slow the rate of investment and do not complete the equivalent of sewer separation across the city until 2038.

Wastewater system

No investment in the reduction of wastewater overflows and flooding induced by wet weather.

Result

Wastewater overflows and flooding problems are not being addressed and will increase with population growth and the reduction in volume and frequency of combined sewer overflows to the harbours will not be adequately addressed for another 32 years.

4.8.2 Scenario 2 (existing)

Combined system

Continue with the current sewer separation projects in Pt Chevalier and Motions Road, targeted at reducing overflows to bathing beaches and recreational areas as a priority.

Complete further sewer separation, network upgrade and storage schemes across the city to address combined sewer overflows by 2028.

Wastewater system

Continue the current level of investment in inflow and infiltration reduction. No firm target set for the reduction of wastewater overflows and flooding induced by wet weather.

Result

Wastewater overflows and flooding problems are not being addressed and will increase with population growth. Reduced public health risk at bathing beaches and recreational areas affected by combined sewer overflows completed by 2028.

4.8.3 Scenario

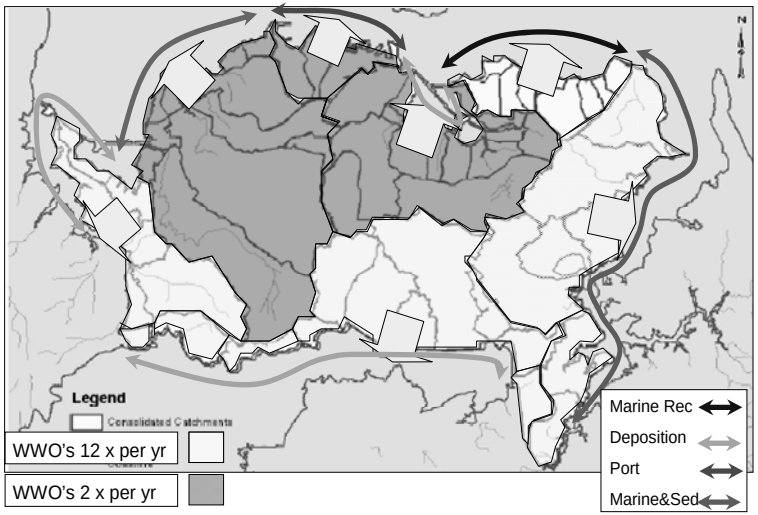
Combined system

Speed up the current separation programme in Motions and subsequent catchments. Leverage off the results of the ICS and complete by 2021 the equivalent of sewer separation in the most cost effective manner using pipe upgrades, storage, I & I reduction and separation in appropriate areas across the city.

Wastewater system

Increase investment to reduce the frequency of wet weather overflows and flooding to two times a year in the eastern beaches, Hobson Bay and western beaches affected by the catchment areas shown below, and 12 times a year elsewhere by 2036.

Scenario 3



Wastewater wet weather overflow annual frequency

Result

Reduced public health risks at bathing beaches and the main recreational areas of the Waitemata Harbour. Improved amenity in major urban streams and population growth catered for. Wastewater flooding of properties addressed as a priority and the impact of wastewater overflows on the marine environment reduced.

4.8.4 Scenario 3.5 and 4

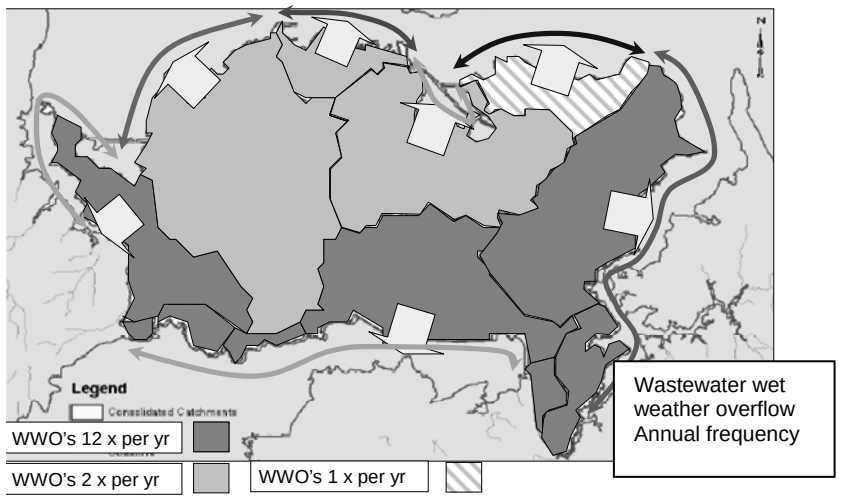
Combined system:

Speed up the current separation programme in Motions and subsequent catchments. Leverage off the results of the ICS and complete the equivalent of sewer separation in the most cost effective manner using pipe upgrades, storage, I & I reduction and separation in appropriate areas across the city. Complete scenario 3.5 by 2021 and scenario 4 by 2018.

Wastewater system:

Increase investment to reduce the frequency of wet weather overflows and flooding to one a year in the more heavily used eastern beaches and two and twelve times a year in the areas shown below (by 2033 for scenario 3.5 and by 2027 for scenario 4).

Scenario 3.5



Result

Minimal public health risks at the main eastern bays bathing beaches and improved amenity in major urban streams. Population growth catered for. Reduced public health risks at all other bathing beaches and the main recreational areas of the Waitemata and Manukau harbours. Wastewater flooding of properties addressed and overflows to Tamaki estuary reduced, improving the marine environment.

4.8.5 Scenario 5

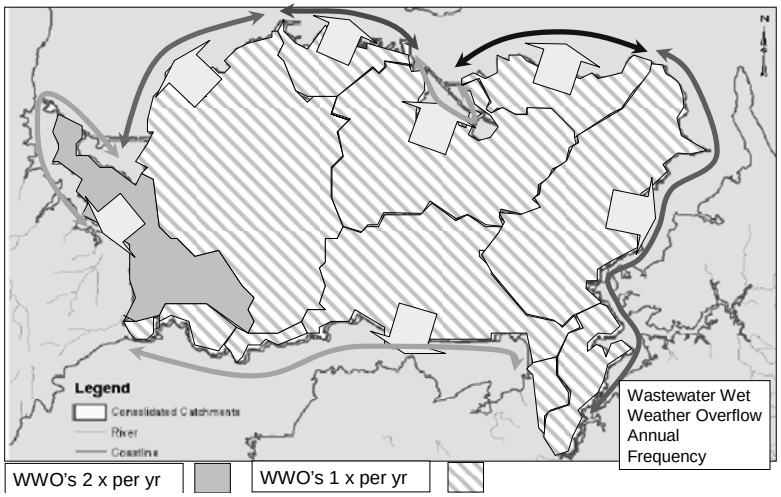
Combined system

Accelerate the current separation programme in Motions and subsequent catchments. Leverage off the results of the ICS and complete by 2015 the equivalent of sewer separation in the most cost effective manner using pipe upgrades, storage, I & I reduction and separation in appropriate areas across the city.

Wastewater system

Vastly increased investment to reduce the frequency of wet weather overflows and flooding to one per year across most of the city and two times per year in the western Avondale area, shown below, by 2027.

Scenario 5



Result

Wastewater flooding addressed and wastewater overflows into the marine environment and major urban streams reduced to a very low level.

4. 9 Cost benefit analysis: wastewater

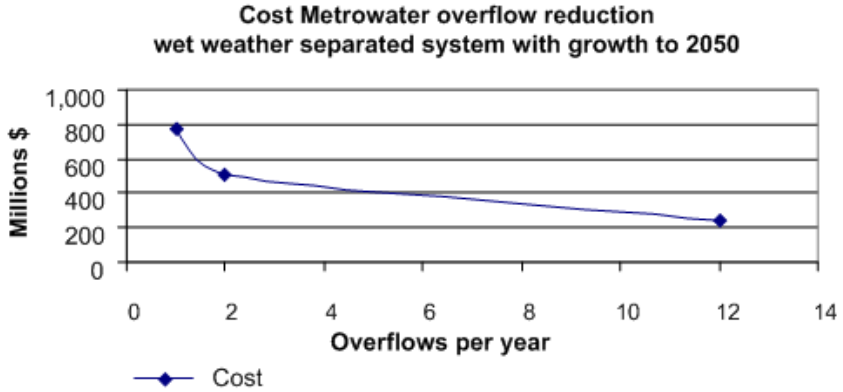
The overflow of wastewater during wet weather can be measured in a number of ways:

- volume discharged on an annual basis
- frequency of overflows.

A single significant overflow may cause potential health issues for marine recreational water users where contact recreation, such as bathing, occurs. The frequency of such overflow is often as important as the severity of the event. Variation 1 to the Auckland regional plan (coastal) seeks to establish a performance standard of no more than two separate events in any one calendar year, occasioned by wastewater overflows, that lead to public health risk advisory notices being issued.

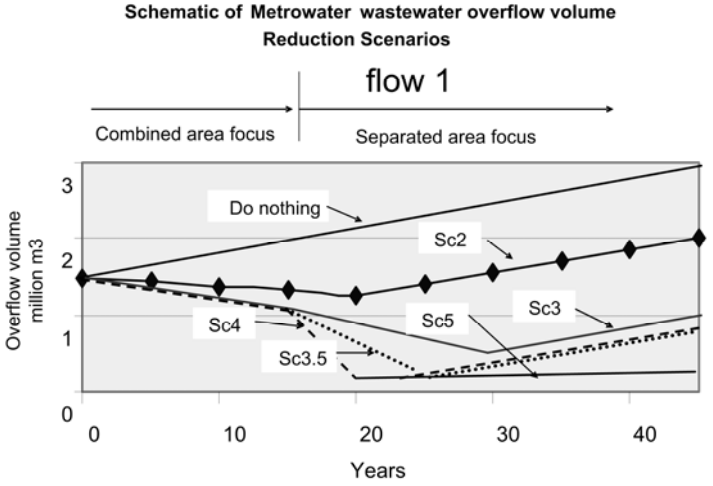
Although the prescriptive approach proposed by the regional plan is not supported by network operators, and has been appealed, it is generally accepted that the frequency of the overflow is more likely to affect the number of times warning notices for swimming may be required, and hence community acceptability. It is for this reason that the scenarios generated are based on overflow frequency.

The graph below shows the relationship between cost and overflow frequency. It clearly shows that trying to achieve an overflow frequency less than two times a year gets relatively more
expensive.



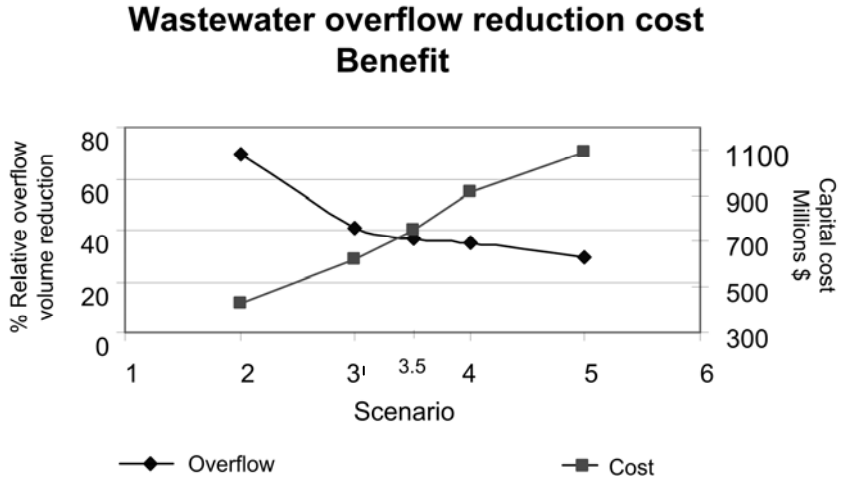
Metrowater overflow frequency reduction cost for separated system

For comparative purposes, set out below is a schematic representation of the reduction in wastewater overflow volume over time for Metro Water Ltd for the various scenarios.

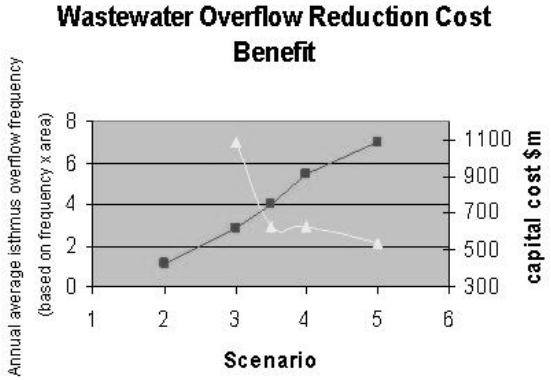


Based on the above reduction in wastewater overflow volume, the following cost benefit relationship has been developed.

This shows that, based on volume reduction, there is declining benefit after scenario 3.



However, based on the average frequency of overflows across the isthmus as shown in the figure below, scenario 3.5 is judged significantly better than scenario 3. Scenario 4 achieves the same outcome as scenario 3.5 but does it 6 years earlier.



4.10 Wastewater financial modelling

Modelling of the four capital works scenarios under consideration has identified four graduated price increase scenarios. These all ensure the substantive price increases required by these four scenarios occur during the periods of greatest capital expenditure.

The following table compares the capital works scenarios and sets out an option for the increases in Metro Water Ltd's prices which would be required to pay for each scenario.

Calculated Metro Water Ltd Pricing Increases – All Figures based on +CPI

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
3.0	1	1	1	1	1	1	1	1	1	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
3.5	1	1	1	1	1	1	1	1	1	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
4.0	1	1	1	1	1	1	1	1	1	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
5.0	1	1	1	1	1	1	1	1	1	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4

Based on the above table, the payment for water and wastewater customers (using average residential consumption of 200m^3 a year) would be as follows:

Calculated Metro Water Ltd annual charges for water and wastewater (based on 200m3 per annum) before inflation

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
3.0	670	677	684	691	698	704	712	719	726	737	748	759	770	782	794	806	818	830	842	855
3.5	670	677	684	691	698	704	712	719	726	744	763	782	801	821	842	863	884	906	929	952
4.0	670	677	684	691	698	704	712	719	726	752	779	807	836	866	897	930	963	998	1034	1071
5.0	670	677	684	691	698	704	712	719	726	772	822	874	930	990	1053	1121	1192	1269	1350	1436

Since 2001, Metro Water Ltd customers have enjoyed a 20 per cent real reduction in prices. Current annual charges represent about 1 per cent of the average household yearly income. Only an estimated 350 households (half of 1 per cent) have bills greater than five per cent of their average annual mesh-block household income. For Metro Water Ltd customers in financial difficulty the extended rates rebate scheme is available. This scheme helps Metrowater customers unable to access rates assistance through the rates rebate scheme because the Rates Rebate Act does not provide rebates for Metrowater charges

The projected annual charge increases associated with scenario 3.5 are modest in scope and are commensurate with the importance of the proposed wastewater capital works and the resulting environmental benefits.

4.11 Wastewater preferred scenario

Scenario 3.5 is the preferred scenario under which Metrowater would:

- provide for population growth over the next 20 years
- significantly reduce the incidence of wastewater overflows in both the combined wastewater and separated wastewater network into the environment over time, with a focus on areas of high public recreation use
- reduce environmental impacts of the combined and separate wastewater systems to meet community expectations and regulatory requirements at a reasonable cost.

4.12 Public health assessment

Activity	Present	Future
Wastewater	Generally adequate but increased risk at times of rainfall due to wet weather sewer overflows.	Risk considered low for fully urbanised harbour side environments based on capital expenditure to reduce wet weather sewer overflows, and programmed main sewer interceptor upgrades by Watercare Services Ltd. During wet weather, there will likely be some level of continuing elevated health risks for urban streams and marine recreational waters. This is due to stormwater discharges from the land containing bacterial contaminants and intermittent, albeit reduced, wastewater overflows.
Stormwater	Generally adequate but increased risk to some properties from flooding.	Risk considered low based on capital expenditure to reduce flooding risk, targeting high priority growth areas. During wet weather, there will likely be some level of continuing elevated health risks for urban streams and marine recreational waters due to stormwater discharges from the land containing bacterial contaminants.

The public health risks for the “present” situations for both quantity and quality are assessed as adequate for all activities. Based on carrying out capital expenditure programmes for scenario 4b for stormwater and scenario 3.5 for wastewater, future public health risks will be reduced and are assessed as adequate. (Note: during wet weather, there will likely be some level of continuing elevated health risks for marine recreational waters due to stormwater discharges from the land containing bacterial contaminants and intermittent, albeit reduced, wastewater overflows).

5 Appeals to Auckland Regional Council Regional Plan: Air, Land and Water

Appeals by Auckland City Council and other territorial authorities against decisions made by the Auckland Regional Council on policies and rules in the proposed Regional Plan Air, land and Water have yet to be resolved. Extra funding may be required or time scales to achieve specified outcomes altered during the 20-year term of the scenarios to meet final regional plan requirements.

Waste management plan 2005

Introduction

Approximately 400,000 tonnes of waste, generated in Auckland city, is sent to landfill every year. About 80,000 tonnes comes from the council-operated household collection. The remainder comes from businesses and other commercial activities. Currently around 50,000 tonnes is collected from households each year for recycling.

Purpose

Auckland City Council's Waste Management Plan sets out how waste within Auckland city will be managed. The current plan was developed in 2005, under the Local Government Act 1974. The act required councils to develop a waste management plan to achieve effective and efficient waste management that focuses on waste reduction.

The waste management plan covers all of the aspects of waste management in the city with which the council is involved. This includes:

- collecting domestic waste from households
- collecting recyclable materials from households
- collecting inorganic material from households
- managing hazardous wastes from households
- recycling, treating and disposing of all collected wastes and materials
- promoting and providing education about waste reduction measures, including home composting and education in schools
- promoting waste reduction amongst businesses
- collecting waste and recyclable materials from businesses in the CBD
- removing illegally dumped material, including vehicles
- clearing litter bins
- cleaning the city's streets.

For the management and operational purposes, the activities in the waste management plan are divided into three geographical areas: the Auckland isthmus, the central area, and Hauraki Gulf islands.

Vision

The vision for waste management in Auckland is that the city will become a society in which waste is treated as a resource.

Main targets

Auckland City Council's Waste Management Plan sets out a number of targets that the council aims to achieve, including:

- sending zero waste to landfill by 2015 (this is in line with the New Zealand Waste Strategy 2002)
- halving the 2005 levels of food and garden material in household rubbish bins by 2010.

The Waste Management Plan also adopts the key targets set out in the New Zealand Waste Strategy 2002 (as they apply to Auckland city), including targets relating to waste minimisation, organic wastes, special wastes, construction and demolition wastes, hazardous wastes, contaminated sites and waste disposal.

Key achievements

Auckland City Council has put in place a range of waste management initiatives with respect to the waste management plan. Recent achievements include the following:

- In July 2008, a recycling service was launched using wheelie bins, which collects all grades of plastics, tin, aluminium cans, glass, and paper and cardboard. While the service is still in its infancy, it has already reduced the amount of waste that households are putting out for landfill.
- Shared service arrangements have been entered into for the new materials recovery facility, which is being jointly procured with Manukau City Council.
- The composting based Create your Own Eden and Waste Wise Schools programmes have been continued and expanded.
- Existing avenues for reuse and recycling (such as charity collections, RENEW waste exchange and demolition yards) have been promoted.
- The council has worked with business to stop the practice of placing cardboard out on the streets for collection. Businesses are now encouraged

to have cardboard removed directly from their premises, reducing the amount of litter left on Auckland's streets.

- Regular waste audits have been conducted to sort the contents of household bins by category, and to measure the bins' weights.
- Guidance has been introduced for recycling and waste management for multi-occupancy dwellings
- A framework for zero waste events in the city has been developed.
- Food waste for composting continues to be collected from the council's own buildings.

Key actions planned or underway

In addition to the above achievements, a number of key actions from the plan are in progress. These include:

- redeveloping the Waiheke Island transfer station to improve waste management and increase waste minimisation
- working towards a region-wide waste survey to update the last survey carried out in 1997
- ongoing participation in the regional organic waste group to investigate options for composting (especially food waste)
- ongoing participation in the region-wide group to investigate and assess options for a future region-wide resource recovery network
- preparing to review the waste collection contracts for the inner CBD
- reviewing the council's waste management and recycling services on Great Barrier Island.

Reviewing the waste management plan

The Waste Minimisation Act 2008 was passed in October 2008 with the purpose of encouraging a reduction in the amount of waste generated and disposed of in New Zealand.

In order to comply with the new act, Auckland City Council has begun thoroughly reviewing its current waste management plan. The act has a number of important implications for how the council manages its waste, including how waste minimisation initiatives are funded, the need to more fully consider commercial and industrial waste, and how waste data is reported.

The new legislation also sets out requirements that councils must meet when reviewing their waste management and minimisation plans. Under the new act, the council must first undertake a waste assessment. The assessment takes stock of current services, provides forecasts for future demand for waste services, canvasses the key options available to meet the forecast demand, and provides a statement of proposals to meet the forecast demands.

Following the waste assessment, the plan must be reviewed to consider the following methods of waste management and minimisation (listed in descending order of importance):

- reduction
- reuse
- recycling
- recovery
- treatment
- disposal.

The review must also have regard to the New Zealand Waste Strategy 2002 and be completed by 2012.

Once the review is complete, the council is required to consult publically before it can adopt a new plan. Consultation must follow the special consultative procedure set out in the Local Government Act 2002, which requires a minimum consultation period of one month.

Auckland City Council intends to use the framework set out in the Waste Minimisation Act 2008 to develop a forward-looking plan, which has the support of the community, and which will enable us to meet the waste management challenges of the future, including reducing the environmental impacts from waste in the most effective and efficient manner.

Fees and charges – licensing and consent

Schedule of fees and charges under the Building Act 2004, Resource Management Act 1991 and Local Government Act 2002

Under section 150 of the Local Government Act 2002 and section 36 of the Resource Management Act 1991, Auckland City Council may recover the reasonable costs it incurs in providing certificates, authorities, approvals, permits or consents, or undertaking inspections. Other acts, such as the Building Act 2004 (particularly section 219), also authorise the council to apply fees or charges for certain functions and activities.

Each year the council reviews those fees and charges that are not fixed by legislation to ensure they remain appropriate in light of any changes in the cost of providing the services. These changes may arise because the scope of the relevant service has altered, or because of changed costs to the council, or because of impacts such as increases in the council's suppliers' costs.

Summary of major changes

Animal control

A new class of dog registration has been added; Class H – working dog – kept principally or wholly for herding or driving stock. This class is exempt from micro chipping.

A new charge has been included to cover the cost of necessary veterinary care and medication. The actual cost will be charged.

With the exception of the new fees to cover necessary veterinary care and medication, other animal impoundment fees have not increased.

Building consents standard fees

An additional charge has been included for all applications lodged via consultants.

Building consents where standard fees do not apply

The deposits are based on estimated value of building work, and no longer differentiate between applications with or without a producer statement.

The costs for project information memoranda have been reviewed to reflect the actual cost.

The fee for a project information memorandum applied for with a building consent has decreased.

The fee for a project information memorandum applied for separately has increased to reflect the actual cost of providing the service.

Consents for installing solar powered hot water cylinders are no longer available in a book of 10. They are now only available on a per installation basis. This change has been based on feedback received from customers.

A pre-lodgement meeting fee has been included for all applications that meet pre-lodgement criteria**.**

Engineering

Deposits have been reviewed to more accurately reflect the likely costs.

Section 71-73 fees will increase to reflect the true costs of providing these services.

Environmental health

The structure of the fees and charges for all street trading activities has been reviewed and changed to provide for a wider range of activities, including a new fee for banners of $6000 per annum.

The hazardous substances fees have been reviewed to reflect the actual cost.

The new premise application, camping ground new application, and brothel licence annual fee have been reviewed to reflect the actual costs Hauraki Gulf islands.

Standard fees and charges for the Hauraki Gulf islands are no longer specified separately, except for those that are specific to the islands, including fees and charges for grey water systems and interisland travel.

Land use

The definition and structure of land use consent deposits has been reviewed and simplified, and the cost changed to reflect the likely cost of the service.

The fee for a section 127 Resource Management Act 1991 variation or cancellation, and a section 125 extension of the period that a consent is valid for, has been changed to a deposit, with the final cost based on time.

The liquor planning certificate has been reviewed and increased to reflect the cost of the service.

A standard fee has been introduced for resource consents for roof-mounted solar heating panels, solar tubes, skylights, roof windows and sun tunnels.

A pre-lodgement meeting fee has been included for all applications that meet pre-lodgement criteria.

Plan change applications

Deposits have been reviewed to more accurately reflect the likely costs.

Property information

Two new property information packages have been created to provide additional options for customers:

- package one: non-urgent, LIM, CD and neighbourhood report
- package two: urgent LIM, CD and neighbourhood report.

Fees and charges relating to facsimile and microfilm have been removed as this service is no longer available.

Fees and charges for online ordering of site file CDs have increased to cover the cost of providing this service.

In addition to a certified copy of a valuation, extracts from the valuation are now available at less than the cost of a certified copy.

Staff charge-out hourly rates

The hourly charge-out rates are set at levels to recover the salaries of staff providing advice, plus costs directly related to providing the services and overheads.

Staff charge-out rates have increased by an average of 2.5 per cent to ensure the fees cover the cost of providing these services.

Subdivision

The deposit for variations and amendments (including under section 125 of the Resource Management Act 1991) has decreased to more accurately reflect the cost of this service.

Rationale

Where there is a significant degree of private benefit associated with Auckland City Council's statutory functions (such as providing certificates, authorities, approvals, permits or consents, or undertaking inspections), the council's policy is to set user charges at a level that recovers the proportion of the costs that reflects the private benefit associated with that service.

Where there is also a public benefit aspect to the service, then that component is normally met from rates. For example, the council considers that about 20 per cent of the costs of its resource management functions relate to providing public benefit for the wider community and the environment.

If the private costs are not covered by user charges, the only other practicable alternative is for the council to recover these costs from its rates revenue, which would amount to a charge on ratepayers.

Taking all relevant matters into account, including the costs and benefits of the two options, the council considers the most appropriate option is to pass on the proportion of the costs that can be attributed to the private benefit of individuals, to those who seek or require the certificate, authority, approval, permit, consent or inspection.

Fees and charges

The new fees and charges are set out in the detailed schedules that follow.

Schedule of fees and charges

Animal control fees

Fee type by category	Fee from 1 July 2009 (inc GST) $
Animal control	
Application after 31 July	Plus 50%
National dog database levy – fee per registration	2
Class A – neutered dog with dog owner licence	64 (for renewal paid before 31 July – 42)
Class B – neutered dog	103 (for renewal paid before 31 July – 68)
Class C – un-neutered dog with dog owner licence	133 (for renewal paid before 31 July – 89)
Class D – un-neutered dog without dog owner licence	175 (for renewal paid before 31 July – 117)
Class E – special purpose dog	No fee
Class F – working dog	64 (for renewal paid before 31 July – 42)
Class H – working dog, kept principally or wholly for herding or driving stock	64 (for renewal paid before 31 July – 42)
Class M – dangerous dog	Fee plus 150% of fee
Class SU – super annuitant	64 (for renewal paid before 31 July – 42)
Permit to keep more than one dog	59
Replacement disc	7
Impounding fees	
Cost of necessary veterinary care	Actual cost
Cost of necessary medication	Actual cost
Small animal impounding (rabbits, ferrets, fowl)	26
Sustenance fee (small animal) per day	7
Sustenance fee per day (stock)	20
Impounding fees – dogs	
First impounding – registered dog	33
First impounding – unregistered dog	59
Second impounding – registered dog	59
Second impounding – unregistered dog	111
Third impounding – registered dog	111
Third impounding – unregistered dog	189
Sustenance for each day or part day of dog impoundment	18
Additional fees for after hours impoundment – registered dog	20

Fee type by category	Fee from 1 July 2009 (inc GST) $
Additional fees for after hours impoundment – unregistered dog	33
Surrender fee	26
Return to owner fee (transport)	14
Impounding fees – stock	
Driving and leading fee (each)	40
Stock impounding fee	40
Traps	
Bond on traps	50
Possum and cat trap hire	5 per day

Bonds

Fee type by category	Note	Fee from 1 July 2009 (inc GST) $
Land use		
Application fee for bond relating to a land use consent (base fee charge may be greater depending on legal inputs)		680
Administration of a bond relating to a land use consent, including release of the bond		660
Processing an application		
Processing an application to extend the time limit on an existing bond		120
Processing an application for the partial release of a bond		360
Subdivision		
Processing bond applications relating to subdivision consent, including return of money on satisfactory completion of work	Deposit	835
Additional costs		
Additional costs relating to a bond that is defaulted on		Actual time at staff charge out rate
From reporting to the appropriate council committee about bonds for works of over $50,000		Actual time at staff charge out rate

Building consent standard fees

The fee for a building consent is calculated by adding the components of the application. Additional fees may apply where other checks are required.
All fees are in dollars.

Project category*	Lodge	Admin	Planning check	Building processing	Records	BRANZ levy	DBH levy	Accreditation levy 20c per $1000 work	Applications lodged via consultants	Drainage design	Building over public drain	Assess drainage video **	Flood report	Pump station	Structural engineering	Geo-technical engineering	Fire engineering
1	90								216								
2	90		50	70	40				216	85	165	165	125	400	85	85	85
3	90	90	155	140	60				216	165	165	165	125	400	85	85	85
4	90	90	155	275	60				216	165	165	165	125	400	85	85	85
5	90	90	155	70	60				216	165	165	165	125	400	165	330	85
6	90	90	155	275	60	Levy applies above $20,000			216	158	165	165	125	400	330	330	330
7	90	90	155	275	60				370	158	165	165	125	400	330	330	165
8	90	90	155	410	80				370	158	165	165	330	400	665	330	330
9	90	90	155	410	80				370	250	165	165	330	400	665	330	165
10	140	90	155	550	80				370	250	165	165	330	400	830	330	330
11	140	90	310	550	80				370	250	165	165	330	400	500	330	165
12	140	90	310	685	80				370	250	165	165	330	400	665	330	165
13	90	90	310	410	95				370	335	165	165	330	400	665	330	165
14	140	90	310	820	115				370	415	165	165	415	400	830	330	500
15																	
16	90		50	40					370								
17																	
18																	
19	90		40		25				370								
20	Excluded from standard fees and will be subject to an estimate or deposit plus invoice																
21	Excluded from standard fees and will be subject to an estimate or deposit plus invoice																
22	Excluded from standard fees and will be subject to an estimate or deposit plus invoice																
23	Excluded from standard fees and will be subject to an estimate or deposit plus invoice																

Notes to table:

*Project category

1 Minor consent
2 Building work up to the value of $2000
3 Kitset carport and garages
4 Residential swimming pool and fencing
5 All other building work valued $2,001 to $5,000
6 All other building work valued $5,001 to $19,999
7 Residential alterations and additions valued $20,000 to $99,000
8 Commercial building work valued $20,000 to $99,000 (BRANZ and BIA levy starts in this category)
9 Residential alterations and additions valued $100,000 to $250,000
10 Commercial building work valued $100,000 to $250,000
11 New dwelling (standard)
12 New dwelling (executive)
13 Attached dwellings
14 Commercial buildings and residential alterations valued $250,001 to $499,999
15 Amendments to existing consents
16 House removals
17 Certifiers – no exclusions
18 Certifiers with exclusions
19 Temporary structures (exempt)
20 Commercial buildings and residential alterations valued $500,000 to $1,000,000
21 Buildings valued over $1,000,000
22 Change of use and earthquake-prone buildings
23 Staged consents

**Drainage video is for one line only. Subsequent lines cost $80 per line.

Inspections – Standard (up to 40 minutes) $110 and final or cladding $180.

Building consents (where standard fees do not apply)

Fee type by category	Note	Fee from 1 July 2009 (inc GST) $
Accreditation levy		20 cents per $1,000 of work
Billboard		
Application and processing		260
Blasting		
Blasting permit		40
Building code certificate		
Liquor and brothel licence applications		310
Liquor and brothel licence applications – each additional inspection		80
Certificate of acceptance	Deposit	1,040
Certificate of compliance		
Where application does not fit within standard fees	Deposit	320
Certificate of public use		At cost
Code compliance certificate		
Code compliance certificate – where final inspection completed more than four years ago		445
Code compliance certificate – work < $2,000		70
Code compliance certificate – work $2,001 to $20,000		180
Code compliance certificate – work $20,001 to $250,000		240
Code compliance certificate – work $250,001 to $500,000		575
Code compliance certificate – work > $500,000		At cost
Compliance schedules		
Administration fee		175
Per feature		65
Set up – post-building		175
Set up – pre-building		175
Disconnection of fire alarm		
Disconnection fee		265
Estimated value of building work		
$500,001 to $1,000,000	Deposit	1,240
Additional for every $500,000 increment over $1,000,000	Deposit	320
Exempt building work		
Including temporary works		160
Extension of building consent		
Application to extend the time a building consent is valid		140

Fee type by category	Note	Fee from 1 July 2009 (inc GST) $
Hoisting over footpath or public place		
Mobile crane or other hoisting device – half day		70
Mobile crane or other hoisting device – full day		140
Mobile crane or other hoisting device – per week		235
Mobile crane or other hoisting device – per month		470
Independently qualified person – application for acceptance as (three-year period)		
Base fee (also renewal fee)		75
Charge per system or feature for which acceptance is sought		90
Independently qualified person register		
Charge per copy		30
Lapsing a building consent		180
Liquor licence fees		
Liquor building certificate (building code certificate)		80
Notice to fix		
Fee applies irrespective of whether the notice to fix is associated with a live building consent or not		At cost
Plumbing consents		
Pre-paid plumbing consents, Enerco hot water cylinder installation	Book of 10	870
Pre-paid plumbing consents, solar-powered hot water cylinder installation		50
Pre-lodgement meeting		
Pre-lodgement meeting		210
Producer statements		
Work up to the value of $1,000,000		195
Work over the value of $1,000,000		310
Product assessments		At cost
Product assessment or alternative solution	Deposit	450
Project information memorandum		
Project information memorandum		185
Application made with a building consent application		225
Illegal building work		225
Solid fuel and solar heaters		35
Section 72		165
Special inspections reports		
Special inspections reports		At cost
Safe and sanitary		265
Street damage – revenue		
Pre-construction street inspection		50
Street frontage inspection fees		50

Fee type by category	Note	Fee from 1 July 2009 (inc GST) $
Swimming pools inspection – existing pools		
Swimming pool inspections (and re-inspections) – existing pools (from the second inspection)		210
Swimming pool exemptions		805
Swimming pools inspection – new pools		
Standard fees for building consents apply		
Temporary building work		
Including exempt work		160
Non-exempt work		Standard building consent fees apply
Tie backs		
Temporary tie backs per metre of frontage		95
Vehicle crossing permit		
Vehicle crossing permit		240
Extension of time		45
Waivers		
Application for waivers	Deposit	500
Warrant of fitness		
Receipt, processing and issue of building warrant of fitness (only one compliance scheduled item)		60
Receipt, processing and issue of building warrant of fitness (more than one compliance scheduled item)		115

Engineering consent fees

Fee type by category	Note	Fee from 1 July 2009 (inc GST) $
Drainage		
Drainage	Deposit	1,590
Encumbrance (Building Act 2004)		
Encumbrance		165
Engineering approvals		
Up to two lots	Deposit	1,250
Three to five lots	Deposit	1,750
Six to 10 lots	Deposit	3,980
11 to 20 lots	Deposit	5,565
21 to 50 lots	Deposit	11,140
51 lots or over	Deposit	15,950
Engineering common access way		
Engineering design common access way	Deposit	650

Fee type by category	Note	Fee from 1 July 2009 (inc GST) $
Producer statements		
Engineering related – per producer statement		55
Section 71–73 of the Building Act 2004		
Section 71-73 fee		155
Subdivision bond		
Subdivision bond	Deposit	835

Environmental health fees

Fee type by category	Fee from 1 July 2009 (inc GST) $
All licences	
New premise application	150
Amusement gallery and amusement devices	
Amusement device permit – per device, per seven days	11.25
Per additional device, per seven days	2.25
Per device, per additional seven days or part	1.15
Brothel licence	
Annual fee	630
Building consent checks	
Minor consents	Hourly rate
Other consents	Hourly rate
Camping grounds annual	
Camping grounds – new application	400
Camping grounds	
Renewal	350
Fee for re-inspection	Charged at hourly rate
Food premises licence	
Re-grading	50% annual fee

Fee type by category	Fee from 1 July 2009 (inc GST) $
Food premise licence annual fee	
Small low – risk A grade	255
Small low – risk B grade	330
Small low – risk D grade	405
Small low – risk E grade	510
Large low – risk A grade	380
Large low – risk B grade	495
Large low – risk D grade	610
Large low – risk E grade	760
Small medium – risk A grade	505
Small medium – risk B grade	660
Small medium – risk D grade	810
Small medium – risk E grade	1,015
Large medium – risk A grade	760
Large medium – risk B grade	1,000
Large medium – risk D grade	1,220
Large medium – risk E grade	1,520
Small high – risk A grade	760
Small high – risk B grade	990
Small high – risk D grade	1,220
Small high – risk E grade	1,520
Large high – risk A grade	1,140
Large high – risk B grade	1,480
Large high – risk D grade	1,830
Large high – risk E grade	2,280

Fee type by category	Fee from 1 July 2009 (inc GST) $
Food premise licence annual fee – Great Barrier Island	
Small low – risk A grade	127.50
Small low – risk B grade	165
Small low – risk D grade	202.50
Small low – risk E grade	255
Large low – risk A grade	190
Large low – risk B grade	247.50
Large low – risk D grade	305
Large low – risk E grade	380
Small medium – risk A grade	252.50
Small medium – risk B grade	330
Small medium – risk D grade	405
Small medium – risk E grade	507.50
Large medium – risk A grade	380
Large medium – risk B grade	500
Large medium – risk D grade	610
Large medium – risk E grade	760
Small high – risk A grade	380
Small high – risk B grade	495
Small high – risk D grade	610
Small high – risk E grade	760
Large high – risk A grade	570
Large high – risk B grade	740
Large high – risk D grade	915
Large high – risk E grade	1,140
Food stalls	
Market operator licence (blanket licence for low-risk food stalls, eg fresh fruit and vegetables)	135
Food stalls – one day only	40
Level one – 12 months	45
Level two – 6 months	100
Level two – 12 months	160
Level three – 6 months	190
Level three – 12 months	320

Fee type by category	Fee from 1 July 2009 (inc GST) $
Funeral directors – mortuary licence	
Annual fee	380
Hairdressers' fees	
Hairdressers all premises per annum	175
Hazardous substances – inspections	
Bulk tank demolished	150
Bulk tank for repair and maintenance	150
Bulk tank installed	170
Class 2 gas installation (other)	150
CNG storage cylinders installed	150
Inspection of any dangerous goods area	100
LPG storage tank installed	150
LPG or CNG equipment installed	100
Maintenance of pipe work	100
Oil burning equipment – installation	100
Oil burning equipment – maintenance	100
Pump installed and re-located	100
Pump removal	100
Pump replaced or fixed	100
Storage tank installed	150
Storage tank replacement	170
Tank removal	100
Test pipelines to bulk installations	110
Transfer or copy of any licence	55

Fee type by category	Fee from 1 July 2009 (inc GST) $
Hazardous substances licence – set by statute	
0 to 1,000 litres	56.25
1,001 to 2,500 litres	112.50
2,501 to 5,000 litres	125.16
5,001 to 10,000 litres	137.81
10,001 to 25,000 litres	163.13
25,001 to 50,000 litres	187.88
50,001 to 100,000 litres	213.75
100,001 to 250,000 litres	251.71
250,001 to 500,000 litres	315.00
500,001 to 1,000,000 litres	441.56
1,000,001 to 10,000,000 litres	568.12
10,000,001 + litres	821.25
Transfer fee	56.25
Health and bathhouse annual	
Health and bathhouse annual	255
Health protection licence	
Basic (single process)	180
Health protection licence annual	
Multi basic (multiple processes)	255
High risk (involving skin penetration)	255
Health protection licence – half year	
Swimming pool	150
Hourly rate for festival events	
Hourly rate for festival events	155
Inspection fee	155
Mobile food	
Bun runner annual	40
Offensive trades	
Application – annual	350
Renewal	320

Fee type by category	Fee from 1 July 2009 (inc GST) $
Street trading	
Banner	150
Cafe seating on pavement – fee per chair per annum	70
Charity and fundraising stalls	No charge
Coffee vendors	500 per six months
Display of goods	120 per month
Flower sellers	350 per month
Icecream vendors (fixed site)	800 per month
Icecream vendors (mobile)	800 per month
Long-term trading (over 12 months) – public place – permit plus monthly fee set within criteria and new application fee	270
Newspapers	100 per seller, per site, per annum
Outdoor seating, per chair per 12 months	70
Outdoor seating, per chair for less than six months	50
Pie carts, Newmarket	1000 per month
Pie carts, Commerce Street	1200 per month
Permanent banners	6000 per annum
Recycling bins	300 per bin per annum
Sausage sizzles	No charge
Short-term trading – public place (up to 12 months) – permit and monthly fee set within criteria	175
Sports services vendors	200 per month
Strawberry and vegetable vendors	350 per month
Street appeals	No charge
Transfer fee	
All licences and re-issue of lost permit	75
Seizures under bylaws	Staff time and disbursements associated with seizure
Bylaw dispensation (other than permanent signage)	
Temporary sign	115

Hauraki Gulf islands fees

Fee type by category	Fee from 1 July 2009 (inc GST) $
Grey water	
Grey water system	250
Travel	
Inter-island travel	599

Land use consent fees

Fee type by category	Note	Fee from 1 July 2009 (inc GST) $
Business zone		
All applications	Deposit	2,500
Central area		
Simple applications (non-notified)	Deposit	1,700
Standard applications but more complex, up to five residential units (non-notified)	Deposit	3,700
Certificate of compliance (section 139)	Deposit	1,000
Confirmation of compliance (signs bylaw)	Deposit	700
Dispensation and or exemptions or non-compliance with consolidated bylaw 1991	Deposit	2,000
Existing use rights assessment		
Section 139A – central area	Deposit	1,100
Section 139A – other areas	Deposit	1,000
Limited-notified land use consent – at lodgement (The council retains the right to require a larger deposit than specified in this schedule on a case-by-case basis)		
All zones, at lodgement	Deposit	5,500
All zones, prior to a hearing being scheduled	Deposit	5,500
Liquor licence fees		
Liquor planning certificate	Fixed fee	350
Monitoring fee		Hourly rate
Notified application (The council retains the right to require a larger deposit than specified in this schedule on a case-by-case basis)		
All zones and central area, at lodgement	Deposit	11,000
All zones and central area, prior to a hearing being scheduled	Deposit	11,000
Outline plans and drawings		
Lodged for consideration – total cost charged on a time–cost basis	Deposit	1,100
Overseas investment certificate		
Required by overseas investors to confirm the property meets the council's requirements		340
Pre-lodgement meeting		
Pre-lodgement meeting		210
Resource consents		
Roof-mounted solar heating panels, solar tubes, skylights, roof windows and sun tunnel		250

Fee type by category	Note	Fee from 1 July 2009 (inc GST) $
Residential zone		
Additions and alterations to existing dwellings, accessory buildings	Deposit	1,700
Residential zone		
Four or more dwelling units, or change of activity	Deposit	3,700
Residential zone, open space zone, special purpose zone, unzoned land		
Residential zone – less than four dwelling units; other zones – all applications	Deposit	2,000
Section 357 Resource Management Act 1991 – lodging an objection under section 357		No charge
Section 125 Resource Management Act 1991 – to extend the period a consent is valid	Deposit	1,700
Section 127 Resource Management Act 1991 – variation or cancellation	Deposit	1,700
Special inspections reports		
Planning and building		At cost
Additions and alterations to existing dwellings, accessory buildings	Deposit	1,700

Liquor licence fees (set by the Sale of Liquor Act 1989)

Fee type by category	Fee from 1 July 2009 (inc GST) $
Application	
Application under section 9	776
Application under section 9 of the act for an on-licence to be endorsed under section 28 of the act, or under section 16 of the act for the variation or cancellation of any condition of an on-licence endorsed under section 28 of the act	132
Application under section 24 of the act for the authority to carry on the sale and supply of liquor on any premises or conveyance, in respect of which an on-licence is in force	132
Application under section 31 of the act for an off-licence, or under section 39 of the act for the variation or cancellation of any condition of an off licence (except where the licence is endorsed under section 51 or 52 of the act)	776
Application under section 31 of the act for an off-licence to be endorsed under section 51 or 52 of the act, or under section 39 of the act for the variation or cancellation of any condition of an off-licence endorsed under section 51 or 52 of the act	132
Application under section 55 of the act for the grant of a club licence, or under section 62 of the act for the variation or cancellation of any condition of a club licence, or under section 64 of the act for the renewal of a club licence	776
Application under section 76 for a special licence	63
Application under section 118 of the act for the grant of a manager's certificate, or under section 123 for the renewal of a manager's certificate	132
Renewal	
Renewal of an on-licence under section 18 of the Sale of Liquor Act 1989	776
Variation or cancellation	
Variation or cancellation of conditions (section 16)	776

Plan change applications

Fee type by category	Note	Fee from 1 July 2009 (inc GST) $
Pre-lodgement – all areas		
Prior to lodgement after first two hours		Hourly rate
On lodgement – all areas		
Single site complex and multiple site relatively simple	Deposit	11,000
Multiple site complex	Deposit	22,000

Property information fees

Fee type by category	Fee from 1 July 2009 (inc GST) $
Aerials	
Black and white aerials – 1993 (negatives)	9
GIS plots – colour aerials – 2006	35
Building consent report	
Approved building consents (monthly list) – approved or lodged consents	295
Outline of the status of applications for a particular property	10
Courier	
Standard fee	9
Drainage plans	
Private drainage plans – subsequent copies	8
LIMS	
Standard LIM, five working days (10 days per legislation)	255
Urgent LIM (four hours)	330
Copy of LIM (at time of purchase of original LIM)	25
Map information	
Map information charge – one property map or one private drainage plan	13
Neighbourhood report	
Neighbourhood report	35
Online ordering	
GIS map simple	25
GIS map combined	44
GIS map selection	55

Fee type by category	Fee from 1 July 2009 (inc GST) $
Packages	
Non-urgent LIM, CD and neighbourhood report	330
Urgent LIM, CD and neighbourhood report	415
Print and copy	
A2/A1 prints – EDMS and paper	10
A3 EDMS	6
A3 photocopies – paper records	1
A4 EDMS copies	1
A4 photocopies – paper records	0.50
AO prints EDMS and paper	15
Building warrant of fitness (copy)	7
Code compliance certificate (copy)	7
Coin-operated photocopier A3	0.50
Coin-operated photocopier A4	0.50
GIS viewing and print one plot	25
Site remediation report	8 plus copy charges
Soil reports	8 plus copy charges
Property maps	
Contours map, public drainage map and special features map on same map for the same property	55
Public drainage, water services and contours on one map	45
Site file CD	
Counter – non-urgent	60
Counter – urgent	70
Counter– while you wait (up to 30 minutes)	80
Internet – non-urgent	70
Internet – urgent	80
Site information charge	
For each site researched (self-service)	16
Valuations	
Certified copy	30
Additional data P3	15
Sales data P4	15
Valuation screen P1	15

Staff charge-out hourly rates

Fee by position	Fee from 1 July 2009 (inc GST) $
Staff positions	
Building officers, building inspectors, incident investigators, resource consent monitoring officers, environmental health officers	133
Engineering, account or project managers	159
Planners (levels 1 and 2), assistant planners, subdivision, licensing, planning technicians, urban design assistants	112
Planners (levels 3 and 4), subdivision, licensing, environmental health specialists, arborists, urban designers	148
Secretarial and administration staff	83
Senior planners, senior subdivision officers, licensing, team leaders, senior urban designers, planning managers	164

Subdivision consent fees

Fee by consent type	Note	Fee from 1 July 2009 (inc GST) $
Boundary adjustment	**Deposit**	**665**
Completion certificate (section 224C of the Resource Management Act 1991)		
Simple (no engineering input required)		250
Complex (engineering input required)	Deposit	700
Cross-lease		
First stage	Deposit	1,650
Any subsequent stage	Deposit	740
Freehold subdivision		
New vacant lots	Deposit	1,650
Existing or approved complying development	Deposit	995
Existing or approved development with development control modifications, eg height in relation to boundary, coverage etc	Deposit	1,650
Other consent type		
Deposit for combined application for land use consent and subdivision consent	Deposit	3,675
Removal of building line restrictions, creation of easement certificate, cancellation of easements, amalgamation of certificates of title, unit title (5(1)(g)) certificate		385
Right of way		430
Survey plan		290
Unit title	Deposit	1,065
Variations and amendments (includes section 125 of the Resource Management Act 1991)	Deposit	1,000

Maori contribution to decision-making processes

Auckland City Council recognises and supports its responsibilities to Maori under the Treaty of Waitangi. In accordance with the requirements of the Local Government Act 2002, Auckland City Council develops and fosters opportunities for Maori to contribute to its decision-making processes.

In doing so, the council works with the following three key groups:

- ahi kaa – people of enduring occupation and authority
- iwi with historical association – people with historical and spiritual connections to Auckland city
- taurahere – people who live outside their tribal territories or are urban based.

Auckland City Council's Consultation with Maori policy identifies who is in these groups and when they should be engaged or consulted.

- Ahi kaa comprises Ngati Whatua o Orakei, Ngati Paoa and Ngati Rehua. Ahi kaa are engaged or consulted on issues of governance, policy development and the Resource Management Act 1991.
- Tangata whenua consultative committee comprises Ngai Whatua, Ngati Paoa, Ngati Rehua, Ngati Maru, Ngai Tai, Kawerau a Maki, Ngaati Te Ata and Tainui (Huakina Development Trust). Other iwi who have yet to affirm their interests within Auckland city may also be consulted. Tangata whenua are engaged or consulted on issues surrounding the Resource Management Act 1991 (resource consents).
- Taurahere comprises community groups and individuals. Taurahere are engaged or consulted on policy issues and relevant projects.

Pae Herenga Tangata (bridge between people) is an Auckland City Council unit established in 2000 to develop treaty-based relationships between the council and Maori. This includes providing policy advice and support to the council, facilitating consultation and engagement with tangata whenua, fostering positive relationships with Maori communities and providing bicultural education, advice and support to council staff.

In consultation with ahi kaa and taurahere, Pae Herenga Tangata has developed various policies to guide staff in engaging appropriately with Maori. These include the:

- Ngati Whatua o Orakei communications protocols
- consultation with Maori policy
- treaty-based framework
- marae policy
- discovery of koiwi protocols.

In recent years, there has been an emphasis on ensuring that a wider representation of Maori people are able to contribute to the council's decision-making processes. In 2009/2010 there will be more emphasis on recognising Maori aspirations and how they contribute to those processes.

Glossary

activity: the goods or services the council provides.

AMETI: Auckland-Manukau Eastern Transport Initiative.

amortisation: the charge representing the systematic reduction in the value of an intangible asset over its useful life.

annual plan: 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 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.

asset management plan (AMP): a planned capital and maintenance programme to provide a level of service that meets the growth and demands of the community.

Auckland City Council: the elected mayor and councillors who make policy, and the name of the organisation that carries out that policy.

capital expenditure: spending on buying or building new assets, and renewing current assets.

CBD: defined by the region's central motorway system and bounded by State Highway 1, the central motorway junction and State Highway 16. Its boundaries are roughly the edges of the Waitemata Harbour, Freemans Bay, the upper reaches of Symonds Street and Karangahape Road, and Grafton Gully.

community: refers to the people in Auckland city collectively and includes smaller community groups and individuals, as well as other groups and organisations that comprise part of that collective.

community outcomes: the things the community thinks are important for its current or future social, economic, environmental or cultural well-being. These outcomes are used to help set priorities in the council's 10-year plan. These outcomes were identified by the Future Auckland consulting process, which included a range of organisations and community groups.

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. Section 6(4) of the Local Government Act 2002 details these exceptions.

council's rate of inflation: the council's rate of inflation reflects the increase in costs that council faces to fund the current activities it provides at existing service levels.

deferred capital projects: capital projects originally planned in prior years, the timing of which has been delayed.

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.

development contributions: contributions from developers, collected to help fund new infrastructure required by growth, as set out in the Local Government Act 2002. Development contributions include financial contributions.

general rates: includes the uniform annual general charge and the value-based general rate used to fund the council's general services, but not services funded by targeted rates, fees or charges. The value-based general rate uses the rateable value of property to determine the amount of rates for the property.

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.

isthmus: the area under the council's authority that excludes the CBD and the Hauraki Gulf islands.

Local government act: refers to the Local Government Act 2002 (LGA) that defines the powers and responsibilities of territorial local authorities such as the council.

Local Government (Rating) Act 2002 (LG(R)A): defines how territorial local authorities such as Auckland City Council can assess and apply their rating policy.

Mainstreet programme: based on a partnership between local government, the business community and other stakeholders. The basic objectives of the programme are business creation and development; increased employment and local business investment; an enhanced physical environment and heritage conservation.

measures: a method for gauging progress towards the meeting of objectives. Measures usually relate to agreed levels of performance and types of services provided.

Metrowater: Metrowater, legally known as Metro Water Ltd, is a water and wastewater utility company 100 per cent owned by Auckland City Council.

net operating expenditure: gross operating expenditure less revenue from activities and other revenue. It does not include capital revenue.

new works: spending on new assets (but not the renewal of current assets), or to increase the capacity of current assets beyond their original design capability or service potential.

NZ Transport Agency: the NZ Transport Agency (NZTA) is a Crown entity established to bring together the functions of Land Transport New Zealand and Transit New Zealand to provide an integrated approach to transport planning, funding and delivery.

NZ Transport Agency subsidy: a subsidy provided by Land Transport New Zealand for road projects or maintenance.

objectives: describes the day-to-day services that each business area carries out that contribute to achieving the long-term plan's outcomes.

open space: is the city's streets and squares, parks and green spaces (including sports parks, cemeteries and playgrounds), beaches and coastline, waterways, volcanoes and natural habitats on the isthmus and the Hauraki Gulf islands.

passenger transport: (also referred to as public transport) includes buses, trains and ferries.

policy: refers to a plan of action and process that outlines the approach taken by the council to achieve a strategy.

rate differential: where a rate is applied at a different level to different types or categories of property, eg, residential, non-residential, CBD or rural land.

rates: a charge against the property to help fund services and assets that the council provides for the city.

renewals: activities required to upgrade, refurbish or replace current facilities or assets, with facilities or assets of equivalent capability or service potential.

revenue: income received by the council to fund its services. Revenue sources include rates; fees and charges for using a particular service, such as the entrance fee to the zoo; penalties and fines, such as parking fines; and grants (including charitable donations) and subsidies.

revenue and financing policy: looks at how the council funds its operational and capital expenditure.

Royal Commission on Auckland Governance: the government set up this commission to enquire into Auckland's local government and how it is working. Visit www.royalcommission.govt.nz for further details on the commission.

strategy: refers to the council's seven strategies which are used to establish our priorities and allocate resources

Tamaki Edge: encompasses Glen Innes, Panmure, Mt Wellington, Sylvia Park and Otahuhu, and has been identified by the council as a key area for future growth.

targeted rate: a rate that is raised to fund a particular service or facility such as the Mainstreet rate, or to provide dedicated funding for a particular activity such as rubbish collection. A targeted rate can be applied in several ways, including a fixed amount per property or according to property value.

targets: set quantifiable standards that are compared to actual results over a period of time to measure performance.

The Edge®: the trading name of the Aotea Centre Board of Management. The Edge® venues are Aotea Square, the Auckland Town Hall, the Aotea Centre and The Civic.

uniform annual general charge (UAGC): part of the general rate that is levied as a flat rate on all rateable properties. It represents the minimum contribution each property contributes to the services provided by the council.

vested assets: infrastructural assets transferred to the council by developers.

ward: an administrative and electoral area of the city. There are seven in Auckland: Avondale/Roskill, Eastern Bays, Eden/Albert, Hauraki Gulf Islands, Hobson, Tamaki/Maungakiekie and Western Bays.

well-beings: the four well-beings refer to the social, economic, environmental and cultural well-being of communities in the present and for the future.

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