

**Date:** Wednesday 19 February 2025  
**Time:** 10.00am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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## Komiti mō te Tahua Pūtea / Budget Committee

### OPEN ATTACHMENTS

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# Te Mahere ā-Tau 2025/2026 Annual Plan 2025/2026

Consultation Document



## Mihi

**Nau mai e te tai Whakarunga e  
te Tai Whakararo**

**Nau mai e te tai Tama-wahine,  
e te tai Tama-tāne,**

**Nau mai ki Tāmaki i whakawhenuatia rā,  
i ngā waitapu e rua nei arā ki a Waitematā  
i te Mānukanuka.**

**Koia i maea ake i te kōpū o Papatūānuku  
e takoto mai nei,**

**Tuia ki a Ranginui e tū iho nei.**

**Ko ngā aituā hoki tēnei e tangihia ana e tō  
tātou manu!**

**Hoki wairua mai, hara mai haere**

**Piki taku manu, kake taku manu ka tau  
me he manu-kau noa nei ē!**

**Ko koe te manuhiri kua tau,  
Ko au te mana Kaunihera ka ki**

**Ko au, ko au, ko te Kaunihera  
o Tāmaki Makaurau!**

**Nau mai, Tautī mai, Whakatau mai nā.**

Welcome the southern and northern tides, the  
tides of East and West.

Welcome to Tāmaki, the land born of the sacred  
waters Waitematā and the Manukau

You who emerged from the womb of Papatūānuku  
laying here and amalgamate with Ranginui above.

Those who have passed are lamented, called  
hither and then home.

Come forth, climb, or ascend, likened to  
birds that settle.

You are the visitor who has arrived.  
And the Kaunihera who say,

It is I, it is we, the members of  
Auckland Council!

Welcome, welcome, greetings to all.

◀ On the cover: Auckland Council Graduate Programme

▲ Whau Te Pou, Rata Street bridge, New Lynn by master carver Te Taonui-a-Kupe (James) Rickard (Ngāti Koata, Ngāti Hinerupe, Tainui & Ngāti Porou)





Wāhanga tuatahi: Tirohanga Whānui

# Part one – Overview

## About this document

The purpose of this document is to enable public participation in Auckland Council’s decision-making processes relating to its activities in the coming year.

Our proposed annual plan builds on our Long-term Plan 2024-2034 (LTP) and this document outlines the topics that we want your feedback on for the second year (2025/2026). These include:

- what we plan to spend money on and the services we plan to provide
- areas where our plans have changed from those in the LTP.

We also want your views on a bed night visitor levy. If this were enabled by government we would use the funds from this levy to support major events and promote Auckland as an attractive tourist destination.

This consultation document is based on the best information currently available. While at the time of writing this document, our financial forecasts are not materially different from our LTP, there are risks. Some flexibility is needed to manage any emerging or unexpected events.

## Have Your Say on our Annual Plan 2025/2026

We want to know what you think about our plan.

We want to hear from all communities, so there are a number of ways you can find out more and have your say. These include written and online feedback forms, face-to-face events, phone, social media and webinar options.

There are also translated summaries of this document in: Te reo Māori, Korean, Samoan, Tongan, Simplified Chinese, Hindi and Traditional Chinese.

A feedback form is included on pages 36-38.

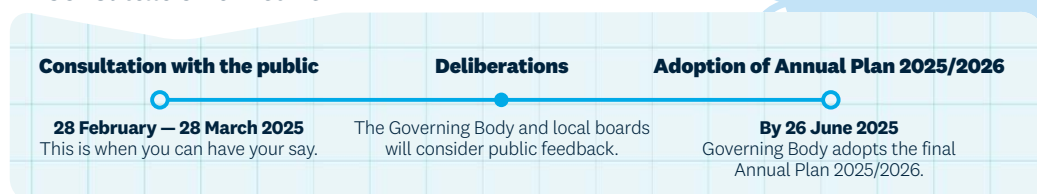
You can give us your feedback until 11.59 PM on 28 March 2025. For further information, including supporting information for this consultation document, you can:

- visit [akhaveyoursay.nz/ourplan](http://akhaveyoursay.nz/ourplan)
- phone 09 301 0101
- visit your library or local council services location.

The council will make final decisions for the Annual Plan 2025/2026 in June 2025. The final plan will be available on [aucklandcouncil.govt.nz](http://aucklandcouncil.govt.nz) in July 2025.

So please, have your say.

### Consultation timeline



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PART ONE: INTRODUCTION

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## He kupu nā te Koromatua

### ► Message from the mayor

As your mayor for the past two and a half years, I have remained focused on improving the performance of our organisations, getting better value for ratepayer dollars and getting more from what we have. As a result, we've had success with initiatives like the establishment of the Auckland Future Fund, agreement with the government to deliver significant legislative change to water service delivery and transport, as well as improvements to our waterfront and the financial performance of the Port of Auckland Limited.

Importantly, the council agreed to reform CCOs late last year and the transition has begun. Over the next year Aucklanders will notice greater focus on delivery from council and its remaining CCOs.

The Annual Plan 2025/2026 marks the last opportunity of this political term to cement a more financially sustainable and sensible approach to the way we do things, getting on with what we agreed to through the Long-term Plan 2024-2034.

I've always said I believe the LTP is like a social contract with Aucklanders; an agreement that sets out the services and infrastructure we will deliver and how we will spend ratepayer dollars.

While there are plenty of risks to manage for 2025/2026, we must do everything we can to mitigate them within existing budgets. That means we stick to our end of the agreement by:

- Retaining the agreed rates increase for the average value residential property of 5.8 per cent.
- Aiming for a group debt to revenue limit of 250 per cent (excluding Watercare) while ensuring there is adequate headroom to respond to future shocks.
- Delivering the further \$47 million in savings on top of other savings targets.
- Continuing to invest in the services and activities Aucklanders care about with \$4 billion of capital investment.
- Proceeding with our approach to the fairer funding of local boards.

The main proposal included in the consultation material considers the way we fund destination marketing and major events. In our LTP we signalled that without a bed night visitor levy in place for the 2025/2026 financial year, we'd have a \$7 million budget shortfall. A levy, of course, unfortunately requires central government legislation. Many leaders in the tourism sector prefer this to a targeted rate (like the Accommodation Provider Targeted rate we used to charge).

I acknowledge that major events like the Women's Rugby World Cup, Sail GP and mega concerts are popular with many and contribute economic and social benefit to Auckland. However, we must recognise business sectors across the region also generate income from this type of investment. A targeted levy is therefore a much fairer way to share the costs between those who benefit most.

To support our ongoing discussions with central government, we'd like to know your thoughts on the concept of a levy that would provide for a more equitable way to fund destination marketing and major events, instead of asking the ratepayer to pick up the tab.

I want to hear your views – public submissions are an incredibly important part of this process that will help to inform future decision-making – so make sure to have your say.



**Wayne Brown**  
Koromatua |  
Mayor of Auckland

### ► Our vision

The mayor and councillors have provided a direction for this annual plan, just as they provided direction for the long-term plan (LTP).

The longer-term vision is a more efficient council focussed on value for money for Aucklanders.



Our vision for Auckland is to create an Auckland that is beautiful, thriving and safe. This includes:

## ► Our proposed Annual Plan 2025/2026

We are getting on with delivering year two of our Long-term Plan 2024-2034.



### ► Question 1: Our proposed plan

**What do you think of our proposed annual plan?** (see feedback form on page 37 of this document)

- a stunning natural environment – harbours, beaches, forests, maunga, islands, urban trees – that can be accessed and enjoyed by Aucklanders across the region
- a transport system and development pattern that enables us to live in decent houses in nice communities and move around the region easily, affordably and in a way that meets our climate commitments
- decent and affordable public services, amenities, and infrastructure
- a diverse and dynamic city, which honours the place of Māori and includes a rich array of cultural and sporting events, museums, galleries and built heritage
- a thriving economy that supports growth and opportunities for all.



## ➤ Progress with delivering the LTP

We're delivering the financial and physical resilience committed to in our LTP. This is reflected in the latest reviews by credit agencies Moody's and S&P Global, both stating that the council's ratings are "unchanged with a stable outlook". They noted that, while New Zealand's local government sector is under pressure, Auckland Council has maintained a sustainable approach to managing its debt levels.



### Auckland Future Fund

The Auckland Future Fund provides us with more sources of revenue and reduces how much we rely on rates to fund our plans.

In 2024, we:

- established the fund and appointed directors to manage it
- set up a trust deed for the fund
- supported the drafting of the Auckland Council (Auckland Future Fund) Bill to provide the fund with legislative protection
- began establishment of a \$20 million 'Fix and Finish' Fund which is to be set aside from the expected returns from the Auckland Future Fund in 2024/2025. The fund will enable us to 'fix and finish' community projects in legacy Manukau City and Auckland City areas.
- completed the transfer and sale of Auckland International Airport Limited shares which provided \$1.3 billion to be invested in the Auckland Future Fund.



### Operating cost savings

We've been getting on with achieving the savings targets that have been set. By December 2024 we had achieved 65 per cent of the \$66 million target for the 2024/2025 financial year. This built on other targets from previous plans.



### Capped \$50-weekly public transport pass

In July 2024 we introduced a capped \$50-weekly public transport pass. This was one of the main initiatives in our LTP.

The \$50-cap applies to Auckland Transport (AT) buses, trains and inner-harbour ferries. It limits travel costs on public transport to \$50 over any seven-day period. In the first 12 weeks after the weekly cap was introduced, AT reported that over 20,000 Aucklanders had benefited from it.

AT rolled out contactless payment methods including debit or credit cards, mobile phones and smart watches in November 2024. Over a million journeys have already been paid for this way.







### Improvements to our waterfront

We're getting on with work to open up the city centre waterfront to Aucklanders, including the opening of the new Karanga Plaza Harbour Pool.



### Fairer funding for local boards

We are making progress towards introducing a fairer funding model for local boards from 1 July 2025 (visit page 17 for details).



### CCO reform

We've made decisions and are progressing significant changes to three of the five substantive council controlled organisations (CCOs) – Eke Panuku, Tātaki Auckland Unlimited and Auckland Transport – to improve how we deliver our services.

These reforms do not include any funding or service cuts. They involve changes to the organisations, to make council services more responsive to Aucklanders by bringing decisions closer to elected members.

We are also building shared services capability to improve efficiency across the council group.



### Water reform

Through the government's water reform programme, Local Water Done Well, the financial independence of Watercare has been enabled. This means Watercare can invest more without being constrained by Auckland Council's debt limits. This allows them to deliver an extensive capital investment programme while keeping water affordable for Aucklanders.



### Reducing corporate emissions

We have several programmes and projects underway to reduce our corporate emissions. These programmes focus on:

- replacing gas boilers in our buildings
- increasing the use of solar energy in our buildings
- decarbonising our stadiums
- monitoring our energy use.





## ► Funding destination management and major events

Attracting visitors and securing, promoting and delivering major festivals and events, which are vital to developing Auckland's economy.

In our Long-term Plan 2024-2034, we said we would continue to fund cultural festivals but that without a bed night visitor levy, we would have a \$7 million budget shortfall for funding of major events such as the ASB Classic, Auckland Marathon and Auckland Writers Festival from the 2025/2026 financial year.

A bed night visitor levy requires central government legislative change. They have yet to agree to introduce this legislation.

We considered several options to respond to this shortfall. Most of the options are either difficult to implement, or in the case of options like raising rates, are not aligned with our LTP commitments to ratepayers.

We have been advocating to central government to introduce this levy. A bed night visitor levy of 2.5 per cent to 3 per cent paid by visitors who stay in short-stay accommodation, would raise around \$27

million each year to fund destination management, marketing and major events activities in Auckland.

Investment at this level would allow us to deliver a full 'destination management' and major events programme, including ongoing national sport content and major one-off international events like Sail GP and World Rally Championship. If we do not address the \$7 million budget gap, we cannot fund mega, major or regional events. This would mean that events such as ASB Classic, Auckland Marathon and Auckland Writers Festival, might not be funded from Auckland Council. Some major events where the investment has already

been made will continue to be delivered.

To inform our work with the government, we welcome your views on funding destination marketing and major events through a visitor levy.

For more information see section four of the Supporting Information.



▲ SailGP image (Image courtesy of Tātaki Auckland Unlimited)

### ► Question 2: Destination management and major events

**Do you support a bed night visitor levy paid by those in short-stay commercial accommodation, to fund destination management and major events activities?**

(see feedback form on page 37 of this document)



PART ONE: INTRODUCTION

Item 7



▼  
Images clockwise from top: SailGP (image courtesy of sailgp.com), Auckland Writers Festival, World Dance Crew Championship (image source worlddancecrewchampionship.com)

Attachment A



WĀHANGA TUATAHI: TIROHANGA WHĀNUI | 9



## ➤ Proposed Annual Plan 2025/2026 at a glance

There are seven areas of council activities, or investment, that contribute to the vision for Auckland. The following is what we are planning to deliver in 2025/2026:



### Transport

- Support the development of the 30-year Auckland Integrated Transport Plan.
- Progress Eastern Busway Pakuranga to Botany, including the completion for Rā Hihi (flyover).
- Support City Rail Link go live in 2026, including buying more trains, removing level crossings, and managing disruptions from rail network closures with KiwiRail and Auckland One Rail.
- Install driver safety screens on approximately 1,100 buses across Auckland by 2026.
- Repair 95 per cent of potholes on main arterial routes within 24 hours of notification.
- Practically complete all flood recovery works from the storm events in 2023.
- Deliver key capital works planned in Auckland Transport's Statement of Intent, including asset renewals, decarbonisation of ferries, and road safety programme.



### Water

- Continue work funded by the Water Quality Targeted Rate programme, including completing the Lower Khyber separation works to improve Eastern Isthmus water quality.
- Renew and upgrading critical assets such as the East Tamaki Dam and Paremuka dam culverts.
- Advance the Making Space for Water programme that aims to reduce, avoid and raise awareness of flood risks.
- Bring the Central Interceptor wastewater tunnel close to completion, with service expected to commence in 2026/2027.
- Undertake construction works for the City Centre's midtown wastewater upgrade.



### Built environment

- Collaborate with Kāingā Ora and the Ministry of Housing and Urban Development to progress infrastructure investment in the Auckland Housing Programme areas of Māngere, Tāmaki, and Mt Roskill.
- Progress city centre works including Te Hā Noa – Victoria Street to maximise the benefits of City Rail Link opening.
- Progress a masterplan to develop the central wharves into a public space, and aligning cruise facilities and ferry services with Port of Auckland Limited operations.
- Continue to regenerate our neighbourhoods in key areas such as Wynyard Quarter, City Centre, Takapuna, Northcote, Henderson, Avondale, Manukau.



### Natural environment

- Meet council's obligations set out in the Regional Pest Management Plan 2020-2030 and increased funding and extension of the Environment Targeted Rate in delivering pest plan, animal and pathogen control and restoration activities.
- Coordinate and implement the kauri dieback management programme to protect our kauri forests.
- Undertake marine biosecurity education and engagement programmes, increased surveillance and monitoring of existing and emerging marine pests, such as the exotic caulerpa seaweed.
- Expand the network of resource recovery facilities around the region, including Community Recycling Centres that receive, collect, repair and refurbish unwanted items from the public.
- Complete the standardisation of the kerbside refuse service by transitioning remaining areas to rates-funded refuse collections, including Franklin and Rodney.





**Community**

- Implement fairer funding for local boards.
- Increase the Sports and Recreation Facilities Investment Fund to address the deficit in some sports facilities in Auckland.
- Deliver differently by transitioning of the Parks and Community Asset portfolio to a lesser dependence on assets and more innovative ways of delivering council services.
- Expand Auckland libraries' physical and digital offerings, including e-books and e-magazines, to meet growing digital demand.
- Progress urgent community asset renewals to safeguard our facilities from asset failure and support high-priority growth projects.
- Enhance animal control services through increased resourcing, improvements and increasing capacity at our animal shelters.
- Boost community safety with initiatives such as safety hubs in the city centre and compliance wardens to fill the gaps in safety across the city.



**Economic and cultural development**

- Work with central government on new funding tools for visitor attraction and economic development, including exploring a bed night visitor levy for major events and destination marketing.
- Continue to deliver iconic cultural events such as Pasifika, Diwali and the Lantern Festival.
- Continue to provide experiences for visitors to the Auckland Zoo, Auckland Art Gallery, and New Zealand Maritime Museum.
- Facilitate international and domestic events, including musicals, concerts and exhibitions.
- Progress a local board led plan for the North Harbour Stadium.



**Well managed local government**

- Support the Auckland Future Fund Trustee Limited board to achieve long-term average annual returns of 7.24 per cent, with 5.24 per cent distributed annually to the council and the remaining reinvested to grow the fund over time.
- Invest \$16 million into Māori outcomes including the ongoing Marae Infrastructure Programme, and grants to improve the capacity of mana whenua and mataawaka to engage in Auckland Council decision-making processes.
- Progress towards Auckland Council's savings and efficiency targets, targeting an additional \$47 million in savings by 2025/2026, on top of the \$90 million annual savings already achieved and \$38 million Annual Plan 2023/2024 target.
- Continue investment into fit-for-purpose technology to deliver better and more efficiently.
- Continue acceleration of group shared services and consolidation of service functions to reduce duplication amongst council organisations.
- Progress towards achieving the asset recycling target of \$300 million set in the LTP.





## ➤ Financial overview

Auckland Council Group's financial strategy, as set out in our Long-term Plan 2024-2034 (LTP), seeks to improve Auckland's physical and financial resilience over the next decade. It serves as a strategic roadmap to achieve not only short-term financial stability but also long-term sustainable growth and development.

The Annual Plan 2025/2026 is being developed in a more stable economic environment, with some ongoing risk areas that we are continuing to keep a watch on. Inflationary pressures, while high in recent years, have started to stabilise. As a result, at the time of writing our financial forecast remain predominantly in-line with the second year of the LTP.

This section provides a high-level overview of our key financial projections for the 2025/2026 financial year (year two of the LTP).

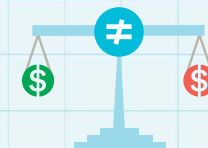
\$ millions	Long-term Plan 2024-2034		
	Year 1 2024/2025	Year 2 2025/2026	Year 3 2026/2027
Total capital investment*	4,199	<b>3,987</b>	3,835
Total operating expenditure	4,729	<b>5,068</b>	5,189
Average residential rates increase	6.8%	<b>5.8%</b>	7.9%
Rates revenue	2,784	<b>3,010</b>	3,304
Total operating funding sources	5,808	<b>6,225</b>	6,638
Total assets	77,613	<b>82,569</b>	88,973
Total borrowing	14,057	<b>15,604</b>	17,182
Total equity	57,683	<b>60,843</b>	65,655
Debt to revenue ratio	250%	<b>213%</b>	214%

\*The Transport capital programme was revised downwards in November 2024 after Auckland Transport received notice of a lower than expected National Land Transport Programme funding level than assumed in the LTP. The reduced capital investment figures are reflected above.

Detailed financial projections and key assumptions are included in section two of the Supporting information.

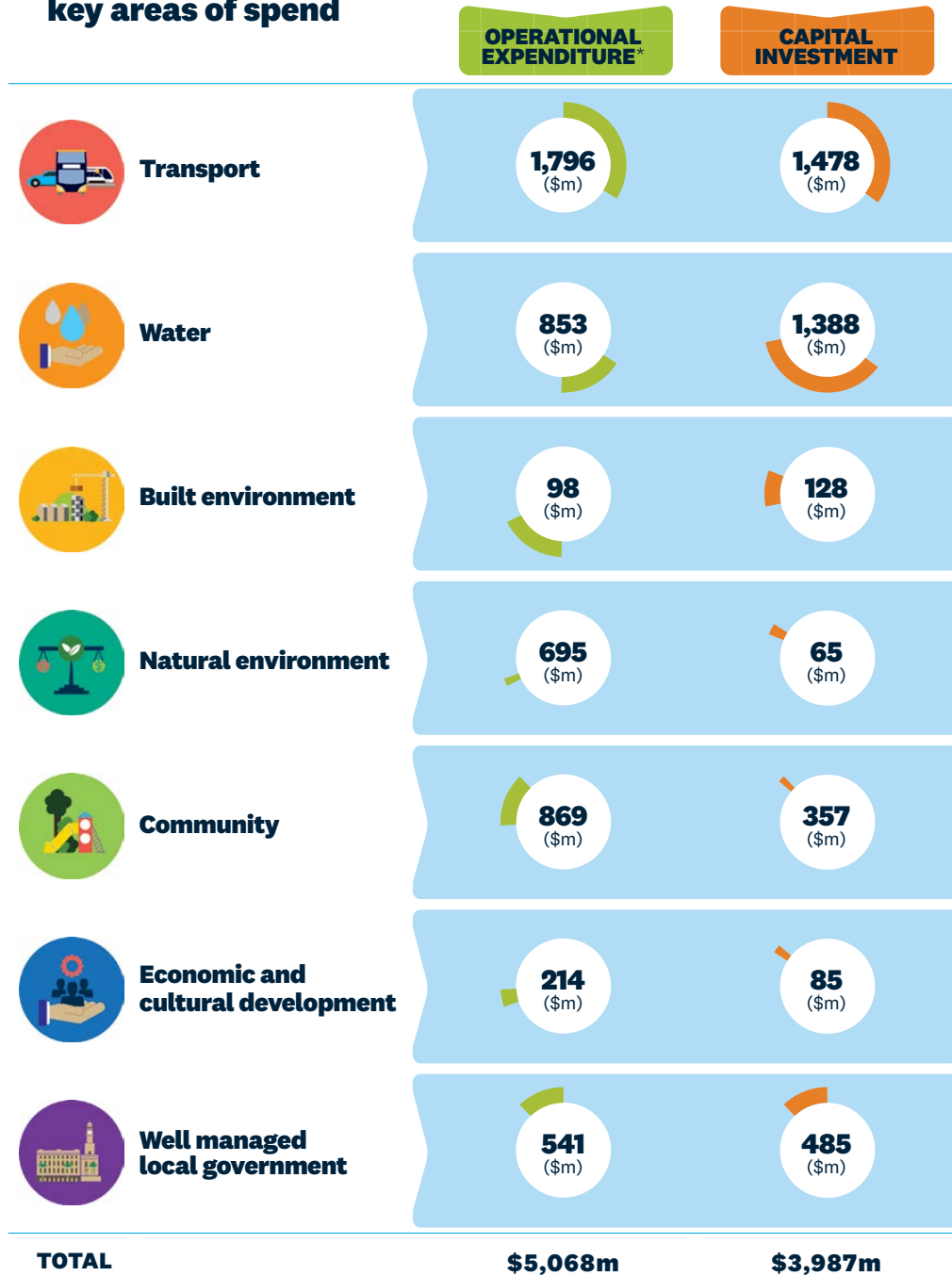
## ➤ Financial flexibility

- Emerging cost pressures and risks beyond council's control might impact the financial projections for 2025/2026. Though challenging, these are smaller in scale compared with previous budgets. We will review draft budgets for 2025/2026 to address these issues, while getting on with plans to deliver the key budget requirements in the LTP.
- Currently, there is no pressing need to deviate from the projected rates increases in the LTP or other essential financial settings, other than in respect of the rates items that we are consulting on. However, budget adjustments might be necessary when we refresh our budgets in May/June 2025, potentially affecting operating spending, capital investments, asset recycling targets, and, as a last resort, rates increases.
- In a worst-case scenario, the council might consider a rates increase for the average residential property by 1-2 per cent more than projected in the LTP. Debt levels could be marginally higher but still within the 250 per cent prudential policy limit. Should more significant changes be required, then the council would undertake public consultation before final decisions.
- While there is no current intention to deviate from the LTP settings, it is prudent to prepare for potential challenges and ensure readiness to address them effectively.





➤ Annual Plan 2025/2026  
key areas of spend



\*Operating expenditure figures exclude depreciation and amortisation expense.

For more information, see pages 10-11 of the Consultation document and section two of the Supporting information.





















































































































































































































































































































































































































































































































