

Date: Thursday 27 March 2025
Time: 10.00am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Tira Hautū / Governing Body

OPEN MINUTE ITEM ATTACHMENTS

ITEM	TABLE OF CONTENTS	PAGE
8	Chief Executive and Group Chief Financial Officer Update	
A.	27 March 2025, Governing Body: Item 8 - Chief Executive and Group Chief Financial Officer Update, Monthly Performance Reporting Dashboard	3
13	Stadium network investment objectives	
A.	27 March 2025, Governing Body: Item 13 - Stadium network investment objectives, Presentation	9
14	Main stadium feasibility studies	
A.	27 March 2025, Governing Body: Item 14 - Main stadium feasibility studies, Presentation	17



Monthly Financial Dashboard

Auckland Council Group
February 2025

Note: This financial information has been prepared on a provisional basis. It will be validated during the quarterly reporting process.



Monthly Financial Dashboard February 2025 – For circulation to the Governing Body

Headlines

Operating performance

Auckland Council Group

- Year-to-date net direct expenditure was \$133 million favourable to budget.
- Direct revenue for the Group was \$20 million (1 per cent) favourable to budget (slightly down from 2 per cent at end of December).
- Direct expenditure followed the trend of January and was \$113 million (4 per cent) favourable to budget.

Auckland Council

- Year-to-date net direct expenditure \$49 million favourable to budget.
- Direct revenue for Auckland Council followed the trend of January and was \$28 million (9 per cent) favourable to budget.
- Direct expenditure followed the trend of January and was \$21 million (2 per cent) favourable to budget.

Group debt

- Group net debt was \$13.2 billion as at 28 February 2025 and is projected to be \$14.0 billion by 30 June 2025.
- It increased by \$1.0 billion since 1 July 2024 mainly due to working capital movements and to help fund the \$2.5 billion of capital investment.

Capital Projects delivered in February and key milestones

The group has invested \$2,472 million so far this year in assets and infrastructure - 95 per cent of the year-to-date budget.

Key projects:

Auckland Council

Completed renewals include:

- Reremoana / Wattle Down Esplanade Reserve playground
- Manu-pukatea / Felicia Park playground and basketball court
- Massey Park athletics track

Auckland Transport

- New 94-metre Milldale Bridge over State Highway 1 officially opened on 12 February. The bridge connects Milldale to surrounding communities, providing easy access to local amenities.
- Flood response - repairs to Leigh Road and Kelly Road completed.
- Hibiscus Coast Highway new pedestrian footpath including bus stop completed.
- Veronica Street traffic signals, crossing and pedestrian improvements completed.

Watercare Services Limited

- The southern part of the \$1.6 billion Central Interceptor tunnel (Blockhouse Bay south to Māngere Wastewater Treatment Plant) went live. The project aims to deliver new water wastewater and infrastructure to allow for future growth and a cleaner environment.
- Judges Bay pump station installation completed as part of a wastewater upgrade. The project will increase the wastewater network's capacity and reduce wet weather overflows at Judges Bay.

Monthly Financial Dashboard February 2025 – For circulation to the Governing Body

Auckland Council Group – Capital Investment

\$ million	YTD 28 February 2025			Full Year Budget	
	Actual	Budget	Variance		
Total capital investment	2,472	2,611	(139)	95%	4,200³
Auckland Council ¹	295	361	(66)	82%	673
Category 3 property buy-outs ²	482	329	153	147%	564
Auckland Transport	752	852	(100)	88%	1,352 ³
Watercare Services Limited	634	816	(182)	78%	1,211
Tātaki Auckland Unlimited ¹	48	57	(9)	84%	85
Eke Panuku Development ¹	48	49	(1)	98%	99
Port of Auckland Limited	34	58	(24)	59%	83
Under delivery assumption	-	(83)	83	0%	(125)
Investment in City Rail Link Limited	179	172	7	104%	258

Notes to table:

¹ Assets owned by Auckland Council and managed by Eke Panuku and Tātaki Auckland Unlimited, such as Auckland Film Studios, are included within Eke Panuku and Tātaki Auckland Unlimited. Category 3 property buy-outs are presented separately in the table.

² Purchase of properties impacted by the 2023 weather events which have been classified as having an intolerable risk to life that cannot be feasibly mitigated.

³ Auckland Transport's SOI has been updated to revise capital investment from \$1,459 million to \$1,352 million to reflect the funding constraints as a result of the 2024-2027 National Land Transport Plan (NLTP). The group's full year budget has been adjusted from \$4,307 million to \$4,200 million accordingly.

Key capital delivery challenges

Capital investment delivery for Auckland Council (excluding Category 3 property buy-outs), Auckland Transport, Watercare and Port of Auckland (PoAL) was lower than budget.

- Auckland Council's underspend was mainly due to delays related to the:
 - Resource Recovery Network (RRN) development programme from resource challenges and scope uncertainty. Some positions are now filled and work is ongoing to train staff and prepare for delivery in 2025/2026.
 - Corporate property projects including the Records, Archives & Logistics centre, local board fit-outs, and Auckland House infrastructure renewals while decision making on business cases were delayed or still awaiting approval. Physical works on the logistics centre will start in March 2025. Some local board fit-outs are deferred to 2025/2026 onwards.
 - Making Space for Water blue-green network programme as funding was diverted towards higher numbers of Category 3 property buy-outs than originally anticipated.
 - Auckland Transport: slower delivery of new electric trains by the supplier (eight units have arrived and eleven units are authorised for shipping) and delays in Eastern Busway property acquisitions.
 - Watercare: slower start on pipe and plant renewals, planning projects and digital control system renewals, with some deferrals to 2025/2026.
 - PoAL: The Engineering Workshop project had a delayed start driven by the tendering process and Fergusson Building upgrade took longer than anticipated.
- Category 3 property buy-outs:** higher total of 1,215 now forecast, with overspend of \$222m in 2024/2025 approved by Governing Body in February 2025.

Monthly Financial Dashboard February 2025 – For circulation to the Governing Body

Auckland Council Group – Operating performance

\$ million	YTD 28 February 2025			Full Year Budget	
	Actual	Budget	Variance		%
Net direct expenditure	648	781	133	17%	1,154
Direct Revenue	1,964	1,944	20	1%	2,957
Fees and user charges	1,195	1,182	13	1%	1,787
Operating grants and subsidies	369	363	6	2%	551
Other direct revenue	400	399	1	0%	618
Direct expenditure	2,612	2,725	113	4%	4,110
Employee benefits	828	859	31	4%	1,267
Grants, contributions and sponsorship	143	133	(10)	(8%)	170
Other direct expenditure	1,641	1,733	92	5%	2,673
Other key operating lines					
General rates ⁴	2,416	2,412	4	0%	2,427
Targeted rates ⁴	358	355	3	1%	355
Vested assets	625	437	188	43%	672
Finance revenue	38	8	30	375%	13
Non-direct revenue	16	39	(23)	(59%)	77
Depreciation and amortisation	965	929	(36)	(4%)	1,410
Finance costs	420	407	(13)	(3%)	619
Non-direct expenditure	407	-	(407)	100%	-

Notes to table:

⁴ A accounting standards require the group to recognise rates revenue in full when annual rating notices are issued. As a result, the entire rates revenue has been recognised in the financials.

Direct revenue 1% favourable to budget

Revenue was favourable to budget for:

- Auckland Council: Continued higher revenue from regulatory activities (building consents, inspections, licenses and permits), LIMs, property file and private plan change volumes.
- PoAL: Continued favourable container volumes, higher breakbulk⁵ cargo revenue alongside higher cruise ships calls and passenger numbers compared to budget.

This was partially offset by Watercare revenue: Lower volumes for water and wastewater and higher leakage allowances than anticipated.

Direct expenditure 4% favourable to budget

- Auckland Council: Refer explanation on page 4.
- Watercare: Lower costs for the Waikato District Council contract from less capital expenditure. More capitalisation of professional fees than budgeted. Also, there was lower expenditure driven by the slower start of some digital enhancement projects.
- Auckland Transport: Lower other direct expenditure due to less maintenance activity. Also, there were less professional fees, events, printing costs, IT and utilities related costs than planned, generally because of lower than budgeted inflation and strong cost control.

Vested assets 4.3% favourable to budget

Vested assets revenue is non-cash in nature, highly unpredictable and beyond the group's control. The favourable variance mainly relates to the receipt of the old, and now revoked, section of State Highway 1 between Puhoi and Warkworth (value \$230 million).

Non-direct expenditure Refer explanation on page 4.

⁵ Breakbulk cargo is goods that are stowed on board ships, not in individually counted units or containers, e.g. a pile of coal or cement.

Monthly Financial Dashboard February 2025 – For circulation to the Governing Body

Auckland Council - Operating performance

\$ million	YTD 28 February 2025			Full Year Budget	
	Actual	Budget	Variance		%
Net direct expenditure	821	870	49	6%	1,312
Direct Revenue	335	307	28	9%	472
Fees and user charges	258	233	25	11%	349
Operating grants and subsidies	24	15	9	60%	23
Other direct revenue	53	59	(6)	(10%)	100
Direct expenditure	1,156	1,177	21	2%	1,784
Employee benefits	451	475	24	5%	710
Grants, contributions & sponsorship	134	121	(13)	(11%)	159
Repairs and maintenance	183	185	2	1%	280
Outsourced works and services	219	213	(6)	(3%)	328
Other direct expenditure	169	183	14	8%	307
Other key operating lines					
General rates ¹	2,427	2,420	7	0%	2,439
Targeted rates ¹	358	355	3	1%	355
Vested assets	218	220	(2)	(1%)	330
Development contributions	119	153	(34)	(22%)	230
Finance revenue	159	144	15	10%	224
Non-direct revenue	33	39	(6)	(15%)	78
Depreciation and amortisation	227	227	-	0%	340
Finance costs	414	400	(14)	(3%)	606
Non-direct expenditure	401	-	(401)	100%	-

Direct revenue 9% favourable to budget

- Fees and user charges remained \$25 million favourable to budget from continued higher volume of regulatory activities (building consents, inspections, licenses and permits) and property related activities including LIMs and property file requests, and higher volumes of private plan change applications.
- This is partially offset by the later timing of dividend revenue from Auckland Future Fund which was budgeted to be received in December.

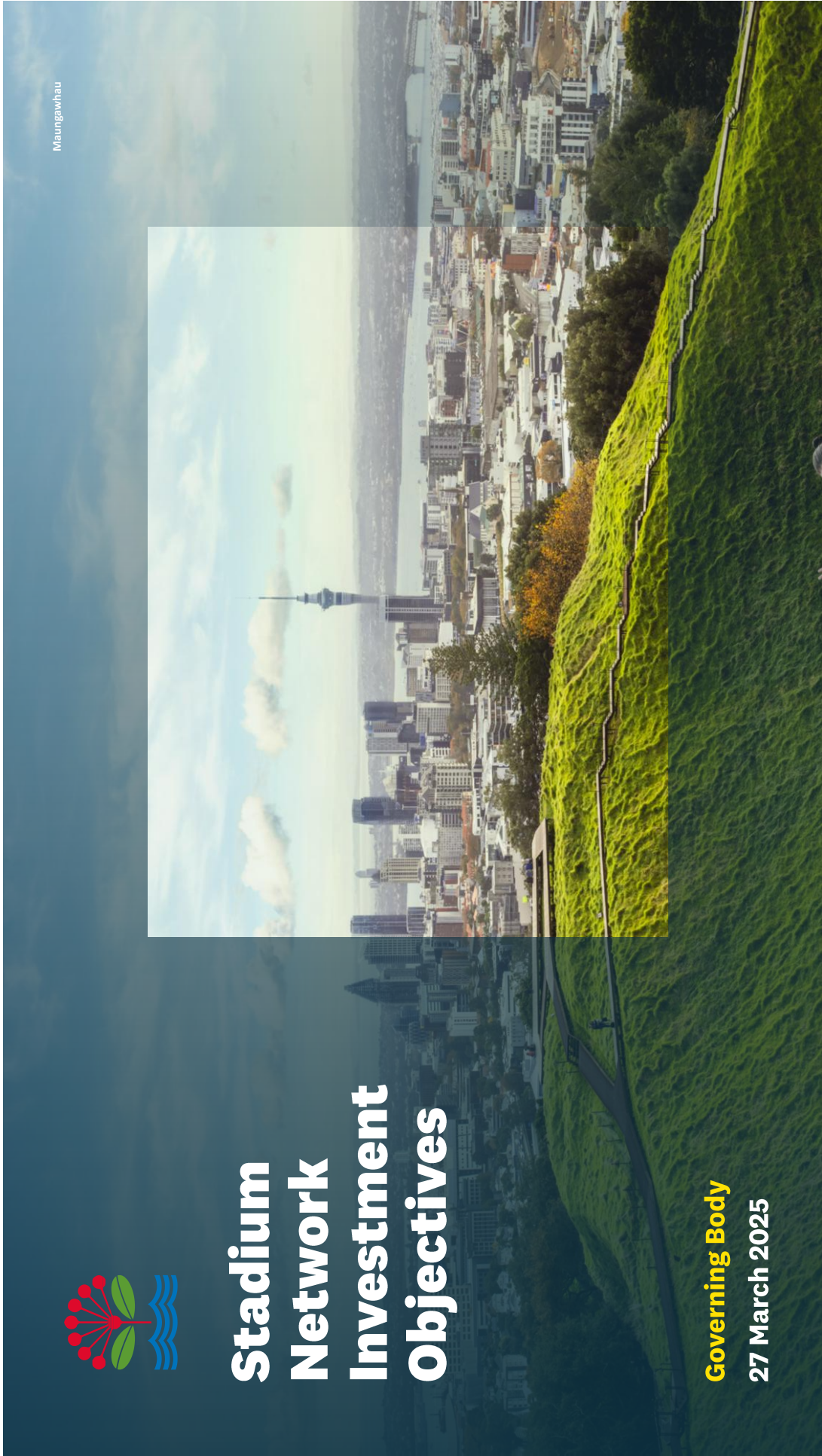
Direct expenditure 2% favourable to budget

- Overall, direct expenditure was \$21 million favourable to budget mainly driven by lower staff costs from unplanned vacancies, delays to pay equity negotiations, and delays to several programmes including Making Space for Water and the Resource Recovery Network (RNN)
- This was partially offset by higher grants, contributions and sponsorship expenses relating to community projects delivered in advance of the budgeted timing. In addition, outsourced works and services costs were higher than budgeted for the Food Scraps Collection and Material Recovery Facility (MRF) recycling programmes due to timing differences but are tracking within budget for the full year.

Other key items

- Development contributions 22% unfavourable to budget**
Development growth has been lower than projected resulting in less development contributions being charged than planned. There has been a delay to adding new investment priority areas to the contributions policy.
- Non-direct expenditure** variance is primarily a result of an increased provision for the write-down of additional property buy-outs from purchase price to holding value.

4





Addressing a gap in strategic direction

- Large regional stadium network an important regional asset
- Significant public funding – almost \$150million planned in LTP (no funding for Eden Park)
- Currently no strategic framework to guide investment
- Providing strategic direction a priority:
 - Upcoming decisions on stadiums
 - Governing Body’s direction as part of CCO reform
 - Need for investment decisions as part of LTP 2027/37
- **A first step:** adopting objectives to guide council in development of more detailed plans



Need to look at regional stadiums as part of a broader context

- **An interdependent network of venues**

- Sub-regional outdoors stadiums
- Indoor arenas
- Large outdoor places
- Sports facilities
- Public venues, theatres, etc.

Regional stadiums have a distinct role in this network – scale / type of events, higher capital cost & cost-recovery pressure, regional purpose.

- **Sport & event ecosystem** – managers, clubs, promoters, content, event attraction / funding.
- **Adapting to changing preferences** – change is constant.
- **Challenges** – aging infrastructure, underutilisation, fragmented ownership.

Attachment A
Item 13



Initial work based on

- **Existing strategies and plans**
- **Political direction from Governing Body workshop & drop-in session**
- **Stakeholder engagement** with 23 organisations, including Eden park, Tātaki Auckland Unlimited and the North Harbour working party
- **Review of good practice**



1. Public Value Outcomes

Council will seek to maximise public benefits for public funding

Economic Opportunity & Prosperity

Create economic opportunities through attracting visitors, stimulating local businesses and forming connected, thriving urban precincts.

Community Cohesion

Provide community hubs that bring people and communities together in ways that support greater community cohesion and wellbeing and fosters pride.

Vibrant City & Culture

Support a vibrant, globally competitive city that has great opportunities for people to experience cultural and sporting activities, and showcases our diverse cultures, including Auckland's Māori identity.

Healthy & Active Communities

Promote a healthy and active community by encouraging participation in sporting, and other community and cultural activities.



2. Investment Priorities

What the council will focus on

Get the most out of our infrastructure

- Maximise utilisation (more full stadiums)
- Improve asset management
- Fit for purpose venues that provide greater experiences, **attracts content**.
- Honour history of what we have, while adapting to future need.

Support and complementary network of multi-use facilities

- Stadiums serve distinct, complementary purposes within the network (avoiding council funding creating redundancy);
- Prioritise multi-purpose, adaptable hubs
- Serve the whole region.

Promote integrated sustainable precincts

- Stadiums contribute to success of surrounding urban environment
- Integrate with transport planning
- Enable appropriate use and development of stadiums

Improve financial sustainability

- Invest responsibly to reduce reliance on and risk to ratepayers (includes importance of good governance)
- Leverage partnerships and commercial opportunities where possible.



3. Investment and stewardship principles

How the council will govern and manage its investment

Act regionally – based on what’s best for Auckland

Investment must prioritise Auckland’s long-term interests and regional outcomes

Understand demand & community needs

Understand and engage with stadium users, community and mana whenua & mataawaka.

Understand and manage cost drivers; use good asset management

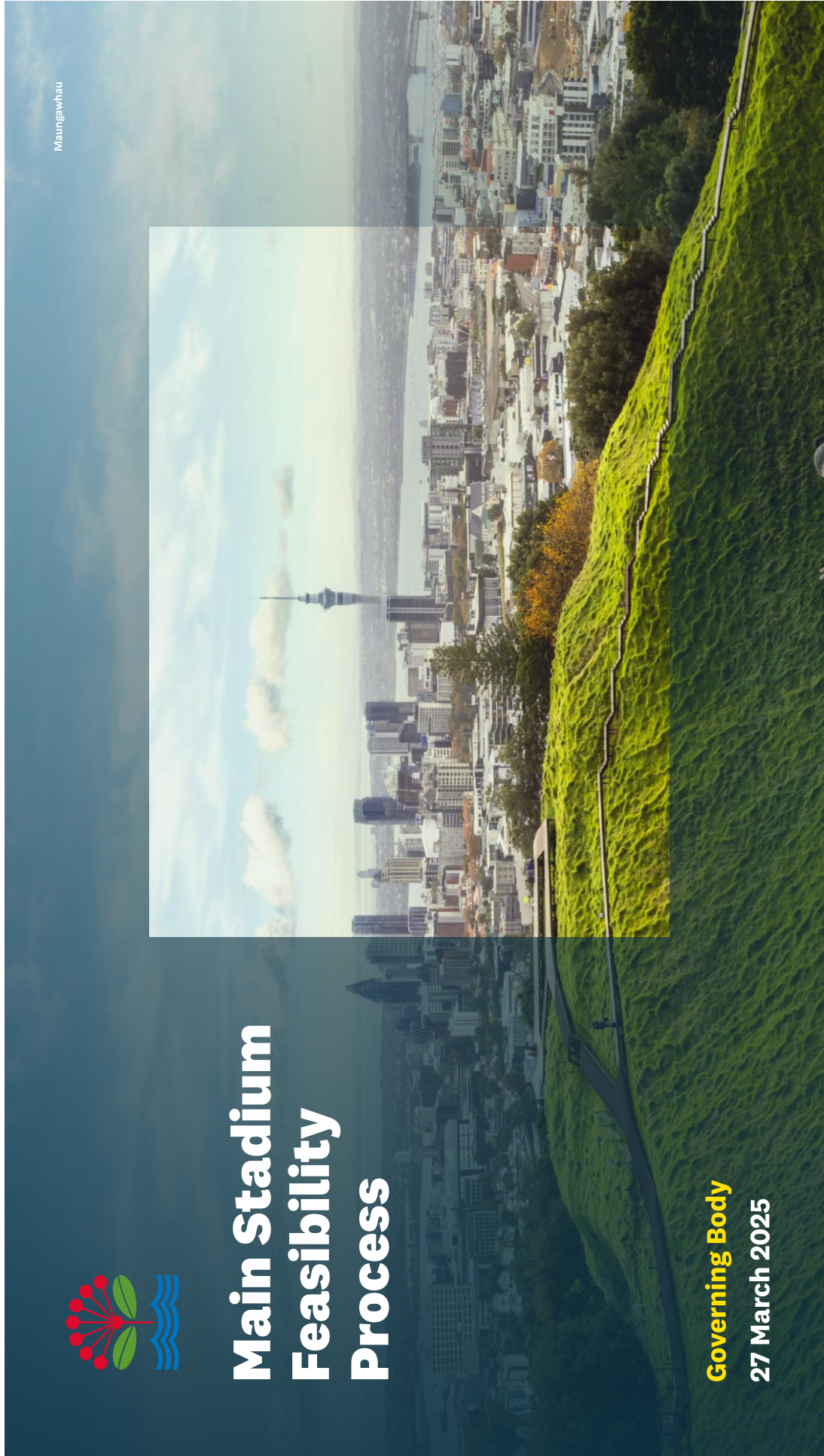
Support decisions with good asset data, improve asset management and operational efficiency

Invest smartly and responsibly

Require robust business cases & cost-benefit analysis which demonstrate public value for significant investment decisions. Consider whole-of-life costs (and carbon costs), adaptability & resilience of infrastructure.

Provide strategic leadership & identify opportunities

Set clear direction; partner with central government on national priorities; uphold Te Tiriti o Waitangi obligations; facilitate collaboration & partnership with broader sector to achieve outcomes, realise opportunities



Maungawhau

Main Stadium Feasibility Process



Governing Body
27 March 2025

Background – structured process to consider unsolicited proposals

- Council **received several unsolicited proposals** for a new ‘main stadium’ at no additional public cost.
- There are no plans for council to provide funding towards a new stadium or significant upgrades to existing stadiums
- Even so, cost-effective structured process considered important:
 - Manage expectations and resources
 - Main stadium is an important asset and could make an important contribution to Auckland and the nation
 - Council could play a leadership role in supporting an option as best for Auckland
 - Resolving uncertainty that impacts on ability to plan for and invest in the network – and public spaces (including in our discussions about Eden Park)
- On Mayor’s recommendation, a formalised Expression of Interest (EOI) process was established under the political oversight of the Stadium Venues Working Group (Working Group).
- **Eight proposals received**, four were compliant and were considered by the Working Group which made recommendations to Governing Body.



Direction from Governing Body

On 30 May 2024, the Governing Body invited Eden Park 2.1 and Te Tōangaroa/Quay Park to submit feasibility studies

Resolution number GB/2024/71

MOVED by Cr S Henderson, seconded by Mayor W Brown:
That the Governing Body:

- c) whakaae / agree that council **invite the proponents of Eden Park 2.1 (Eden Park Trust) and Te Tōangaroa/Quay Park** (Te Tōangaroa Consortium) to undertake, at their own cost, feasibility studies to demonstrate their project's deliverability and relative merits, and report back on progress of these feasibility studies within six (6) months.
- d) tono / request that the Chief Executive:
- i. undertake **an appropriate assessment of the status quo option** so that it can be compared with the other options;
 - ii. **coordinate the feasibility work with the proponents**, including appropriate liaison with Auckland Council, assurance and monitoring of the feasibility studies, and oversight of proponent engagement with the council group and CCO and agencies.



