

VOLUME 1: THEMES AND
GROUPS OF ACTIVITIES

1

AUCKLAND COUNCIL

ANNUAL REPORT

2013/2014



Auckland
Council

Te Kaunihera o Tāmaki Makaurau



He mihi

Tēnā, toko ake mā ngā motu pōteretere o te Waitematā

kia tau atu ō kamo ki Mahurangi tītapu i te raki.

Ka tarapeke ā-whenua tō haere ki ngā tāhuna o Kaipara i te uru,

i mua i tō hokinga ake mā uta ki te Waonui ā-Tiriwa ki reira titiro iho ai

ki ngā tai pōkarekare o te Manukau.

Ka kauhoe koe mā waho i te kūrae o Āwhitu kia ruruku mai anō

i te wahapū o te awa tapu o Waikato tukukiri o ngā tūpuna.

Ka rere tō haere i te tonga mā Te Paina ki Kaiaua i te rāwhiti

kia tau atu koe ki te Moana o Tīkapa ki te pae māhorahora o Hauraki.

Ka hoka tō rere ki te raki, whakatere ai i te Moananui a Toi-te-Huatahi

ka tau ki te taratara tapu o Aotea.

Koinei rā ngā pou here waka, herenga ā-iwi, hereherenga o te tāone tipua nei o Tāmaki,

mūrau a te tini, wenerau a te mano,

makau a te rau tangata kua whakakāinga motuhake nei i a koe.

Nau mai ki Tāmaki Makaurau, kāinga noho āhuru o te ao.

Weave your way through the myriad of floating isles that is the Waitematā,
to gaze upon Mahurangi, a jewel in the north.
Then fly across country to the Kaipara bar in the west,
before returning inland to the Wilderness of Tiriwa where you can look down
upon the surging tides of the Manukau.
Swimming out beyond the Āwhitu headland you may return
by way of the ancestral Waikato River.
Traversing through Te Paina on my southern bounds to Kaiaua in the east
to Tīkapa Moana and the expansive Hauraki basin.
Wend your way northward across the Hauraki Gulf
then rest upon the sacred peak of Aotea.
These are the anchor posts, the ties that bind the people and secure this
super city that is Auckland,
the byword of the multitudes, the envy of thousands
and beloved by the hundreds who have made you home.
Welcome to Auckland, the world's most liveable city.

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Introduction

How to read this volume

This is Volume 1 of Auckland Council's annual report for the 12 months from 1 July 2013 to 30 June 2014. It describes the council's performance against the Annual Plan 2013/2014. It describes activities undertaken across our 12 themes and 35 groups of activities.

Introduction

Community activities help to create a strong, inclusive and equitable society through involvement in recreation, leisure, arts and culture, heritage, volunteering and community. Strong communities are more resilient; people feel a sense of belonging to their neighbourhood and take pride in Auckland. The more we can meet the community's needs, the more Auckland becomes a better place to live.

Within this theme we deliver:

- regional libraries
- local libraries
- regional community services
- local community services
- emergency management
- cemeteries and crematoria.

Introduction to the theme and the activities delivered by the Auckland Council Group

Summary of non-financial performance

Group of activities					
1. Regional library services	4	-	-	2	-
2. Local library services	2	-	-	1	-
3. Regional community services	8	-	1	2	-
4. Local community services	3	-	1	2	-
5. Emergency management	1	1	-	1	3
6. Cemeteries and crematoria	1	-	-	1	1

A summary of non-financial performance for this group of activities

Our performance measures

This year, we have adopted a new approach to reporting progress against targets.

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

Commentary

1.4 Local community services

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	30	29
Total applications of operating funding	27	29
Surplus (deficit) of operating funding	3	-
Total applications of capital funding	7	19

We did not meet our three levels of service, but three measures were achieved and one is showing progress (see non-financial performance table 1.4).

Key achievements in 2013/2014 include:

- more community funding or grant recipients are meeting their grant obligations. Satisfaction with our funding process increased, mainly due to our new online funding application system (Smartygrants). Every local board has reported improved satisfaction with the funding process, ranging between +1 per cent (Ōrākei – which was already high) and +47 per cent (Franklin). Customer satisfaction on average across all local boards has improved by 8 per cent showing a

The commentary on each group of activities begins with a summary of financial performance

The commentary describes performance for each group of activities. We comment on:

- level of service
- key achievements
- non-financial performance measures
- financial variances

Non-financial performance

1.4 Local community services					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide local community development resources, funds and programmes that build well-being	Percentage of community groups satisfied with the assistance and advice provided		66%	75%	58%
	Percentage of community funding and grant recipients meeting grant obligations		98%	95%	80%
Provide community halls, centres and houses that	Percentage of users satisfied with community centres and community houses		81%	75%	89%

The table summarises our 2013/2014 performance for the level(s) for each group of activities against target and the prior year

Funding Impact Statements (FIS)

Detailed financial statements on each group of activities are contained in Appendix 1. Financial variance analysis is prepared on a line-by-line basis for each FIS.

1.4 Community – Local community services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		26	26	15	14
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		4	3	2	2
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding	1	30	29	17	16

About Auckland Council

The council has two complementary decision-making parts:

- the governing body, consisting of the mayor and 20 councillors
- 21 local boards.

The governing body

This consists of the mayor and 20 councillors who are elected on a ward basis. The governing body focuses on the big picture and on Auckland-wide strategic decisions that are important to the whole region. Auckland is split into 13 wards which are used for council elections. Councillors are elected to represent wards and they also sit on council committees.

The mayor

The mayor is elected directly by electors across Auckland. The mayor leads the council and has enhanced responsibilities including promoting a vision for Auckland, providing leadership to achieve the vision, leading development of council plans, policies and budget, and ensuring engagement with the people of Auckland and its many communities and stakeholders. He also appoints the deputy mayor, establishes committees and appoints the committee chairpersons.

Local boards

There are 21 local boards with between five and nine members. There are 149 local board members in total. Local boards represent their local communities and make decisions on local issues, activities and facilities. Local boards also provide important local input into Auckland-wide strategies and plans.

Local boards:

- provide leadership and create a strong local identity for their area, including making governance decisions on non-regulatory local activities, issues and services (such as parks, community halls and swimming pools)
- adopt local board plans every three years in consultation with their communities
- provide input into regional strategies, policies and plans
- propose local bylaws for the local area
- perform civic duties (such as ANZAC Day activities and citizenship ceremonies)
- engage with and represent their communities.

For more information on local boards go to
aucklandcouncil.govt.nz/localboards



Each year, local boards and the governing body agree individual local board agreements, which set out the local activities, services and levels of service that will be provided over the coming year. The agreements for 2014/2015 are included in the annual plan.

For more information go to
aucklandcouncil.govt.nz/annualplan



Council-controlled organisations

The Auckland Council Group also has council-controlled organisations (CCOs) to carry out certain functions and provide services. They operate independently, but are accountable to the council. They include:

- Auckland Council Investments Limited (ACIL)
- Auckland Council Property Limited (ACPL)
- Auckland Tourism, Events and Economic Development (ATEED)
- Auckland Transport
- Auckland Waterfront Development Agency Limited (Waterfront Auckland)
- Regional Facilities Auckland (RFA)
- Watercare Services Limited (Watercare).

For more information on CCOs go to
aucklandcouncil.govt.nz/ccos



Independent Māori Statutory Board

The Independent Māori Statutory Board (IMSB) is an independent board established by the Local Government (Auckland Council) Act 2009. Its purpose is to assist the council to make decisions, perform functions and exercise powers by:

- promoting cultural, economic, environmental and social issues of significance for mana whenua groups and mataawaka
- assisting the council to act in accordance with statutory provisions referring to the Treaty of Waitangi/Tiriti o Waitangi.

The board must identify and prioritise issues that are significant to Māori to help carry out its purpose.

It also advises the council about issues that affect Māori in Auckland and works with the council to help it meet its statutory obligations to Māori in Auckland.

Mana whenua representatives

- David Taipari, Chairperson (Ngāti Maru, Ngāti Whanaunga, Ngāti Tamaterā, Ngāti Paoa)
- Glenn Wilcox, Deputy Chairperson (Ngāti Whātua)
- Precious Clark (Ngāti Whātua)
- Karen Wilson (Te Akitai Waiohua, Ngāti Te Ata, Ngāti Pikiao, Ngāti Hau)
- Kristan McDonald (Te Whānau ā Rangiwakaahu Ngāti Rehua hapū, Ngāti Wai)

- Liane Ngāmane (Ngāti Tamaterā, Ngāti Maru, Ngāti Whanaunga, Ngāti Paoa)
- Josie Smith (Ngāti Te Ata, Ngāti Tipā, Ngāti Whātua and Ngāpuhi)

Mataawaka representatives

- Tony Kake (Ngāti Hau, Ngāpuhi, Ngāti Mahuta, Ngāti Whawhakia Tainui)
- John Tamihere

Advisory panels

We have eight advisory panels that advise us on strategies, policies, plans and bylaws and mechanisms for engagement.

- CBD Advisory Group (now called the City Centre Advisory Panel)
- Disability Strategic Advisory Group
- Ethnic People's Advisory Panel
- Heritage Advisory Panel
- Pacific People's Advisory Panel
- Rural Advisory Panel
- Seniors' Panel
- Youth Advisory Panel

For more information on advisory panels go to
aucklandcouncil.govt.nz/advisorypanels



Community outcomes

How our groups of activities contribute to the community outcomes identified in the Auckland Plan.

Community outcome	 Healthy	 Prosperous	 Green	 Connected	 Loved	 Creative	 Māori identity
Themes and groups of activities							
Community							
Regional library services	✓			✓		✓	✓
Local library services	✓	✓		✓		✓	✓
Regional community services	✓	✓		✓	✓	✓	✓
Local community services	✓	✓		✓	✓	✓	✓
Emergency management	✓			✓			✓
Cemeteries and crematoria	✓		✓		✓	✓	✓
Lifestyle and culture							
Regional arts, culture and events services	✓	✓			✓	✓	✓
Local arts, culture and events services		✓		✓	✓	✓	✓
Regional events facilities	✓	✓			✓		✓
Regional parks services	✓		✓		✓	✓	✓
Local parks services	✓	✓	✓	✓	✓	✓	✓
Regional recreation services	✓	✓		✓	✓	✓	✓
Local recreation services	✓		✓	✓	✓	✓	✓
Regional collections and amenities			✓		✓	✓	✓
Economic development							
Regional economic strategy and initiatives	✓	✓		✓		✓	✓

Community outcome	 Healthy	 Prosperous	 Green	 Connected	 Loved	 Creative	 Māori identity
Themes and groups of activities							
Local economic development		✓		✓	✓	✓	✓
Tourism, major events and industry development		✓			✓	✓	✓
Waterfront development activities	✓	✓	✓	✓	✓	✓	
Planning							
Planning	✓	✓	✓	✓	✓	✓	✓
Built and natural environment							
Environment and heritage protection	✓		✓		✓	✓	✓
Local built and natural environment	✓	✓	✓	✓	✓	✓	✓
Regulation	✓	✓	✓	✓	✓		✓
Solid waste							
Waste and recycling services	✓		✓		✓		✓
Water supply and wastewater							
Water supply	✓		✓	✓			✓
Wastewater	✓						✓
Stormwater and flood protection							
Stormwater management	✓	✓	✓		✓		✓
Flood protection	✓	✓	✓		✓		✓
Transport							
Public transport and travel demand management	✓	✓	✓	✓	✓		✓
Roads and footpaths	✓	✓	✓	✓	✓		✓
Parking enforcement		✓		✓			
Commercial and investment							
Commercial		✓		✓	✓		✓

Community outcome	 Healthy	 Prosperous	 Green	 Connected	 Loved	 Creative	 Māori identity
Themes and groups of activities							
Investment		✓		✓			
Governance							
Governance and democracy	✓	✓	✓	✓	✓	✓	✓
Local governance	✓	✓	✓	✓	✓	✓	✓
Organisational support							
Organisational support	✓	✓	✓	✓	✓	✓	✓

Non-financial performance by theme

										
	13/14	12/13	13/14	12/13	13/14	12/13	13/14	12/13	13/14	12/13
Community	19	20	1	1	2	3	9	9	4	2
Lifestyle and culture	35	43	3	3	4	-	12	11	-	1
Economic development	16	13	-	2	2	2	8	5	-	1
Planning	6	4	-	-	-	-	-	1	1	-
Built and natural environment	26	23	1	1	3	2	12	9	2	4
Solid waste	3	4	1	-	-	-	-	-	-	-
Water supply and wastewater	13	16	1	-	-	-	1	-	-	-
Stormwater	7	8	1	-	-	-	1	1	-	-
Transport	6	10	2	2	9	-	2	7	-	-
Commercial and investment	6	4		-		-		-		-
Governance	7	2	-	1	1	1	6	1	-	4
Corporate support	9	10	-	-	2	1	3	6	1	-
Summary	153	157	10	10	23	9	53	50	8	12

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

Our commitment and obligation to Māori

We are committed to meeting our responsibilities to Māori as articulated in our Māori Responsiveness Framework and supported by Te Waka Angamua, our Māori Strategy and Relations Department. The Auckland Council Group is advised and supported by the Independent Māori Statutory Board (IMSB).

Māori Responsiveness framework

This provides the Auckland Council Group with a legislative and policy framework for meeting our responsibilities under the Treaty of Waitangi/Te Tiriti o Waitangi and other statutory obligations. The framework is an integral part of our decision-making processes, policy thinking, capability building and provision of services.

Activities in 2013/2014

We focused on three key areas:

- an empowered organisation
- strong Māori communities
- effective Māori participation in democracy.

An empowered organisation

Te Waka Angamua supported the development of four pilot Māori Responsiveness Plans in 2013/2014. The process provided valuable lessons around the type and level of resourcing required to accelerate plan development across council.

Our Ngā Kete Akoranga Māori learning and development programme continued to build the capacity of elected members, CCO board members and staff, and council staff to respond to Māori. This included the development and successful pilot of Te Kai a Te Rangatira, a 12-week Te reo Māori e-learning programme attended by approximately 900 staff. Libraries, Parks and Leisure, Customer Support, and Research Investigations and Monitoring Unit tailored sessions for their teams. There were also leadership forums and one-on-one mentoring for elected representatives.

Recruitment, leadership and organisational development programmes were developed to support council as a good employer for Māori. This included the career pathways and senior leaders' projects, and the Māori Employment in Auckland Council project developed in conjunction with the IMSB. We also reviewed our induction programme.

We now have an overarching Te reo Māori framework in place based on guidelines from the Tāmaki Collective. The guidelines provide a baseline for signage, translation and naming. Initial discussions have been held with mana whenua on draft policy guidance on road naming.

Strong Māori communities

An indicative \$7 million budget was included in the Annual Plan 2013/2014 to fund Māori-specific and generic projects and programmes provided by the Auckland Council Group, including CCOs.

Priority project areas were identified and these are included in the performance commentary in this volume of the annual report. We have developed systems to improve our capture, tracking and reporting of financial and non-financial contributions to Māori outcomes. Māori responsiveness direction is included in CCO shareholders' Letter of Expectation and Statements of Intent.

The IMSB commissioned an independent assessment of our expenditure in achieving Māori outcomes and recommended improvements to our planning, budgeting and reporting processes. These will be addressed through the Long-term Plan 2015-2025 process. The chief executive will lead a Māori responsiveness leadership team across the Auckland Council Group to ensure progress.

Effective Māori participation in democracy

We enable Māori contribution to decision-making through our governance activities, including formal and informal arrangements. We are partnering with mana whenua organisations to establish co-governance/management arrangements for a variety of sites. We now have a co-governance arrangement with the Tāmaki Collective for 14 maunga/volcanic cones and now a new maunga authority. Other co-governance arrangements have been established for Whenua Rangatira, Hamlin's Hill/Mutukuroa Regional Park and Parakai Reserve.

Mana whenua continue to discuss the potential for a regional collective to engage with council and other agencies.

The framework was considered in the development of our core plans and strategies including the long-term plan, draft local board plans, annual plans and reports. For example, Sea Change–Tai Timu Tai Pari (the Hauraki Gulf Marine Spatial Plan) provides for mana whenua partnership and involvement at all levels, including representation on project governance structures. A marine spatial plan for Kaipara Harbour is also being developed in partnership with the mana whenua initiated Integrated Kaipara Harbour Management Group.

Capacity contracts, supported by a standard service contract, were signed with all 19 mana whenua groups to enable mana whenua contribution to our decision-making processes. Guidance for engaging with Māori assisted the Auckland Council Group to adequately plan for and support key engagement processes. Supporting processes are in place to embed the guidelines in practice.

Māori satisfaction with our decision-making processes has been below target for the past two years. In 2014, we commissioned research involving mana whenua organisations and Māori residents and ratepayers to better understand the barriers to participation and how to make council processes more accessible to Māori. The findings will inform the development of specific initiatives in 2015/2016.

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Key activities in 2013/2014	See relevant group of activity for more information...
The Manatunga Māori exhibition at the Central Library	1.1 Regional library services
A range of initiatives to connect Māori with libraries	
Improved satisfaction among Māori organisations	1.3 Regional community services
Matariki Festival and Waitangi Day drew an 85 per cent satisfaction rating	2.8 Local arts, culture and events services
Arrangements for managing sites on regional parkland	2.10 Regional parks services
<i>He toa taumata rau: Courage has many resting places</i> at the Auckland Museum	2.14 Regional collections and amenities
Visitors to the Auckland Art Gallery–Toi o Tāmaki were offered a unique insight into contemporary New Zealand art	
Successful breeding and relocation programmes for indigenous species	
An event to boost Māori/China business and tourism links	3.15 Regional economic strategy and initiatives
A Māori education snapshot across Auckland	
Engaging Māori in the design of public spaces	3.18 Waterfront development
Māori-specific engagement programmes for the Proposed Auckland Unitary Plan	4.19 Planning
Core strategies, policies and plans developed with Māori input	
The Southern Initiative	
The Housing Project Office and Special Housing Areas	
Inclusion of sites of significance to Māori in the Proposed Auckland Unitary Plan	5.20 Environment and heritage planning
Working with mana whenua to protect heritage sites	
Upgrade of the Manukau foreshore	7.25 Wastewater treatment and disposal
Mana whenua input into water projects	
Training programmes for Watercare staff	
Working with mana whenua on Panmure's new train station	9.28 Public transport and travel demand management
Consulting with mana whenua on transport safety	
Mana whenua forum for the proposed City Rail Link	
Mana whenua engagement on the East West Link	9.29 Roads and footpaths
Partnerships with mana whenua to integrate art works and narratives into high-profile projects	
A Māori responsiveness plan for our commercial activities	10.31 Commercial
Upskilling our investment governance and management staff on Māori protocol	10.32 Investment
Meeting with mana whenua on governance and democracy	11.33 Governance and democracy
Support for mana whenua in appointing IMSB representatives to council	
Qualitative research to better understand the barriers to Māori participation in decision-making	
A pilot to pilot options for Māori involvement in local board decision-making	11.34 Local governance
Mana whenua working relationships with the council	12.35 Organisational support

Funding Impact Statement - Auckland Council Group consolidated

\$M	Actual 2014	Annual Plan 2014	Actual 2013	Annual Plan 2013
Sources of operating funding:				
General rates, UAGCs, rates penalties	1,338	1,339	1,271	1,287
Targeted rates	98	98	98	99
Subsidies and grants for operating purposes	235	237	225	226
Fees, charges and targeted rates for water supply	1,151	1,164	1,091	1,153
Interest and dividends from investments	178	46	49	77
Local authorities fuel tax, fines, infringement fees and other receipts	40	32	114	(16)
Total operating funding	3,040	2,916	2,848	2,826
Applications of operating funding:				
Payment to staff and suppliers	2,061	2,121	2,039	2,032
Finance costs	354	353	326	327
Other operating funding applications	21	37	6	43
Total applications of operating funding	2,436	2,511	2,371	2,402
Surplus (deficit) of operating funding	604	405	477	424
Sources of capital funding:				
Subsidies and grants for capital expenditure	175	190	165	146
Development and financial contributions	66	43	36	62
Increase (decrease) in debt	753	1,022	715	975
Gross proceeds from sale of assets	17	58	18	77
Lump sum contributions				
Total sources of capital funding	1,011	1,313	934	1,260
Application of capital funding:				
Capital expenditure:				
- to meet additional demand	299	388	254	335
- to improve the level of service	763	716	689	752
- to replace existing assets	491	512	403	513
Increase (decrease) in reserves	62	102	65	84
Increase (decrease) in investments				
Total applications of capital funding	1,615	1,718	1,411	1,684
Surplus (deficit) of capital funding	(604)	(405)	(477)	(424)

[Full page image]

Themes and groups of activities

The following section provides an overview of financial and non-financial performance as well key achievements for each of the 12 themes and their 35 groups of activities.

1. Theme: Community



Introduction

Community activities help to create a strong, inclusive and equitable society through involvement in recreation, leisure, arts and culture, heritage, volunteering and community. Strong communities are more resilient; people feel a sense of belonging to their neighbourhood and take pride in Auckland. The more we can meet the community's needs, the more Auckland becomes a better place to live.

Within this theme we deliver:

- regional library services
- local library services
- regional community services
- local community services
- emergency management
- cemeteries and crematoria.

Summary of non-financial performance

Group of activities					
1.1 Regional library services	4	-	-	2	-
1.2 Local library services	2	-	-	1	-
1.3 Regional community services	8	-	1	2	-
1.4 Local community services	3	-	1	2	-
1.5 Emergency management	1	1	-	1	3
1.6 Cemeteries and crematoria	1	-	-	1	1

Commentary

1.1 Regional library services

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	44	45
Total applications of operating funding	33	35
Surplus (deficit) of operating funding	11	10
Total applications of capital funding	14	18

We met four out of six measures, substantially meeting our level of service of providing access to a wide range of information relevant to community learning needs (see non-financial performance table 1.1).

Key achievements in 2013/2014 include:

- common security for collections using radio frequency identification (RFID)
- increased use of self-service
- free Wi-Fi to all 55 libraries, improving customer access to information
- consolidating and refreshing the website giving more consistent and up-to-date information for library customers
- new e-content providers which has improved our range of collections. Together with successful marketing campaigns, eBook use has risen from 1 per cent to 8 per cent of total issues
- successful heritage exhibitions this year included Manatunga Māori, an exhibition of significant Māori taonga, and a World War I centennial
- issuing tender documents for the supply of books in other languages, including Chinese, Korean, Japanese, Afrikaans, Croatian, Gujarathi, Persian, Serbian, Somali and Urdu, to meet the needs of our increasingly diverse population
- a hugely successful pilot at Ōtara Library inviting local kids to improve their reading skills by reading aloud to Roo the greyhound
- the launch of Zinio, a service offering free access to more than 600 e-magazine titles online, offline and through mobile apps
- recognising Waitangi Day with a programme of Treaty events, themed 'Kia hono, kia awe - cultivating connections'. Over 1,000 people participated in activities including story times,

whakapapa and Treaty research workshops, and other related talks and exhibitions

- a new partnership with Auckland War Memorial Museum to deliver Māori and Pacific programming and learning opportunities
- presenting an interactive information stall of library services to over 1,000 Ngāti Whātua whānau at the annual Ngāti Whātua o Ōrākei- Education Festival event
- an extensive Auckland-wide Matariki programme of children's events, kapa haka, learning sessions and exhibitions.

We are reviewing the structure and focus of a number of regional teams, collections and business support functions with the aim of improving operational efficiency and cost-effectiveness.

Four out of six measures were met (see Table 1.1). Two measures were not met. Collection size per capita is low and turnover is high relative to comparator library networks, indicating strong demand in the region. Our target for collection issues was not met as issues decreased by 3 per cent this financial year. Collections usage is changing; only 1 per cent of issues in July 2013 were eBooks, but by June 2014 they accounted for 8 per cent of total issues. In the coming years we will work to ensure an optimal balance of physical to digital collections and to deliver a range of collection items Aucklanders want.

Libraries offer 3.5 million collection items to Aucklanders who have borrowed over 16 million items this year. Our updated website has hosted over seven million visitors, and Aucklanders have used over 1.4 million library Wi-Fi sessions.

*The full funding impact statement for this group of activities is in Appendix 1, Table 1.1.

1.2 Local library services

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	56	56
Total applications of operating funding	58	57
Surplus (deficit) of operating funding	(2)	(1)
Total applications of capital funding	18	26

Local libraries substantially met their level of service, meeting two out of three measures and exceeding targets in customer satisfaction and library space (see non-financial performance table 1.2).

Key achievements in 2013/2014 include:

- the new Wellsford Library which has seen a significant increase in use. It also won two Property Council New Zealand awards
- completion of Waiheke Pātaka Kōrero - Waiheke's new library
- significant efficiencies through the Resourcing Community Libraries project, redistributing service delivery staff across Auckland to optimise the customer experience. This was achieved without adding any additional staff
- literacy and information skills programmes have become increasingly popular, as new technologies such as eReaders, 3D printers and Makerspaces have been integrated to enhance learning
- preliminary needs/gap analysis research to enable future facilities planning
- the new builds at Ōtāhuhu, Rānui, Te Atatu and Devonport are expected to be delivered on time and budget.

We did not meet the target for library visits per capita. As the library's digital resources improve, users are better able to choose how and when to access services and collections. While the number of visits to physical libraries has decreased this year, the website has gained in popularity to the point that the total count of physical and digital visits has increased by 4 per cent to 19.8 million visits.

Construction of new libraries and fitout of current libraries fell behind schedule. Westgate Library is in the planning stage and Devonport, Ōtāhuhu, Rānui and Te Atatu libraries are under construction. With the exception of Westgate, the remaining builds are due to be completed within the next financial year.

*The full funding impact statement for this group of activities is in Appendix 1, Table 1.2.

1.3 Regional community services

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	38	39
Total applications of operating funding	37	39
Surplus (deficit) of operating funding	1	-
Total applications of capital funding	2	1

We substantially met our level of service, with three targets not achieved but one of those showing improvement (see non-financial performance table 1.3).

Key achievements in 2013/2014 include:

- continuing high performance for graffiti removal, with 100 per cent of all requests for removal completed within the 24-hour timeframe. In 2013/2014, there was a 13 per cent reduction in graffiti incidents across the region. The local boards with the biggest reduction in incidents were Ōrākei (-71 per cent), Papakura (-50 per cent) Franklin (-42 per cent) and Waitematā (-36 per cent)
- we again performed well against target for the number of volunteers actively involved in community patrolling. This reflects the significant amount of work done with voluntary safety groups, including Crime Prevention through Environmental Design training, and development of wardens, especially in the south and west
- more than 3,500 applications for Retrofit Your Home financial assistance. Research showed a return of \$3.10 for every \$1 invested with the biggest benefit being increased satisfaction with the living situation.

Three measures did not meet their targets but one showed progress. We did not meet our target on criminal incidents as we are now only recording actual calls to the police and there is improved safety in the CCTV area.

The percentage of tenants satisfied with housing facilities for the elderly did not meet the target. A proposed 5 per cent increase in rentals, significant changes to our delivery model for Housing for Older People (HfOP) and a complete change in frontline staff may have affected satisfaction. We are seeking to

address this through engagement at village level with support from community partners.

*The full funding impact statement for this group of activities is in Appendix 1, Table 1.3.

1.4 Local community services

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	30	29
Total applications of operating funding	27	29
Surplus (deficit) of operating funding	3	-
Total applications of capital funding	7	19

We did not meet our three levels of service, but three measures were achieved and one is showing progress (see non-financial performance table 1.4).

Key achievements in 2013/2014 include:

- more community funding or grant recipients are meeting their grant obligations. Satisfaction with our funding process increased, mainly due to our new online funding application system (Smartygrants). Every local board has reported improved satisfaction with the funding process, ranging between +1 per cent (Ōrākei – which was already high) and +47 per cent (Franklin). Customer satisfaction on average across all local boards has improved by 8 per cent, showing a positive transition to an online funding process
- broadly maintaining perceptions of community safety at night overall for the last three years, though there is more work to be done. Concern is

highest in Henderson-Massey (29 per cent), Māngere-Ōtāhuhu (25 per cent), Manurewa (22 per cent), Maungakiekie-Tamāki (28 per cent) and Ōtara-Papatoetoe (27 per cent). An ongoing priority is to take innovative approaches to neighbourhood safety, mainly by focusing on strengthening neighbourliness and local connection and partnering with groups such as civil defence, Neighbourhood Support, and resident and community groups. Insurance providers have also shown interest in partnering in this area.

The percentage of community groups satisfied with assistance was significantly below target but an improvement on 2013.

We did not meet our target for use of community centres and halls. This figure is down on last year and below target. Improved business practices, including a new cancellation process and management of internal bookings, have resulted in more accurate records of use for our venues for hire. A change to the utility calculation for holidays resulted in a small decrease. There is a distinct difference between rural and urban use and targets for 2014/2015 have been reset to reflect this.

Renewals and upgrades of local community projects were below budget (\$9 million), primarily due to delays in planning. There were delays to the Warkworth Town Hall and Pioneer Women's and Ellen Melville Hall upgrade projects (\$3.1 million). Building of Warkworth Town Hall will start in 2014/2015 and is expected to be completed in late 2015. Pioneer Women's and Ellen Melville Hall has been delayed to enable further scoping of the project.*The full funding impact statement for this group of activities is in Appendix 1, Table 1.4.

1.5 Emergency management

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	7	7
Total applications of operating funding	8	7
Surplus (deficit) of operating funding	(1)	-
Total applications of capital funding	-	1

We cannot be definitive about the levels of service provided in relation to emergency management. This resulted in three measures not achieved because information not available at the time of publication and two further measures were not achieved. We are working with the Ministry of Civil Defence and Emergency Management to enable results to become available at a better time for reporting (see non-financial performance table 1.5).

Key achievements in 2014/2015 include:

- greater understanding of tsunamis and the publication of a complete set of tsunami evacuation maps for the entire Auckland region
- closer working arrangements with the local boards ensuring they are updated regularly and actively involved in the development of community response plans
- adoption of social media as a tool for sharing information with the public. During a weather event, over 90,000 people viewed our Facebook page
- closer working relationships with our main emergency services, government agencies, and our engineering lifeline partners through joint planning, training and exercises
- upgrade and enlargement of the main Emergency Coordination Centre for an all agency response for incident
- the team has responded to a number of significant weather events, supported stakeholder training and formalised and increased the depth and capabilities of the recovery task groups - a key lesson from the Christchurch earthquakes.

*The full funding impact statement for this group of activities is in Appendix 1, Table 1.5.

1.6 Cemeteries and crematoria

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	5	6
Total applications of operating funding	6	6
Surplus (deficit) of operating funding	(1)	-
Total applications of capital funding	2	2

We did not meet our level of service for cemeteries and crematoria, with just one measure met (see non-financial performance table 1.6).

Key achievements for 2014/2015 include:

- work is nearly complete on the Western Block area at Manukau Memorial Gardens which will extend capacity for another 30 years.

We did not meet our target for customer satisfaction, but a new Auckland Cemeteries programme will ensure systems and processes are consistent. We are investigating a region-wide database to improve accuracy and consistency of information, and improvements to cemetery records management.

Visitor service standards will be established as part of the cemeteries programme.

Our regional cemeteries have enough capacity within existing developed land for the next five years, but after that additional land will need to be developed at Waikumete Cemetery and North Shore Memorial Park.

*The full funding impact statement for this group of activities is in Appendix 1, Table 1.6.

Non-financial performance

1.1 Regional library services					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide access to a wide range of information relevant to community learning needs	Percentage of customers satisfied with the content and condition of the collection		88%	85%	87%
	Number of lending and reference collection items available per capita		2.3	2.7	2.3
	Percentage of customers satisfied with the services available on library computers, including databases and catalogues		78%	75%	74%
	Number of collection items borrowed/ issued per capita		10.6	12	10.9
	Number of new collection items purchased annually per capita		0.4	0.3	0.3
	Number of people in reading and information skill programmes per capita		0.3	0.29	0.3
1.2 Local library services					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide safe, welcoming, and accessible library facilities for customers to access library services	Percentage of customers satisfied with the overall services provided by libraries		91%	90%	90%
	Average number of library visits per capita		8.5	10	8.8
	Total library building floor space per 1,000 residents (m ²)		41.1	35.2	41.5

1.3 Regional community services

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide equitable and sustainable community development policies, resources and programmes that support community well-being	Percentage of customers satisfied with community development programmes		58%	75%	43%
	Percentage of Māori customers satisfied with community development programmes		67%	≥50%	50%
	Number of community development programmes provided		28	26	25
	Percentage of residents satisfied with Citizens Advice Bureau services		85%	76%	86%
	Number of community development programmes that specifically relate to Māori		9	≥1	1
Improve community safety through the delivery of programmes and initiatives with partner organisations and the community	Number of volunteers actively involved in community patrolling		900	500	989
	Number of criminal incidents recorded on council CCTV and referred to the police for follow-up		91 ¹	100	Not able to be measured
	Percentage of all assets that are graffiti free across the city		94%	85%	90%
	Percentage of graffiti removal requests completed within 24 hours of reporting		100%	90%	99.7%
Provide accessible and affordable housing to eligible people within the community	Percentage of tenants satisfied with the provision and management of housing facilities for the elderly		75%	85%	76%
	Percentage of occupancy rate of housing facilities for the elderly		98%	90%	94.3%

Note:

1. Lower incidents are the result of now only recording actual calls to the police requesting service and improved safety in CCTV areas.

1.4 Local community services

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide local community development resources, funds and programmes that build well-being	Percentage of community groups satisfied with the assistance and advice provided		66%	75%	58%
	Percentage of community funding and grant recipients meeting grant obligations		98%	95%	80%
Provide community halls, centres and houses that meet the recreational and social needs of the local community	Percentage of users satisfied with community centres and community houses		81%	75%	89%
	Percentage of available time community centres and halls are used (actual hours used compared to hours available)		39%	50%	43%
Improve community safety through the delivery of programmes and initiatives with partner organisations and the community	Percentage of respondents who perceive that their neighbourhood is reasonably safe in the day time		85%	85%	85%
	Percentage of respondents who perceive that their neighbourhood is reasonably safe at night time		40%	55%	42%

1.5 Emergency management

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Ensure readiness to respond effectively to emergency civil defence situations and hazards	Overall score achieved using the CDEM capability assessment tool	—	— ¹	80%	70%
Provide education, support and training to develop a resilient community	Percentage of the community fully prepared for an emergency	—	— ²	15%	11%
	Percentage of the community prepared at home for an emergency	—	— ³	24%	21%
	Number of local community emergency management projects completed	✗	11 ⁴	14	57
Provide emergency management and rural fire capability to manage fire and emergencies quickly and effectively	Percentage of incidents requesting attendance by New Zealand Fire Services responded to within 10 minutes	✓	90% ⁵	85%	87%
	Percentage of rural fire fighters who meet national training standards	✓	91% ⁶	92%	Est. 85%

Notes

- Originally the Ministry of Civil Defence and Emergency Management (MCDEM) planned to monitor and evaluate Auckland in the first half of 2014, within the 2013/2014 financial year. However, a reporting line change and move of the Ministry within central government meant the monitoring/evaluation was rescheduled for August and Sept 2014 (2014/2015 financial year). This is why no score is available for 2013/2014. In August 2013, the team conducted an internal exercise of comparison against the 2011 scores and questions which provided confidence that levels have remained static.
- This testing is conducted by an external agency (Colmar Brunton) on behalf of MCDEM. The last test was conducted in May 2013, with results published in July 2013. At that time, Auckland Council achieved a score of 12 per cent, up from 11 per cent in the previous year. Over 2013/2014, we have re-evaluated the public education and messaging to encourage and empower the public in becoming prepared, improving this score. The new message and tools will be launched in late September 2014. The date of the next external testing is not known.
- This testing is conducted by an external agency (Colmar Brunton) on behalf of MCDEM. The last test was conducted in May 2013 with results published in July 2013. At that time, Auckland Council achieved a score of 24 per cent, up from 21 per cent in the previous year. Over 2013/2014, we have re-evaluated the public education and messaging to encourage and empower the public in becoming prepared, improving this score. The new message and tools will be launched in late September 2014. The date of the next external testing is not known. For 2014/5, 'Percentage of community fully prepared for an emergency' and 'Percentage of community prepared at home for an emergency' have been combined into a single measure.
- The format for delivering community response plans was adjusted during the year due to very strong interest from local boards which are preparing the plans. This measure will take longer than expected to be achieved due to the increased volume of stakeholder groups, but we expect higher cohesive effect with political support.

5. The response times this year did not include the outer Islands of the Hauraki Gulf as there was no land mobile radio system (LMR), which compromised rollout times.
6. Auckland Rural Fire has achieved compliance with the National Rural Fire Authority audit, but the measure was not met as the volunteer rural fire forces transitioning to the New Zealand Fire Service are awaiting fire service training.

1.6 Cemeteries and crematoria

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Maintain cemeteries, memorial gardens and records for families, friends and visitors to remember their loved ones	Percentage of customers satisfied with the cemeteries and memorial gardens overall		77%	85%	79%
	Percentage of visitor service standards achieved		- ¹	85%	Incorrectly measured
	Capacity of cemeteries and crematoria to meet current and projected demand (years)		5	5	Not measured

Note:

1. These standards will be established as part of the Auckland Cemeteries programme currently underway which will be completed by June 2015. These will then be defined, measured and reported during the financial year 2015/2016. The figure that was reported in 2013 (92%) appears to have been an error.

2. Theme: Lifestyle and culture



Introduction

Our lifestyle and culture activities provide Aucklanders and visitors with high-quality arts, culture and recreation opportunities ranging from arts programmes and parks, to galleries and museums. We invest in facilities to attract world-class events to Auckland, and partner with arts and recreation organisations.

Within this theme, we deliver:

- regional arts, culture and events services
- local arts, culture and events services
- regional events facilities
- regional parks services
- local parks services
- regional recreation services
- local recreation services
- regional collections and amenities.

Summary of non-financial performance

Group of activities					
2.7 Regional arts, culture and events services	6	-	2	-	-
2.8 Local arts, culture and events services	8	1	-	-	-
2.9 Regional events facilities	4	-	-	-	-
2.10 Regional parks services	6	1	1	5	-
2.11 Local parks services	1	1	1	2	-
2.12 Regional recreation services	1	-	-	-	-
2.13 Local recreation services	2	-	-	2	-
2.14 Regional collections and amenities	7	-	-	3	-

Commentary

2.7 Regional arts, culture and events

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	16	14
Total applications of operating funding	15	19
Surplus (deficit) of operating funding	1	(5)
Total applications of capital funding	-	3

We substantially met our two levels of service, achieving six out of eight measures with the remaining two showing progress (see non-financial performance table 2.7).

Key achievements for 2013/2014 include:

- attendee satisfaction with our regional events increased for the fourth year
- a small increase in attendees at council-delivered regional events, but this was well short of target. Achieving the target will require reprioritisation of funds to regional event delivery.

We exceeded targets for measures relating to delivering, facilitating and funding diverse and high-quality arts and cultural programmes and activities, but performance declined on three of the measures. The target for the number of regional arts and cultural activities provided by the council included both local and regional activities, but for the last two years we have measured only regional activities.

While the number of attendees at council delivered regional events did not meet target, it increased slightly on 2013. The target will be reviewed as the assumptions underpinning its measurement have changed.

*The full funding impact statement for this group of activities is in Appendix 1, Table 2.7.

2.8 Local arts, culture and events services

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	19	19
Total applications of operating funding	19	19
Surplus (deficit) of operating funding	-	-
Total applications of capital funding	8	17

We substantially met our three levels of service, achieving eight out of nine measures with the remaining measure showing progress (see non-financial performance table 2.8).

Key achievements for 2013/2014 include:

- Music in Parks – 76 bands and 35 concerts attracted 30,630 people to parks from Maraetai to Warkworth
- Movies in Parks was also a popular event with 19 movies screened and over 36,000 people attending
- satisfaction with local events improved to 83 per cent. Although 16 of the events reported satisfaction at or well over 85 per cent, the mix of events surveyed changes each year. Results include Matariki Festival (85 per cent), Stand Up Stand Out (87 per cent), Schools' Trash 2 Fashion (98 per cent), Going West Festival (100 per cent), and Waitangi Day Celebrations (85 per cent)
- satisfaction with local art programmes significantly exceeded target
- satisfaction with council arts facilities is also extremely high at 92 per cent, improving for the fourth year in a row.

Lower than expected capital expenditure relates mainly to delays in two key projects - Glen Innes Music and Arts Centre (\$5.5 million) where development began later than scheduled, and Uxbridge Arts Centre redevelopment (\$2.7 million) which has had slower than expected delivery.

*The full funding impact statement for this group of activities is in Appendix 1, Table 2.8.

2.9 Regional events facilities

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	63	59
Total applications of operating funding	54	51
Surplus (deficit) of operating funding	9	8
Total applications of capital funding	10	12

We met our level of service to provide fit-for-purpose regional events facilities (see non-financial performance table 2.9).

Regional events facilities include Auckland Live and Auckland Conventions. They are managed through Regional Facilities Auckland (RFA).

Key achievements in 2013/2014 include:

- contributing approximately \$144 million in visitor nights to Auckland's economy last year as part of a strategy to minimise financial burden on ratepayers
- a summer 2013/2014 line-up of Auckland-exclusive international music events that generated more than 126,000 visitor nights and contributed \$14.6 million to our economy
- a continued focus on exploring and growing alternate revenue streams across the business to support public good activities
- 59 per cent of operational costs are now met through external revenue compared with 55 per cent in 2012
- leveraging expertise in performing arts, conferences and events across all RFA venues
- centralising key support functions (finance, IT, marketing and property), improving systems and processes, and procurement savings to improve efficiency and effectiveness.

Key achievements at Auckland Live in 2013/2014 include:

- renaming The Edge® to Auckland Live, reflecting the organisation's expanded focus on live performing arts and entertainment across our major performing arts and stadium venues
- a diverse and innovative range of world-class concerts and shows was secured by Auckland Live, attracting a record 961,625 people to more than 1,400 events and achieving a visitor satisfaction rating of 95 per cent. The international

line-up ranged from The Wiggles to Joan Baez and musicals

- hosting popular annual festivals including the New Zealand International Comedy Festival, the New Zealand International Film Festival, and Auckland Writers Festival which experienced another record year
- Chamber Music New Zealand, Auckland Philharmonic Orchestra, and the New Zealand Symphony Orchestra performed at the Auckland Town Hall and the Aotea Centre
- the first ever Auckland International Cabaret Season was live at the Auckland Town Hall
- the Royal New Zealand Ballet celebrated 60 years with a popular season of Swan Lake.

Key achievements for Auckland Conventions for 2013/2014 include:

- over 740 events at venues during the year, up 14 per cent on last year and delivering a 17 per cent increase in revenue
- Viaduct Events Centre changed its name to ANZ Viaduct Events Centre in April 2014 in a sponsorship partnership with ANZ Bank
- over 137,000 people attended events at the ANZ Viaduct Events Centre, ranging from New Zealand Fashion Week and IRONMAN 70.3 to the Auckland Seafood Festival.

*The full funding impact statement for this group of activities is in Appendix 1, Table 2.9.

2.10 Regional parks services

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	30	31
Total applications of operating funding	40	40
Surplus (deficit) of operating funding	(10)	(9)
Total applications of capital funding	89	70

We substantially met our level of service for the Botanic Gardens and substantially met our level for planning open space. We did not meet our remaining two levels of service for our volcanic heritage and regional parks (see non-financial performance table 2.10).

Key achievements in 2013/2014 include:

- the opening of Waitawa Regional Park, which

offers active recreation activities within easy reach of the city

- we partnered with the Tāmaki Collective to establish the Tūpuna Maunga Authority in response to the new co-governance model for 12 maunga/volcanic cones across Auckland. We focused on improving the management and protection of these iconic heritage landscapes
- over 400,000 people visited Sculpture in the Gardens at the Auckland Botanic Gardens
- the gardens achieved their highest-ever visitor numbers – over one million for the year
- participants in educational programmes at the gardens exceeded the target by nearly 10 per cent
- the gardens exceeded the target for native plants grown for revegetation of parkland by 5,000
- 19 informal and three formal arrangements with Māori for managing sites on regional parkland. We propose to formalise more of the informal arrangements.

We did not meet five levels of service (see non-financial performance table 2.10). Mana whenua satisfaction levels with the care of maunga dropped by 8 per cent due to issues with the way the data was collected. Data collection methods will be remedied in the future.

Volunteer hours across the regional park network rose by 5,827 between 2012/2013 and 2013/2014 to a total of 79,013, but this was below the target of 88,000. This target was established on the assumption that a volunteer coordinator position was to be established with a focus on increasing volunteers in parks. However, efficiency savings delayed that appointment which is now expected before the end of the 2014 calendar year.

The council approved the unbudgeted purchase of Colin Maiden Park (\$61 million) to retain playing fields in St. Johns. Negotiations for planned land acquisitions in North Shore, Rodney, Franklin and Manukau were not completed (\$37 million). The open space acquisitions programme is dependent on developers completing subdivisions, timing of the Public Works Act and negotiations with individual landowners.

During 2013/2014, a number of projects were put on hold until the new Maunga Authority was established. The Ngā Mana Whenua o Tāmaki Makaurau

Collective Redress Bill was passed into law in July 2014. Work in the volcanic cones area will continue under the direction of the new Tamaki Collective/Maunga Authority.

*The full funding impact statement for this group of activities is in Appendix 1, Table 2.10.

2.11 Local parks services

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	157	157
Total applications of operating funding	139	136
Surplus (deficit) of operating funding	18	21
Total applications of capital funding	82	115

We did not meet our level of service. We achieved one measure and two of the four not met showed progress (see non-financial performance table 2.11).

Key achievements in 2013/2014 include:

- an improvement in the percentage of residents satisfied with the quality of parks, reserves, sports fields and beaches. New parks maintenance contracts are in place and working well, and this is expected to bring greater consistency in service levels and the presentation of parks. Quality is also a factor of capital investment in facilities, and we expect this capital investment will continue to upgrade parks and reserves in 2014/2015, based on priorities set by the local board
- the installation of new synthetic pitches at Ashley Reserve and North Harbour Stadium, and numerous new sand carpet fields

Massey North Open Spaces project's physical works were not completed due to delays in developing necessary adjacent roads and commercial/industrial properties (\$2.2 million). This project is expected to be completed in 2015/2016.

The Onehunga Foreshore upgrade (\$5 million) was delayed due to timing of construction for the bridge works and resequencing of some of the earthworks. This has not affected the overall programme schedule, which is due for completion in June 2015.

The Michael Avenue Reserves sports field physical works were significantly delayed due to resource consents not being obtained in line with the project schedule, and the local board delayed progress to consider some public opposition (\$1.5 million).

Riverton Park Reserve (\$2.1 million) was not delivered. A contract has now been awarded for works on path, car park and field development, with work planned to start in early 2015.

The capex underspend was due in part to delays across a number of local parks projects, including Massey open spaces project, Onehunga foreshore upgrade, Michael Avenue Reserves sports field, Riverton Park Reserve, Colin Dale Park and the McLennan Park extension.

*The full funding impact statement for this group of activities is in Appendix 1, Table 2.11.

2.12 Regional recreation services

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	13	14
Total applications of operating funding	19	18
Surplus (deficit) of operating funding	(6)	(4)
Total applications of capital funding	-	-

We achieved our level of service to provide the community and other agencies with advice and resources to assist in the development of sport and recreation initiatives and events (see non-financial performance table 2.12).

Key achievements in 2013/2014 include:

- the launch of our Sport and Recreation Strategic Action Plan to help ensure the wider sport, recreation, community, education and health sectors work together to achieve better results by increasing activity levels of children, young people and those who are less active. The plan was a great example of collaboration between the independent advisory group OneVoice: Sport and Recreation and the council
- building began on the Millennium Institute of Sport and Health pool, our major investment in key sporting infrastructure. We have invested \$13 million in this facility alongside Sport New Zealand and other partners. High Performance Sport New Zealand's national training centre is based at Millennium, generating economic opportunities through the co-location of health and sporting activities, and providing a base for national and international athletes
- over 500,000 learn-to-swim lessons delivered through a partnership between the council,

schools and the Sir John Walker Find your Field of Dreams Foundation – Community Swim project. Free learning for school children along with other programmes like Whanau Swim ensures our communities can swim more safely.

*The full funding impact statement for this group of activities is in Appendix 1, Table 2.12.

2.13 Local recreation services

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	49	53
Total applications of operating funding	52	53
Surplus (deficit) of operating funding	(3)	-
Total applications of capital funding	10	31

We had mixed performance on the delivery of our level of service to provide safe and accessible facilities and programmes that support local recreation and leisure activities (see non-financial performance table 2.13).

Key achievements in 2013/2014 include:

- procuring 13 facility management contracts, resulting in a positive response from the market and a successful outcome for the council. The new contracts reduced overall service costs by more than 40 per cent and will enhance service delivery throughout the region
- growth in early childhood education with the alignment of our systems and processes. When combined with increased childcare hours, this resulted in a 17 per cent increase in funding
- two large capital projects – Ōtāhuhu Pool and the Albany Stadium Pool – have moved through the design phase.

We did not meet target for satisfaction with pool facilities, programmes or facilities. There were declines in aquatic visits in areas that introduced adult charges as part of the regional pricing policy. The southern facilities were largely impacted where three of the six pools introducing adult swim fees, significantly reducing satisfaction levels. We expect to increase numbers through targeted marketing and enhanced programme offerings.

Additional design work to add a learners' pool delayed the Albany Pool project (\$9.2 million). Construction of the Ōtāhuhu Pool fell behind schedule (\$2.8 million) but is due to be completed on time.

Aquatic and recreation renewals (\$5 million) were deferred to 2014/2015. Equipment is expected to be delivered in the first quarter of 2014/2015. We delayed \$2.5 million of capital works delivery over a shutdown period to reduce the disruption to the facilities and their users.

*The full funding impact statement for this group of activities is in Appendix 1, Table 2.13.

2.14 Regional collections and amenities

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	98	101
Total applications of operating funding	98	102
Surplus (deficit) of operating funding	-	(1)
Total applications of capital funding	6	3

We met three of our five levels of service, substantially met one and did not achieve one level of service (see non-financial performance table 2.14).

Auckland Regional Amenities Funding Board, Auckland War Memorial Museum and the Museum of Transport and Technology receive funding directly from the council under specific legislation.

Key achievements at the Auckland War Memorial Museum in 2013/2014 include:

- an 11 per cent increase adult visitors over last year
- a 46 per cent increase in the number of children visiting the museum over last year
- Auckland Museum and Auckland Council are working together to deliver a WWI Centenary programme - *He toa taumata rau: Courage has many resting places*
- 2,418 people were reached during the museum outreach to Auckland libraries
- *Moana - My Ocean* returned \$4.66 in social investment for every \$1 spent
- 92 per cent of visitors were satisfied with their overall visit to museums.

Key art gallery achievements for 2013/2014 include:

- the renowned international exhibition *California Design, 1930-1965: Living in a Modern Way*
- gallery visitors were also offered a unique insight into contemporary New Zealand and Australian indigenous art with three exhibitions - *Five Māori Painters*, Arnold Manaaki Wilson, *Pou Ihi/Pou*

Whenua/Poi Tangata and My Country: Contemporary Art from Black Australia. My country received much critical acclaim and attracted 26,221 visitors

- *Five Māori Painters* and a new publication offered comprehensive insight into the history of Māori painting in the late 19th and early 20th centuries. The gallery has had a Māori advisory group since 1994
- the gallery itself was a multiple winner at the World Architecture Festival in Singapore. It won the Interior Award, Culture Category and won the *World Building of the Year* – its 23rd prize since redevelopment finished in 2011.

Visitor numbers at the gallery were slightly down on last year but we believe this relates more to the exhibition programming mix. In 2012/2013, the blockbuster *Who Shot Rock* attracted unusually large crowds while the Walters Prize is biennial.

Key achievements at Auckland Zoo for 2013/2014 include:

- a record number of visitors for the third consecutive year. More than 717,000 local and overseas people visited with an overall satisfaction rating of 95 per cent
- 738 wētā punga were released to Hauraki Gulf sanctuary islands
- the first wildlife species – 40 tīeke (saddleback) and 40 pōpokotea (whitehead) – were translocated from Hauturu (Little Barrier Island) to Rotoroa Island as part of the zoo's partnership with Rotoroa Island Trust to create a unique wildlife reserve on this island
- the zoo bred over 1,500 wētā punga, short-tailed bat twins (a world-first), kaka chicks and Antipodes Island parakeet chicks
- notable exotic births included red panda cubs, otter pups, meerkat kits, giraffe, squirrel monkeys, and flamingo chicks (a world-first)
- four Tasmanian devils were introduced to their newly developed exhibit, transferred from Australia's Healesville Zoo, as part of the global zoos-based Save the Tasmanian Devil Programme. This resulted in a planned overspend in the zoo's capital programme for the year.
- students from south Auckland schools were treated to a free zoo education experience

through the Warehouse School Zoo-fari partnership.

Aging infrastructure at Auckland Zoo means some works had to be brought forward for potential animal welfare and health and safety issues.

*The full funding impact statement for this group of activities is in Appendix 1, Table 2.14.

Non-financial performance

2.7 Regional arts, culture and events services

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Deliver, facilitate and fund diverse and high-quality arts and cultural programmes and activities	Percentage of participants satisfied with community arts programmes overall		85%	80%	87%
	Number of regional arts and cultural activities provided by the council		2,439	5,000	1,822
	Number of participants in arts and cultural activities provided by the council per 1000 residents		131	120	143
	Number of public art partnerships		13 ¹	10	19
Deliver and facilitate regional events targeted to attract regional, national and international attendees	Percentage of attendees satisfied with council delivered regional events overall		93%	85%	90%
	Number of attendees at council delivered regional events		57,109 ²	110,000	55,120
	Number of events permitted in Auckland		1,950	776	2,100
	Percentage of Māori participating in council delivered regional events		10% ³	≥10%	10%

Notes

- The number reported for 2013 (19) did not reflect partnerships active within that specific year but a total sum of partnerships to date since amalgamation. This year's result shows a decrease, which is not necessarily true. Public art partnerships active in 2013/2014 included, but not limited to:
 - Barfoot and Thompson (philanthropic)
 - Mt Eden Arts Trust (philanthropic)
 - Hobsonville Land Company (public/private)
 - Well-Connected Alliance (public/private)
 - Edmiston Trust (philanthropic)
 - Newmarket Arts Trust (philanthropic)
 - Kaipātiki Public Arts Trust (philanthropic)
 - Mansons TCLM Limited (private developer via floor bonus scheme)
 - Manukau Institute of Technology (project development)
 - Point Wells Ratepayers' Association and Matakana Community Group Inc. (funding partners via Auckland Regional Services Trust (ARST) in project development and delivery)
 - Ngāti Whātua O Ōrākei and Ngāti Tamaoho – iwi partnerships in project development and delivery.

2. This measure shows a small increase on last year. The target will be reviewed as the assumptions underpinning its measurement have changed. Movies in Parks is no longer counted in this regional measure as it is now considered a local event only. Targets were set based on attendance to the venue as opposed to the event. For example, Heritage Festival attendance was previously based on the daily attendance at the Museum of Transport and Technology rather than the exhibition.
3. The result is 10 per cent. This measure indicates Māori attendance at council- delivered regional events is close to the level of representation in the regional population. The result is estimated as it was based on the reported ethnicity of respondents to event surveys.

2.8 Local arts, culture and events services					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide opportunities and facilities for the community to experience and enjoy the arts	Percentage of visitors satisfied with council arts facilities overall	✓	91%	85%	89%
	Average number of visits to local arts facilities per 1000 residents	✓	910	420	939
	Number of participants in arts programmes at facilities per 1000 residents	✓	210	104	131
	Percentage of participants satisfied with community arts programmes overall	✓	93%	80%	87%
Deliver, facilitate and fund diverse and high-quality arts and cultural programmes ²	Number of attendees at performances provided by arts organisations that received council arts grants	✓	370,715	278,000	390,790
	Number of performances provided by arts organisations that receive council arts grants (as part of meeting their grant conditions)	✓	2,433	743	2,888
	Number of local arts and culture activities that contribute to Māori outcomes	✓	431	≥370	370
Deliver and facilitate events that meet local needs	Percentage of attendees satisfied with council-provided events overall	✓	83%	85%	81%
	Estimated number of attendees at council-delivered and funded local events per 1000 residents	✓	615	440	347

2.9 Regional events facilities

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide fit-for-purpose regional event facilities	Total number of attendances at regional event facilities (North Harbour Stadium, North Shore Events Centre, Vodafone Events Centre, Bruce Mason Centre and The Trusts Stadium)		1,907,642	1,500,000	1,972,035
	Total number of event days (or days open) held at regional event facilities (North Harbour Stadium, North Shore Events Centre, Vodafone Events Centre, Bruce Mason Centre and The Trusts Stadium)		1503	1390	1575
	Total number of attendances at regional event facilities at RFA facilities (includes The Civic, Auckland Town Hall, Aotea Square, Aotea Centre, Viaduct Events Centre, Mt Smart and Western Springs)		1,659,218	1,075,000	902,878
	Total number of event days held at RFA Facilities (includes The Civic, Auckland Town Hall, Aotea Square, Aotea Centre, Viaduct Events Centre, Mt Smart and Western Springs)		2,915	1,500	1,342

2.10 Regional parks services

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Develop a consistent and robust approach to planning, managing and developing Auckland's open space network	Percentage of residents satisfied with the provision (location and distribution) of regional parks		83%	75%	83%
	Number of hectares of regional park per 1000 residents		26.4 ¹	30	26.5
	Number of arrangements with Māori that provide for kaitiaki management of ancestral lands		22	≥1	1
Protect and conserve the values and features of Auckland's volcanic heritage	Percentage of public satisfied with the quality of care of the volcanic features		64%	70%	64%
	Percentage of mana whenua satisfied with the quality of care of the volcanic features		0%	≥8%	8%
	Percentage of volcanic landscape maintenance standards achieved based on contract requirements		97%	> 98%	97%
Manage the Auckland Botanic Gardens as a place for recreation and to sustain the botanical heritage of Auckland	Percentage of visitors satisfied with the overall quality of their visit to the Botanic Gardens		96%	95%	95%
	Number of participants in Botanic Gardens education programmes		8,610	>7,842	8,188
	Number of New Zealand native plants grown for revegetation programmes in the Botanic Gardens		65,000	60,000	53,793
	Percentage of visitor service standards achieved		91%	95%	92%
Maintain the natural and cultural settings and representative range of regional parks for the use and enjoyment of the community	Percentage of park visitors satisfied with the overall quality of their visit		96%	90%	98%
	Percentage of public who have used a regional park in the last 12 months		76% ²	≥79%	79%
	Number of volunteer hours worked in regional parks each year		79,013	88,000	73,186 ³

Notes

1. The number of residents in Auckland has increased, resulting in a decrease in the number of hectares per 1000 residents. A number of potential purchases of further land for regional parks are currently under investigation.
2. Auckland residents are encouraged to visit regional parks. Meeting targets is reliant on public interest to visit and explore the regional parks and this is promoted through marketing. The baseline target for 2014/2015 has been set at 80 per cent to continue to motivate people to use our stunning regional parks.
3. Note that the 2012/2013 result was mis-reported in last year's annual report as 88,347. This has been corrected to show comparability.

2.11 Local parks services					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Develop and maintain a local park network to cater for community needs	Percentage of residents satisfied with the provision (location and distribution) of local parks and reserves		72%	75%	72%
	Percentage of residents satisfied with the quality of parks, reserves, sports fields and beaches		74%	85%	71%
	Percentage of residents who visited a local park or reserve in last 12 months		91%	80%	92%
	The playing capacity of sports fields (playing hours per week)		9,584 ¹	10,200	10,149
	Percentage of local parks and reserves maintenance standards achieved as per contractual requirements		97% ²	98%	94.9%

Notes

1. The actual result of 9,584 playing hours per week was lower than the stated target of 10,200 because sports field capacity data was refined and updated during the year, and errors were corrected. This resulted in a reduction of the target for 2013/2014 to 9,554 and the actual for 2013 to 9,209. This means there was an overall increase of 375 playing hours per week due to sports field capacity upgrade projects across the region, including North Harbour Stadium, Ashley Reserve and Te Atatu South Park.
2. Results have been collected at local level, based on a comprehensive independent auditing regime of contract maintenance work. The result of 97 per cent is an average across all local boards and is very close to the target of 98 per cent. It is also an increase on the previous year and we expect the results will continue to trend upwards in line with the target now that new parks maintenance contracts are bedded in.

2.12 Regional recreation services

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide the community and other agencies with advice and resources to assist in the development of sport and recreation initiatives and events	Percentage of residents participating at least once per week in sport and recreation		71%	≥70%	70%

2.13 Local recreation services

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide safe and accessible facilities and programmes that support recreation and leisure activities at a local level	Percentage of customers satisfied with swimming pool facilities and programmes overall		80%	85%	84%
	Percentage of customers satisfied with recreation centre facilities and programmes overall (excluding swimming pools)		81% ¹	85%	85%
	Average number of visits to swimming pools per capita		3.52	3.15	4.0
	Average number of visits to recreation facilities per capita (excluding swimming pools)		2.79	1.52	2.9

Note

- Overall satisfaction was down on both target and previous year's performance. This is primarily due to the new regional pricing policy targeted to align prices across the network. The southern facilities were largely impacted with three of the six pools introducing adult swim fees, significantly reducing satisfaction levels within the area.

2.14 Regional collections and amenities

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide an opportunity to learn and experience heritage and culture through museums ¹	Percentage of visitors satisfied with their overall visit to museums	✓	92% ¹	90%	95%
	Number of visitors to museums	✗	1,300,319 ²	1,400,000	1,308,700
Provide the opportunity to access, learn and experience visual arts	Percentage of visitors satisfied with their visit overall to the Auckland Art Gallery Toi o Tāmaki	✓	93%	88%	92%
	Number of visitors to the Auckland Art Gallery Toi o Tāmaki	✗	423,227	455,000	440,942
	Number of participants in education and public programmes at Auckland Art Gallery Toi o Tāmaki	✗	22,764	40,000	24,823
Provide memorable, inspirational, leisure and learning experiences with wildlife	Percentage of visitors satisfied with their overall visit to Auckland Zoo	✓	95%	88%	95%
	Number of visitors to Auckland Zoo	✓	717,642	680,000	716,327
Support wildlife conservation in the Auckland region and in the wild	Number of species at Auckland Zoo in conservation programmes	✓	49	49	49
Deliver educational and interpretive programmes to increase understanding and encourage wildlife conservation	Percentage of participants satisfied their learning outcomes were achieved at Auckland Zoo	✓	98%	90%	95%
	Number of participants in education programmes at Auckland Zoo	✓	60,292	50,000	53,686

Notes

- The museums measured are: Auckland War Memorial Museum, MOTAT, Stardome Planetarium, and Voyager NZ Maritime Museum.
- Satisfactions scores for individual facilities: Auckland War Memorial Museum 98 per cent; MOTAT 86 per cent; Stardome Planetarium 93 per cent; Voyager NZ Maritime 92 per cent. For MOTAT, a new satisfaction measurement system was introduced 1 September 2013. As such satisfaction result for MOTAT covers the period 01/09/13 – 30/06/14.

The result is in line with 2012/2013, but below target for 2013/2014. The LTP set targets to increase attendance year-on-year. In addition to onsite visits, the museums also do a range of offsite programs. These numbers are not reflected in the above.

3. Theme: Economic development



Introduction

We use our economic development activities to drive economic growth and development for Auckland which benefits Aucklanders and New Zealand's overall future prosperity.

Within this theme we deliver:

- regional economic strategy and initiatives
- local economic development
- tourism, major events and industry development
- waterfront development.

They are delivered through Auckland Council, Auckland Tourism, Events and Economic Development (ATEED) and Waterfront Auckland.

Summary of non-financial performance

Group of activities					
3.15 Regional economic strategy and initiatives	2	-	-	4	-
3.16 Local economic development	2	-	1	1	-
3.17 Tourism, major events and industry development	9	-	-	2	-
3.18 Waterfront development	3	-	1	1	-

Commentary

3.15 Regional economic strategy and initiatives

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	37	37
Total applications of operating funding	37	37
Surplus (deficit) of operating funding	-	-
Total applications of capital funding	24	26

We did not meet our two levels of service to support economic development of the region and contribute to the national economy. We did meet our target for facilitating business opportunities through international relationships (see non-financial performance table 3.15).

Key achievements in 2013/2014 include:

- the opening of GridAKL – the renamed Wynyard Innovation Precinct
- a new integrated consenting process to accelerate infrastructure and housing projects that includes key account managers
- formation of the Auckland Infrastructure and Procurement Forum to deliver better procurement and coordination of major construction projects
- completion of a two-and-a-half year project to deepen the northern berth at the Fergusson Container Terminal, allowing for the simultaneous servicing of two large ships at the terminal
- purchase of a new tug and straddle carrier at Ports of Auckland enabling the port to handle bigger ships and boost container handling speed and efficiency
- working with Callaghan Innovation, Te Puni Kōkiri and Treasury to deliver a Māori Economic Growth Forum to facilitate partnerships that support and enable Māori business growth
- mid-course assessment of the Auckland Economic Development Strategy undertaken by the council, central government and business leaders to prioritise a shared economic agenda for Auckland 2014-2020
- a zero cost/high impact sailing event facilitated by international relations to enhance links between

Māori business and China at both economic and tourism levels

- of the 2013/2014 transformational City Centre Masterplan projects, 80 per cent are on track and completed including those in the city centre and Federal Street, O'Connell Street, Myers Park, Upper Khartoum Place, Bledisloe Lane, Fort Street, Beach Road and Upper Queen Street Bridge. Timing for the remaining projects has been changed to ensure integration with the long-term plan process, stakeholder expectations or other cross-organisational initiatives.

Māori economic development has been a focus for the wider council in 2013/2014, resulting in a greater number of initiatives than previously reported. Most of the increase is attributable to the activities of Te Waka Angamua with 10 new initiatives, while ATEED reports an additional five initiatives over the last year.

*The full funding impact statement for this group of activities is in Appendix 1, Table 3.15.

3.16 Local economic development

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	33	33
Total applications of operating funding	30	31
Surplus (deficit) of operating funding	3	2
Total applications of capital funding	4	19

We met our level of service to develop local business precincts and town centres as great places to do business, but had mixed results on developing and maintaining safe, clean and vibrant commercial town centres and street environments with one measure showing progress, but another not achieved (see non-financial performance table 3.16).

Key achievements in 2013/2014 include:

- we began a major upgrade to Devonport Wharf and Marine Parade, key transformational elements of the Devonport Master Plan. A new pedestrian promenade will connect Devonport Wharf directly with Victoria Road, forming a strong relationship between the village and the wharf
- we began upgrading Pukekohe town centre to improve the town centre as an attractive and viable place to do business in

- COMET Auckland secured SKYCITY Auckland Community Trust funding for the first year of two community-led family financial literacy projects in Tāmaki/Glen Innes and Randwick Park in Manurewa to grow financial literacy capacity and capability
- COMET Auckland delivered a Māori education snapshot to provide easily accessible evidence for decision-makers on Māori education in Auckland
- support of the Business Improvement District (BID) programme in over 50 centres and precincts across Auckland. The council works with its business association partners to deliver marketing and promotion, local events, business development plus targeted training and support for businesses. The Ōtāhuhu BID expanded its operating boundary to improve its reach and effectiveness. Highlights for the programme included the establishment of new BIDs in Devonport and North/West district (SH16 area)
- economic overviews were completed for all 21 local boards, presenting a range of indicators on the local economy, trends, issues and opportunities
- local economic development action plans were developed for the Kaipātiki, Franklin, Ōrākei, Whau and Papakura local boards. As a result of these plans, we worked with local boards and economic stakeholders to scope targeted economic development projects that will raise the prosperity of local areas. Projects include a Māori economic development programme in Papakura, commercial property market reports in Kaipātiki and Waitemātā city fringe, an industrial precinct study in Morningside/Normanby, a water demand study and tertiary needs assessment in Franklin, a retail best practice guide in Ōrākei, a business stock take in Waitākere Ranges, and initial work on an integrated business precinct plan for the industrial south, including consultation with key business and industry organisations. We will continue to work with local boards and business communities to identify economic barriers and growth opportunities.

Regional digital policy achievements include:

- delivery of the first of two mobile voice and broadband cell sites on Great Barrier Island with the second site due for completion in 2014/2015
- expansion of the Auckland Wi-Fi service in the city centre and Newmarket
- an information programme delivered to 22 BIDs on ultrafast broadband and technology use in business with Chorus. This was included in the *Local Government New Zealand Core Cities Business Friendly Case Studies* February 2014
- delivery of the Communities Go Digital event with COMET Auckland in November 2013
- a mayoral Memorandum of Understanding with the Manaiaakalani Education Trust signed in July 2013
- delivery of the Clevedon district centre upgrade with local economic development
- presentation materials for the mayor's presentation on The Future of Mobility at the World Cities Summit Singapore in June 2014
- a presentation to the Digital Strategies Public Sector conference in February 2014.

The percentage of residents satisfied with the cleanliness of their local town centre did not improve on 2013. Road corridor and local town centre maintenance depends on three departments, suggesting room for improved coordination between these services.

The percentage of residents satisfied with the quality and maintenance of the street environment is also below target by 18 per cent, although it has improved from 43 per cent last year.

Construction projects in local street environments have been deferred past June 2014, including Pukekohe town centre and Devonport Wharf upgrade (\$5.6 million).

Consultation and/or revised scoping delayed a number of projects (\$4.2 million), including Onehunga Mall upgrade, Torbay Plaza, Devonport Barclay-Clarence, and Māngere town centre canopy.

*The full funding impact statement for this group of activities is in Appendix 1, Table 3.16.

3.17 Tourism, major events and industry development

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	52	51
Total applications of operating funding	47	51
Surplus (deficit) of operating funding	5	-
Total applications of capital funding	1	-

We substantially met our three levels of service, achieving nine of 11 measures (see non-financial performance table 3.17).

Key achievements in 2012/2013 include:

- the phenomenal success of our first home-grown economic anchor event – the NRL Auckland Nines, developed by ATEED with partners Duco and the Australian-based National Rugby League. The event exceeded all forecasts, generating 68,000 visitor nights and an estimated contribution of \$9.35 million to our economy
- winning bids to secure major international sporting events including a semi-final and three pool matches in the ICC Cricket World Cup 2015, the FIFA Under-20 World Cup final, opening and closing ceremonies, and pool matches, and the next two Volvo Ocean Race stopovers, in 2014/2015 and 2017/2018
- a contract with Education New Zealand for an international education joint venture project to boost international education in Auckland
- ATEED's Business Attraction and Investment team secured \$266 million in revenue for Auckland, made up of \$63 million in new investment, \$161 million in expansion investment and \$42 million in screen transactions
- over 137,000 people attended events at the ANZ Viaduct Events Centre, from New Zealand Fashion Week and IRONMAN 70.3 to Auckland Seafood Festival
- the second ITM 500 Auckland V8 Supercars event which injected \$7.11 million into our economy
- council support for the INF World Series Fast 5 Netball Series, New Zealand Fashion Week, IRB Junior World Championships 2014, and UCI BMX World Championships

- Auckland's three signature cultural events – the Lantern, Diwali, and Pasifika festivals – attracted several hundred thousand attendees
- helping 137 clients access \$4.7 million in research and development funding from Callaghan Innovation and issuing 696 New Zealand Trade and Enterprise training vouchers with a total value of \$1.74 million.

*The full funding impact statement for this group of activities is in Appendix 1, Table 3.17.

3.18 Waterfront development

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	37	41
Total applications of operating funding	31	38
Surplus (deficit) of operating funding	6	3
Total applications of capital funding	31	46

We substantially met our level of service, with three measures achieved and one of two measures not achieved showing improvement (see non-financial performance table 3.18).

Key achievements in 2013/2014 include:

- agreements signed with two leading development companies for the commercial development of Wynyard Central and for an international 5-star hotel
- a third development agreement was finalised for the residential component of Wynyard Central, which will be a new waterfront neighbourhood, a leading sustainable urban development and hub of innovation
- we completed a sustainable development framework and specific sustainability standards and design guidelines to ensure high-quality design outcomes
- the opening of Stage 1 Daldy Street, providing a new walking, cycling and passenger transport connection and green link through Wynyard Central
- the Polperro Building was refurbished and opened for GridAKL
- refurbishment of the character Lysaght building
- we began construction of the Westhaven Promenade to provide a safe and attractive pedestrian and cycling link between the Harbour

Bridge and Wynyard Quarter and to bring people closer to the water's edge

- completion of a new master plan for Westhaven Marina including ongoing upgrades of assets and improved public access
- engaging with Māori in the design of public spaces to ensure they reflect and celebrate local cultural heritage through artistic expression, whakatauki and design elements
- with the refurbishment completed, Shed 10 on Queen's Wharf was opened as the primary cruise ship terminal and an events space.

Public open space did not meet target as the Daldy Street South project did not progress as quickly as envisaged.

Return on investment was below target (see non-financial performance table 3.18).

There were some delays in the start of the marina development and Innovation Precinct projects which caused capital expenditure to be \$10.4 million below budget. Both projects are now well underway with anticipated completion dates before the end of December 2014.

*The full funding impact statement for this group of activities is in Appendix 1, Table 3.18.

Non-financial performance

3.15 Regional economic strategy and initiatives

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Support economic development of the region and contribute to the national economy	Auckland's OECD economic performance rating		74 ¹	69	69
	Percentage of Auckland Economic Development Strategy KPIs that are met or improving		74% ²	≥78%	78%
	Number of business opportunities facilitated through international relationships		60	60	50
	Number of economic initiatives with Māori		31 ³	16*	16
Implement strategies for enhancing the city centre and coordinate large-scale transformation projects	Percentage of transformation and City Centre Masterplan projects delivered on time and within budget		80%	85%	88%
	Percentage of city transformation projects contributing to Māori outcomes		50% ⁴	100%*	100%

Notes

1. The long-term target for this measure is to improve Auckland's place in the OECD's ranking of comparator cities. The result underperforms against a target 69th place (of 85 comparator cities). The measure is derived from 2010 OECD GDP/capita data (2005 baseline). Alternative data sources were required for three comparator cities, Sydney (1st ranked), Melbourne (6th ranked) and San Bernardino-Riverside (C.A.), based on 2011/2012 and 2010 figures, deflated back to a 2005 baseline. Minor discrepancies with the larger data set are assumed.
2. Key performance indicators (KPIs) are derived from council departments and CCOs responsible for delivering relevant EDS actions, including City Transformation, ATEED, COMET Auckland, Regional Facilities Auckland and Waterfront Auckland. The list of KPIs included for evaluation for 2013/2014 contains changes from the last year including entirely new measures for COMET Auckland and two new measures and one deleted measure for Waterfront Auckland. The variance in the Auckland Economic Development Strategy's KPI's result indicates that 40 of 54 KPIs were achieved. Several COMET Auckland KPIs were unable to be progressed due to unexpected timing and coordination issues with stakeholders.
3. Since the last reporting period, this measure was broadened from Māori partnerships to initiatives to more adequately represent the desired intent to advance Māori economic development, resulting in a greater amount of activity captured.
4. We have taken a more critical look at our contribution to Māori outcomes for 2013/2014. While satisfied that we comply with Māori statutory outcomes and Māori cultural values and perspectives, we cannot definitively confirm that all projects specifically lift Māori social and economic well-being.

3.16 Local economic development

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Develop local business precincts and town centres as great places to do business	Percentage of business associations meeting their Business Improvement District (BID) Partnership Programme obligations		85%	75%	100%
Develop and maintain safe, clean and vibrant commercial town centres and street environments	Percentage of residents satisfied with the cleanliness of their local town centre		59%	65%	59%
	Percentage of residents satisfied with the quality and maintenance of the street environment		55%	65%	43%
	Percentage of agreed street environment upgrade programmes and initiatives completed on time and within budget		85%	80%	100%

3.17 Tourism, major events and industry development

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Attract, facilitate and fund delivery of major events	Percentage of attendees satisfied with major events overall	✓	90%	85%	87%
	Number of major international events attracted or facilitated	✓	10	5	9
	Estimated number of attendees at major events (million)	✓	1.47	1.45	1.05
	Return on Regional Investment (RORI) from major events invested in (\$million)	✓	46.3	40	39.1
Promote and develop Auckland as a national and international tourist destination	Percentage of customers satisfied with visitor information centres and services	✓	92%	90%	94%
	Number of visitors to Auckland (million)	✓	14.6	13.3	13.7
	Number of visitor nights in Auckland (million)	✓	27.7	25.2	26.7
	Spend by visitors in Auckland (\$million)	✗	3,408 ¹	3,628	3,447
Deliver information, advice and programmes to attract and develop businesses and a skilled workforce	Percentage of stakeholders satisfied with provision of business advice, start-up, training and mentoring programmes	✓	94%	85%	95%
	GDP Global investment promotion agency (IPA) benchmarking	✗	52%	65%	Biennial measure
	Total GDP in targeted sectors (marine, transport and logistics, IT, food-beverage, film, bioscience, creative/digital, export education) compared with total Auckland GDP	✓	26.1%	Improve	26% ²

Notes

1. This result is for the 2013 calendar year, and has been modelled based on data available from the Regional Tourism Indicators, prepared by the Ministry of Business, Innovation and Employment, alongside the now discontinued Regional Tourism Estimates 2006-2011 dataset. Based on this modelling, spend by domestic visitors has increased in the last year, while spend by international visitors has declined.
2. The 2013 GDP data is presented in \$2010 (millions), which updates the 2012 estimate which was presented in \$1995/96 (millions), increasing the overall level at which GDP is calculated.

Regional GDP and the industry level breakdowns are estimates compiled from a range of administrative data and surveys of economic activity. These are all subject to revision and refinement over time due to the three factors listed below:

- revisions to the national total of GDP
- revisions to the data used to allocate GDP to the regional level
- refinements to the methods and baseline analysis used to estimate regional economic activity.

Since the release of the 2012 estimate of Auckland GDP, there have been revisions to all three factors. Overall, this has resulted in a small decrease in the targeted sectors' estimated share of GDP relative to Auckland's total GDP.

3.18 Waterfront development

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Deliver initiatives to make the waterfront dynamic, well-connected and safe	Number of annual visitors to the waterfront		1,18m ¹	791,500	791,500
	Hectares of public open space on the waterfront		17.4 ²	18	17.2
	Percentage of annual waterfront public works programmes achieved on time and within budget		100% ³	100%	93%
Manage assets and services in a way that attracts investment and optimises financial returns	Number of employees working in Wynyard Quarter area		5,039 ⁴	5,020	4,660
	Return on investment (ROI) on commercial waterfront activities and marinas		0.545 ⁵	8%	3.58%

Notes

1. This figure is estimated and aggregated across Wynyard Quarter and Queen's Wharf. The target was to maintain or increase visitors.

	2014 actual	2014 target	2013 actual
Wynyard Quarter	604,877	400,000	400,000
Queen's Wharf	583,823	391,500	391,500
Total	1,188,700	791,500	791,500

2. The target was based on development staging assumptions in 2011 which were subject to change due to funding and project coordination requirements. Daldy Street South has not progressed as quickly as originally planned. New public space to reach the target will be added over the next few years.
3. There were two projects programmed to be completed this year - Vos Heritage Boatyard and Shed 10. Both of these were completed in the year and within budget.
4. The estimate of 5,039 workers in the Wynyard Quarter is based on the reported 3,410 workers (Statistics New Zealand Business Demographic Employment Counts for Feb 2013, data for mesh blocks 432400 and 438217) to which the following have been added:
 - a total of 1,356 ASB employees at ASB North Wharf
 - an estimated 157 retail, food and beverage workers in ASB ground floor tenancies
 - over 70 construction workers building the Fonterra headquarters
 - occupants of GridAKL, in the Polperro Building, total 46.

None of these are included in the Statistics New Zealand count. Their February 2014 figure will not be available until November 2014.

5. Auckland Council has set the expected rate of return on investment on commercial waterfront activities and marinas at 8 per cent p.a. The target takes account of council's reasonable expectation of the returns achievable from the commercial property investment portfolio. The council and Waterfront Auckland have agreed to review the allocation and treatment of commercial property that is taken into account in the calculation of the ROI performance against the target set. The actual 2013/2014 return of 0.54 per cent acknowledges that development is still largely in the planning stages and that the costs incurred in the planning stages of a development programme are in excess of what a mature development could expect.

4. Theme: Planning



Introduction

Auckland's scale and complexity makes planning, strategy development and resource management particularly important. Our planning activities help translate those three elements into activities that will create better and more sustainable living, working and recreation environments.

Within this theme we deliver planning activities.

Summary of non-financial performance

Group of activities					
4.19. Planning	6	-	-	-	1

Commentary

4.19 Planning

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	51	51
Total applications of operating funding	53	50
Surplus (deficit) of operating funding	(2)	1
Total applications of capital funding	1	6

We substantially met our three levels of service, achieving six out of seven measures (see non-financial performance table 4.19).

Key highlights in 2013/2014 include:

- developing core strategies, policies and plans adopted by council, with nearly all developed with Māori participation. These include:
 - Children and Young Peoples' Strategic Action Plan
 - Smokefree Policy 2013
 - Sport and Recreation Strategic Action Plan
 - Public Art Policy
 - Low Carbon Auckland Plan
 - Parks and Open Space Strategic Action Plan
 - Weed Management Policy for parks and open spaces
 - Annual Plan 2013/2014
 - local board agreements 2014/2015
 - Public Safety and Nuisance Bylaw 2013
- updating our *State of the Environment* report cards on our natural environment.

For more information go to
stateofauckland



- creating Census Auckland, our website with current and historical data available by census area unit or local board area.

For more information go to
censusauckland



- for the fourth year in a row, Auckland has been ranked the 10th most liveable city in the world in the Economist Intelligence Unit report on 140 cities
- launching a new building inspection app enabling bookings to be made from smartphones. In turn, all our inspectors are equipped with digital devices
- creating a key accounts and major projects team to work with projects of size, significance, consenting complexity or geographic spread
- revamping Hurstmere Green in Takapuna to create a new, quality urban space
- introducing new processes to ensure major infrastructure, such as the Waterview Connection, are handled more efficiently and with more certainty. This includes innovative decision-making around managing the high level of building consents needed for projects of this magnitude
- a new way of monitoring our environment with a real-time marine water buoy offshore from Takapuna boat ramp. It is one of the first in New Zealand and provides real-time information about the state of our marine water quality including water temperature, salinity, turbidity, and wind strength and direction. The data can be accessed via our GIS viewer and will be used to monitor the Hauraki Gulf. The buoy will be moved to different sites around Auckland to assess regional environmental issues
- establishment of a community-led place-making champions group established by the Chief Planning Office and local board chairpersons to promote community-driven place-making and planning across the council
- launch of Turanga, a new initiative to tackle the lack of Pasifika home ownership. The three-year pilot aims to improve overall financial wellness of the participants, and address barriers currently preventing home ownership. Twenty families a year will take part, providing information about their financial, social and cultural circumstances to identify the challenges they face. The findings will be used to develop a tailored programme for each family. There will be significant impact on families and the wider Auckland community if Pasifika are unable to get onto the housing ladder

- processing more than 19,000 building consent applications, 145,000 building inspections and 14,000 resource consents
 - working on operative plan changes:
 - progressing active plan changes and resolving existing appeals
 - making operative 51 plan changes as a result of completion of appeals. This represents 13 council plan changes, 11 private plan changes and 27 Notices of Requirement (NOR)
 - the City Rail Link NOR was published and is at the appeal stage
 - the Central Interceptor NOR was notified and is subject to appeal
 - working on area planning
 - preparing draft plans for Devonport-Takapuna and Ōtara-Papatoetoe, with both ready for public engagement
 - finalising the growth plan for Pukekohe
 - completing neighbourhood and centre plans for Karangahape Road, Newton and Three Kings
 - making progress on the Pakuranga Town Centre Plan
 - completing the Puhinui Structure Plan
 - completing the Ponsonby Road Plan
 - working on the Proposed Auckland Unitary Plan (PAUP)
 - we notified the PAUP as required on 30 September 2013
 - we received more than 9 400 submissions by the 28 February closing date
 - we notified a further submission period on 11 June 2014
 - we established an independent hearing panel office
 - we completed more than 40 open space requisitions including:
 - Public Arts Policy
 - Sport and Recreation Strategic Action Plan
 - Smoke-free Policy 2013
 - the Auckland Council New Zealand Racing Board (TAB) Venue Policy
 - the Auckland Council Class 4 Gambling (Pokie) Venue Policy
 - Park and Open Space Acquisition Policy
 - Local Alcohol Policy
 - Draft Community Grants Policy
 - Draft Community Facilities Network plan
 - CCTV pilot
 - Psychoactive Substances Policy
 - the launch of Sea Change - Tai Timu Tai Pari, the Hauraki Gulf Marine Spatial Plan project
 - approval of a business case for an Environmental Strategic Action Plan.
- We have run a number of community consultation and engagement projects in the past year, including:
- the significant transformation changes facing Pukekohe and Pakuranga. Pukekohe is to develop as a major metropolitan centre while the Auckland Manukau Eastern Transport Initiative (AMETI) will bring major changes to Pakuranga's town centre
 - gaining community feedback on a local area plan for Muddy Creeks covering Parau, Laingholm, Woodlands Park and Waimā that also included the Waitākere Ranges Heritage Act provisions
 - redevelopment of Clevedon's district centre as a contemporary, user-friendly, technology space for individuals, business, community groups and the local police
 - working with owners of bushlots so they understood their responsibilities in protecting indigenous biodiversity.
- Key planning achievements include:
- the very successful Auckland Conversations speaker events which endorse and provide thought leadership on initiatives such as the Auckland Plan and implementation strategies, City Centre Masterplan and Economic Development Strategy. Each event attracts between 350 and 2,000 people. The events are free and are filmed,

giving everyone online access to the presentations

- expanding the cross-council group working on waterfront projects to encompass a downtown development framework
- more shared spaces in the city centre, including O'Connell, Federal and Fort streets
- upgrading Khartoum Place to link Lorne Street to the art gallery. Shared spaces come from targeted rates funded by local businesses
- regional place-making at New Lynn, Ormiston, Westgate, Takapuna and Manukau where the Manukau Institute of Technology's new campus building sits atop the train station
- completed plans for the Hibiscus and Bays and Māngere-Ōtāhuhu local boards, and Ponsonby Road.

The Southern Initiative (TSI) is a different kind of place-making, focused on education, employment and health in south Auckland. Last year, TSI secured a healthy families contract from the Ministry of Health and government funding to support trades training for young Māori and Pasifika. We enabled more than 1,200 homes for low-income families to be insulated, with research showing that every dollar invested returns five in health savings and healthier people. The Matanikolo project is offering 22 new affordable rental homes in Māngere, the first Pasifika housing project funded through the government's Social Housing Fund.

TSI is also involved in skills development and employment as well as wider community needs. Key achievements include:

- securing a healthy families contract from the Ministry of Health in conjunction with our Parks Sport and Recreation Department, Alliance Health Plus and the Tāmaki Collective
- the TSI Infrastructure Consortium for Māori and Pasifika Trades Training, formed to increase the number of Māori and Pasifika aged 18-34 obtaining apprenticeships and sustainable employment in infrastructure and related industries such as electricity, telecommunications, roading and civil engineering. The consortium has secured \$7.5 million of government funding over the next three years to support up to 200 trainees a year. This will be complemented with training, wrap-around support and preparation for employment

- updated census information on TSI.

We have a number of initiatives across Auckland to encourage youth skills development and employment, including:

- the formation of the mayor's Youth Employment Traction Plan which aims to lift youth employment through council leadership, a Youth Employment Traction Hub and employer engagement. More than 27,000 young Aucklanders are not in education, employment or training and more than half of those are Māori or Pasifika
- COMET Auckland launched a website enabling access to skills data and activities in Auckland.

For more information go to
learningauckland



- the Auckland Skills Steering Group continues to improve coordination, information sharing, monitoring and oversight across multiple stakeholders and the group is aligning existing activities in Māngere-Ōtāhuhu
- a build, retain and attract talent initiative across construction and infrastructure, led by Unitec and the sector, with contributions from the council, Ministry of Business, Innovation and Employment, and the Manukau Institute of Technology, is supporting specific workforce strategies and an emerging skills pipeline
- ATEED and Education New Zealand, through a joint venture, are investigating an inter-regional partnership programme linking international students into high growth sectors, such as ICT.

The Housing Project Office (HPO) is a new initiative, launched in October 2013 and, therefore, does not appear in the level of service. Given its pivotal role in housing, it is included in this report.

Key achievements in 2013/2014 include:

- the Auckland Housing Accord between the council and the government to increase housing supply and improve affordability until the PAUP becomes operative
- legislative backing for all developments within Special Housing Areas (SHAs) to include a portion of affordable housing
- opening of the HPO in October 2013 to deliver on the accord between 2013 and 2016, establish

SHAs and consent qualifying developments within these under the PAUP. The HPO offers a new streamlined one-stop process for applicants with consenting, master-planning and policy capability in one office

- a partnership with the Ministry of Business, Innovation and Employment, the Ministry of Education, Housing New Zealand, Watercare and Auckland Transport, among others
- three tranches of SHAs totalling 63 areas, with expected delivery of 29,345 new homes and sections over time
- quarterly developers' forums with participation from our partners
- an application from the Kokiri Trust for approximately 144 new homes in a papakāinga development in Alexander Crescent in Ōtara
- an application from developer John Sax for a 'wrap-around care' 1,600-house development in Māngere worth \$900 million
- extensions to existing SHAs in Alexander Crescent (Ōtara), Orākei (Ngāti Whātua Orākei) and Wesley College (Paerata)
- we approved the first plan variation for a SHA, at Scott Point, a process that would have taken more years to reach fruition before the establishment of the HPO
- an HPO agreement with the Independent Māori Statutory Board on a papakāinga stock take to identify the location, extent and physical constraints affecting existing papakāinga and Māori purpose-zoned land across Auckland.
- review of information currently available to council regarding mana whenua aspirations for papakāinga and housing development. With support from Te Waka Angamua, the HPO was

able to approach mana whenua organisations that had already highlighted housing aspirations. We are exploring opportunities to progress mana whenua housing aspirations through the SHA legislation for a number of sites. Stage two involves a detailed analysis of land ownership, aspirations and constraints including a site-by-site analysis on an agreed number of sites where housing aspirations have clearly been expressed

- we trialed a housing warrant of fitness trial on a small number of houses in Auckland, with just over a third of them passing the draft criteria with relatively minor fixes
- the Forward Land and Infrastructure Programme (FLIP) will deliver a single set of agreed growth numbers, one spatial framework for growth planning, and a single information repository for all infrastructure provider
- progressing the Matanikolo Project. housing development offering 22 new affordable rental houses in Māngere. Targeted at Pasifika families to address housing and related social issues, the project is a partnership between Airedale Property Trust, Tongan Methodist Church of Māngere and the Lifewise Trust. The government's contribution of \$4.3 million from the Social Housing Fund has enabled the homes to be built. It is also the first Pasifika project supported by the fund.

For more information go to
matankikoloproject



*The full funding impact statement for this group of activities is in Appendix 1, Table 4.19.

Non-financial performance

4.19 Planning					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Produce all plans and agreements in accordance with legislative requirements	Percentage compliance with legislative planning requirements		100%	100%	100%
	Percentage of unitary and area plan changes and notices of requirement processed within statutory timeframes		100%	100%	100%
	Percentage of adopted core strategies, policies and plans developed with Māori participation		91%	≥80%	80%
	Percentage of adopted core strategies, policies and plans that include Māori outcomes and/or indicators		100% (11)	≥12	12
Implement area spatial planning initiatives for town centres, rural centres, precincts, corridors, and new growth areas	Percentage of area spatial plans and initiatives that met agreed milestones		90%	90%	80%
Monitor and report on social, economic, environmental, and cultural well-being accurately and on time	Availability of Headline Indicators report	—	90% ¹	100%	Report available
	Percentage compliance with annual quality rating for ISO9001:2008 accreditation		100%	100%	100%

Notes

1. The Headline Indicators Report related to the Auckland Sustainability Framework. This report has been superseded by the Auckland Plan Baseline Report, which measures progress toward achievement of Auckland Plan targets, and is updated every year.

5. Theme: Built and natural environment



Introduction

Protecting and enhancing our built and natural environment is part of our commitment to environmental action and green growth. We monitor our air, land and water quality; promote urban design; conserve our historic heritage and apply regulations. We work with mana whenua, communities, business and other stakeholders to restore and enhance natural areas.

Within this theme we deliver:

- environment and heritage protection
- local built and natural environment
- regulation.

Summary of non-financial performance

Group of activities					
5.20 Environment and heritage protection	15	1	1	1	1
5.21 Local built and natural environment	1	-	-	1	-
5.22 Regulation	10	-	2	10	1

Commentary

5.20 Environment and heritage protection

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	51	52
Total applications of operating funding	48	52
Surplus (deficit) of operating funding	3	-
Total applications of capital funding	7	24

We met six levels of service, substantially met two levels of service and did not meet the other (see non-financial performance table 5.20).

Key achievements in 2013/2014 include:

- educating 100,000 Auckland schoolchildren by delivering Learning through Experience or Enviroschools education programmes
- delivering the Waicare programme to nearly 140 groups involving 10,000 Aucklanders and planting more than 16,000 native trees
- implementing a biosecurity plan for our maunga/volcanic cones
- delivering a range of community and environmental events including Sea Week, Eye on Nature, International Biodiversity Day, and Frog Fun Day
- allocating more than \$1.2 million to local community groups or landowners for ecological restoration and water quality improvement
- managing more than 200 closed landfills, achieving 100 per cent consent compliance where required
- reducing the impact of pest animals, plants and pathogens on our indigenous biodiversity and natural heritage
- the number of sites with poor water quality recorded dropped from 17 per cent to 4 per cent
- a significant amount of heritage work for the Proposed Auckland Unitary Plan (PAUP). We included 61 sites of significance to mana whenua, 46 from former councils and 15 new sites. There are 3,600 sites of value to mana whenua and 2,411 places or areas of significance on the historic heritage

schedule of which 601 have been defined as of significance or interest to Māori

- significant progress on environmental projects such as Sea Change - Tai Timu Tai Pari (the Hauraki Gulf Marine Spatial Plan), the National Policy Statement for Freshwater Management, the Natural Hazards Risk Management Action Plan, the Environmental Strategic Action Plan and the Water Strategic Action Plan
- progress on identifying significant values of wetlands and outstanding freshwater bodies
- improved mapping of rivers and catchment landform has been completed and added to the GIS database
- a review of the management approach for the Kaawa Formation aquifer in Franklin. The information was used to help inform groundwater quantity limits set in the PAUP. Information on the Waitematā Group aquifer in the Franklin area is being assessed to inform setting groundwater quantity limits
- progress in setting water quality limits across our fresh water and coastal environments in an integrated way
- working with landowners, mana whenua and regional parks to help protect our Māori heritage sites. There are over 1,200 Māori heritage sites in our regional parks, some featuring evidence of pre-European settlement
- launch of the Auckland Design Manual, council's online platform for best practice design guidance covering everything from housing and Māori design to streets and parks. The manual was set up to support the implementation of Unitary Plan and focuses on improving urban living through quality design across Auckland city. To date, it has launched its housing and parks hubs which include comprehensive best practice design guidance, over 40 case studies and worked examples.

Key achievements delivered through our biodiversity strategy include:

- actively controlling 85,000ha of land to reduce pests and weed infestations

- identifying actions to protect a total of 39 threatened species as high priority
- the re-establishment of over 8ha of new habitat through planting native species on regional parks
- survey work and subsequent reporting on biodiversity priorities across the 162 parks in Rodney in partnership with the Rodney Local Board
- continuation of the Treasure Islands campaign – a programme run jointly with the Department of Conservation to ensure the Hauraki Gulf islands remain pest-free, enabling native wildlife to flourish
- active protection and restoration of indigenous ecosystems and habitats through a range of community-based initiatives. These included the delivery of local board projects, such as wetland training workshops on Waiheke, direct support and advice to landowners and community groups carrying out restoration projects, and hosting of events to raise awareness of biodiversity values.

We did not meet the air quality measure due to unusual conditions at the Auckland Waterfront monitoring site. In June and July 2014, a diesel generator was unavoidably operating at the monitoring site, elevating NO₂ concentrations near the site and causing 13 exceedances of the Regional Air Quality Target. These exceedances are not representative of ambient conditions, and represent a very localised impact on the monitoring site.

Capital works encountered a number of challenges in 2013/2014, including a shortage of staff resource, a problematic trial phase of new project management processes failing to gain approval for capital works, and a more detailed scoping for investigations being required to better understand issues before proceeding to design and build. The bulk of the capital expenditure budget related to Waikowhai, for which all these reasons applied.

The Built Heritage Protection Fund began negotiating two purchases with settlement expected in 2014/2015 (\$11.4 million).

Business cases for other environmental projects were reassessed to ensure outcomes were delivered. This delayed the projects (\$7 million).

*The full funding impact statement for this group of activities is in Appendix 1, Table 5.20.

5.21 Local built and natural environment

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	3	3
Total applications of operating funding	3	2
Surplus (deficit) of operating funding	-	1
Total applications of capital funding	1	4

We substantially met our level of service to provide leadership and support to protect and conserve Auckland's natural environment and cultural heritage, but there is room for improvement (see non-financial performance table 5.21).

Key achievements in 2013/2014 include:

- delivering 85 local board-funded projects and programmes to restore native ecosystems, improve water quality, address pollution issues, and deliver sustainability. For example, the Māngere-Ōtāhuhu project to reduce contaminant loads to stormwater has been actively implemented with Makaurau marae.

The number of environmental programmes with Māori participation is below target, but this may be due to a measurement error in previous years.

As part of the Auckland Heritage Survey programme, two rapid surveys were prepared for Pukekohe and Papatoetoe and a detailed survey for Pt Chevalier in conjunction with the Albert-Eden Local Board.

*The full funding impact statement for this group of activities is in Appendix 1, Table 5.21.

5.22 Regulation

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	207	198
Total applications of operating funding	199	198
Surplus (deficit) of operating funding	8	-
Total applications of capital funding	56	92

We had mixed results, achieving 10 out of 23 measures, with three showing progress (see non-financial performance table 5.22).

Key building consent achievements in 2013/2014 include:

- as a result of ongoing process and monitoring improvements, we approved 99 per cent of building consents processed within the statutory 20-day timeframe compared to 96 per cent for last year
- a new residential partnership programme for building consents from volume home builders. For qualifying applications, processing has been reduced to an average 4-5 working days
- smartphone apps that make the process of booking a building inspection much easier. This enables inspections to be requested at any time without the need to phone the council.
- the introduction of the Building Bulletin, an e-newsletter providing the latest building related news and updates.

Two out of four measures for building consents were not met.

Customer satisfaction is down on last year, but changes to the way the survey is carried out makes comparisons between years difficult.

Meeting the level of service to process and monitor resource consents and engineering approvals across the region on time and within statutory requirements remains a difficult standard to achieve, but good progress has been made in many areas.

Key achievements with resource consents included:

- approved 12,700 resource consents where applications increased 17 per cent this year with a significant number of large apartments, commercial and greenfields developments requiring experienced staff input from across council

- processing 95 per cent of 10,200 non-notified consents within the statutory framework of 20 days. The result is a significant achievement taking into account the 17 per cent increase in volume and the added complexity with the introduction of the PAUP
- establishing a fast-track consenting process, where simple consents are processed within 10 working days as opposed to the statutory 20-day timeframe. We fast-tracked 12 per cent (1,224) of all non-notified applications this year
- establishing a key account service for larger developments. This provides a dedicated project manager prior and during the various stages of the application process. The standard, more streamlined applications are managed by the reporting planner throughout the process
- streamlining the resource consents fee schedule reducing the number of deposit categories from 75 to 29
- integrating two teams of resource consent regional and district consent compliance and monitoring activity into one, delivering customer and efficiency improvements
- completing customer forums with subdivision customers to improve and align the process across Auckland.

Five out of six measures for resource consents were not met. We met most measures for levels of service across compliance, licensing and other regulatory activity, with the exception of food and liquor licensing services.

Key achievements for 2013/2014 include:

- introducing a single food grading system
- assisting the government of Samoa to design and implement a new dog control system
- successfully implementing the new Sale and Supply of Alcohol Act 2012
- successfully implementing the new Election Sign and Public Safety and Nuisance bylaws
- introduced our new customer-focused graduated response policy for bylaws
- almost 13,000 inspections of food premises
- responding to almost 55,000 noise complaints

- registering 98 per cent of known dogs
- conducting 2,700 inspections of 1,900 alcohol-licensed premises.

The percentage of residents satisfied with food and liquor licensing services is below target. We are focused on improving the timeliness and accuracy of licensing services which we expect will improve customer satisfaction in the future.

Resident satisfaction with animal management services is also below target, so we are focused on better understanding the specific needs of customers to improve service levels.

*The full funding impact statement for this group of activities is in Appendix 1, Table 5.22.

Non-financial performance

5.20 Environment and heritage protection					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Monitor and report on the quality and health of the region's air	Number of sites exceeding regional air quality targets for NO ²		1	0	0
	Number of sites exceeding regional air quality targets for PM _{2.5} (particles less than 2.5 microns in size)		2 ¹	0	3
Manage land use and development to safeguard the region's environment, productivity and economic value of soil	Percentage of landfill aftercare resource consents achieving category one or two compliance)		100%	96%	100%
Monitor and protect freshwater ecosystems to maintain water quality and biodiversity	Proportion of stream samples that exceed red alert level for stock watering		4%	<12.5%	17%
Protect the natural character of the coast from inappropriate development	Perception of good balance between built areas and natural environment on the coastline		73%	70%	73%
	Percentage of environmentally significant catchments with catchment management plans (CMPs)		39% ²	10%	6%
Provide safe access to beaches and coastal areas for recreation	Proportion of time bathing beaches are suitable for contact recreation		92% ³	92%	93%
Provide funding, support, and environmental education to schools and communities	Number of students participating in the Learning Through Experience programme		23,876	22,000	23,927
	Number of schools registered for the EnviroSchools programme ¹		177	160	176
	Reduction in emission of air pollutant PM ₁₀ (kg) ³		— ⁴	1,400	1,610

5.20 Environment and heritage protection					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Protect and enhance indigenous biodiversity and natural heritage resources	Number of hectares of new habitat established on regional parks	✓	8	8	Not reported
	Percentage of indigenous ecosystems under active management	✓	68%	Establish baseline	Not reported
	Percentage of threatened species under active management	✓	34%	≥17.7%	17.7%
Reduce the impact of pest animals, plants, and pathogens on the natural environment	Number of hectares under community pest control	✓	85,000	60,000	73,300
	Proportion of the region where possum populations are maintained under 5 per cent (residual trap catch index)	✓	50%	≥47%	47%
	Percentage of Kauri dieback spread on closed tracks in the Waitākere Ranges	✓	0%	>10% increase	Not reported
	Percentage of Kauri dieback spread on open tracks in the Waitākere Ranges	✓	25%	Establish target	Not reported
Provide support to protect and conserve the region's historic heritage	Number of historic heritage resources formally protected in council regional and district plans and/or the Unitary Plan	✓	2,239 ⁵	2,240	2,239
	Number of sites of Māori significance including waahi tapu formally protected or scheduled in council regional and district plans or the Unitary Plan	✓	61	≥45	45

Notes

1. The regional air quality target for PM_{2.5} (25 µg/m³ for 24-hour average) was exceeded two times in the 2013 calendar year.
2. The catchment management plans are now to be based on the 10 consolidated receiving environments (CREs) identified for the region instead of being done for each local stream's catchment area. Only one CRE (West Coast) is considered not environmentally significant. The first CRE – Waitematā – is 90 per cent complete. We have launched CREs for Tamaki (85 per cent), Manukau (70 per cent) and Hauraki Gulf Islands (40 per cent).
3. This data is from the summer period (November to April) only and does not represent the suitability for contact recreation outside this period.
4. On establishment, this measure assumed that Auckland suppliers would be allocated Clean Air Grants from EECA (central government) to remove fireplaces. However, only limited grants were made available in Auckland last year, and this year there were none. No fireplaces have been removed as part of the Retrofit programme. While Retrofit encourages homeowners to install clean heat and insulation by way of repaid financial assistance, there is no specific financial incentive (eg grant or subsidy) to remove and/or decommission fireplaces. It is now clear that further encouragement is required for people to do this. The council is in the process of developing a draft air quality bylaw to help address the impact of domestic fires in urban areas. As part of the Retrofit programme, clean heat and

fireplace decommissioning packages will be offered through approved suppliers. We are considering other financial incentives to further encourage fireplace removal and/or decommissioning as part of the bylaw.

- There are 2,239 places on the historic heritage schedule. The majority represent a baseline from existing district plan schedules with the addition of 33 new places.

5.21 Local built and natural environment

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide leadership and support to protect and conserve the region's natural environment and cultural heritage	Number of environmental programmes led or supported		85	≥69	69
	Number of environmental programmes with Māori participation		13 ¹	≥21	21

Note:

- The actual result for 2012/2013 and the target for 2013/2014 were both based on the total number of regionally-funded environmental initiatives with Māori participation. It has since been clarified that this measure relates to the total number of local board-funded environmental initiatives with Māori participation. The result for 2013/2014 is correctly based on the total number of local board-funded initiatives with Māori participation and, therefore, cannot be compared against 2013/2014 or 2012/2013. The local board-funded total number of environmental initiatives with Māori participation in 2012/2013 was 10, so the total of 13 programmes in 2013/2014 was an improvement.

5.22 Regulation

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Deliver a customer-focused building consents and compliance monitoring service that meets statutory requirements	Percentage of customers satisfied with the overall quality of building control service delivery		44% ¹	60%	53%
	Percentage of building consent applications processed within 20 working days		99% ²	100%	96%
	Achieve and maintain BCA accreditation by meeting standards under the Building Act 2004		Achieved	Maintain	Achieved
	Percentage operating cost recovery from user charges for building consents activity		99%	90%	101%

Notes

- Customer satisfaction surveys carried out in February and March 2014 showed 44 per cent of customers were satisfied or very satisfied with the building consent process, compared to 24 per cent who were dissatisfied or very dissatisfied. These results are not comparable to last year' as the methodology and customer segments have changed. Land Information Management services (which historically have a very high satisfaction level) were not included in the 2014 surveys.
- The improvement is due to investment in resource, systems and infrastructure to help offset unpredictable and unmanageable elements, such as staff sickness, that result in building consents being processed outside the statutory 20-day timeframe. The causes of consents going over time are recorded along with actions taken to

reduce the instances of not meeting the required timeframes in future.

5.22 Regulation					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Process and monitor resource consents and engineering approvals across the region on time and within statutory requirements	Percentage of customers satisfied with the overall quality of resource consents service delivery		44% ¹	55%	38%
	Percentage of non-notified resource consent applications processed within 20 days		95% ²	100%	95%
	Percentage of notified resource consent applications processed within 70 days		78% ³	100%	78%
	Percentage of air, land, coastal and water consents with category one (full compliance) or two (minor non-compliance)		90%	90%	94%
	Percentage of operating cost recovery from user charges for resource consents activity		58% ⁴	60%	61%
	Percentage of requests by iwi for applications identified in the consents received report that are relevant and within their area of interest and are responded to within three days		95% ⁵	100%	Not measured
Provide effective response services for environmental pollution incidents	Percentage of environmental pollution incidents responded to within 24 hours		100%	100%	100%

Notes

1. The customer survey methodology was changed from an annual to a monthly survey, increasing the numbers surveyed, the options for survey responses and a change in questions. This means the results are not comparable with previous years. Factors in not meeting the target are the introduction of the Proposed Auckland Unitary Plan and a significant increase in the volume of consents over the last year.
2. Resource consent applications increased 17 per cent this year. The additional volume has required significant additional resource from both in-house staff and external specialists. There have also been a significant number of large apartments, commercial and greenfield developments over the last year that have required experienced staff input from across the council. The year-end performance of 95 per cent is considered a considerable achievement given the increase in activity.
3. The notified applications were at 78 per cent. These resource consents are more complex in nature and represent less than 2 per cent of all applications (around 200). The timeframe can often exceed the allowable 70 days due to the hearings process and the number of specialist parties contributing to the consent.
4. Where costs can be recovered from consent applications, this recovers all such costs. There is a range of costs that cannot be on charged to applicants. The net operating result was \$400,000 favourable to budget for the year.
5. This result is based on 141 transactions, with 134 being completed within the three-day timeframe. The service was only introduced this year, so it is reasonable to expect some bedding down with staff and process.

5.22 Regulation

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Protect public health in the areas of food premises and sale of liquor licensing	Percentage of customers satisfied with the food and liquor licensing service		66% ¹	83%	Food 79% Liquor 77%
	Percentage of liquor licensed premises inspected at least once annually		49% ²	80%	97%
	Percentage of registered food premises that are grading-inspected at least once annually		89% ³	97%	123%
	Percentage of all identified non-complying (D or E Grade) food premises re-inspected within one month.		86%	80%	90%
	Percentage of operating cost recovery from user charges for environmental health and licensing activity		43%	45%	38%
Respond effectively and fairly to excessive noise related incidents and complaints	Percentage of noise complaints responded to within 30 minutes of first report		82%	80%	84%
Provide high-quality dog and stock control services to the people of the region	Percentage of customers satisfied with the animal management service		58% ⁴	>70%	60%
	Percentage of urgent animal management complaints responded to within one hour (dog attacks, etc)		98% ⁵	80%	99%
	Percentage of operating cost recovery from user charges for animal management activity		66%	60%	61%
Maintain navigational safety, respond to marine oil spills and manage moorings	Percentage of harbour users and stakeholders satisfied with harbor management		No survey in 2014 ⁶	70%	47%
	Percentage of significant risks assessed and successfully mitigated (no incidents)		100%	100%	100%
Ensure weathertightness claims are settled fairly, cost-effectively and are legally compliant	Percentage of settled weathertightness claims that met financial delegations and information and legal requirements		100%	100%	100%

Notes

1. At the time of setting this target, we used a phone-only customer satisfaction methodology. Currently, we use a phone and online system which has correlated with lower scores across the board. This makes comparison of current and historical customer satisfaction difficult.
2. Last year, we measured this performance measure as the total number of inspections of alcohol-licensed premises, divided by the total number of alcohol-licensed premises, which was incorrect. This year, we have used a correct calculation: the total number of unique alcohol-licensed premises inspected, divided by the total number of alcohol-licensed premises. Premises are registered on a three-year cycle. The only compulsory inspections are for a new application or at renewal. Consideration is being given to a more meaningful target for the next long-term plan, focusing attention on high risk premises being inspected.
3. Last year, we measured this performance measure as the total number of inspections of food premises, divided by the total number of food premises, which was incorrect. This year, we have used a correct calculation: the total number of unique food premises inspected divided by the total number of food premises. We inspected 7604 premises (some multiple times) out of 8525 unique premises. This latter number can vary from month to month and as such we have used the average for the year. While we are below target, we are focusing inspection efforts on the right premises.
4. At the time of setting this target, we used a phone-only customer satisfaction methodology. Currently, we use a phone and online system, which has correlated with lower scores across the board. This makes comparison of current and historical customer satisfaction difficult.
5. We recognise that the existing target is not high enough and a new target for 2014/2015 has been set at 98 per cent.
6. The harbour users' survey is carried out biennially. It was last carried out in 2012/2013, with a result of 47 per cent for this measure.

6. Theme: Solid waste



Introduction

We aim to have zero waste by 2040 so that almost nothing goes into landfills and we recycle, reuse or recover virtually everything. Together with our waste management and minimisation plan, and advocacy to take more responsibility with our waste, we can turn this problem into a resource.

Within this theme we deliver waste and recycling services.

Summary of non-financial performance

Group of activities					
6.23 Waste and recycling services	3	1	-	-	-

Commentary

6.23 Waste and recycling services

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	103	103
Total applications of operating funding	88	103
Surplus (deficit) of operating funding	15	-

We substantially met our two levels of service with three measures met and one substantially met (see non-financial performance table 6.23).

Key achievements in 2013/2014 include:

- launching our Waste Management and Minimisation Plan (WMMP) to reduce the amount of waste going to landfill
- making 50 grants totalling \$358,718 through the WMMP to businesses, mana whenua, and community groups to reduce and minimise the amount of waste going to landfill
- preparing for changes to waste and recycling collections from July 2015
- new refuse, recycling, and litter collection contracts to help deliver consistent services across Auckland. This also resulted in significant savings to ratepayers
- a trial in Howick and Pakuranga to test new ways of collecting inorganic waste that resulted in over 50 per cent of the collected rubbish recycled or reused instead of going to landfill

a weekly organic waste collection trial across 2,000 households in Takapuna, Milford, and Forrest Hill which proved very popular with most residents

- waste education and awareness opportunities for residents, community groups, schools and businesses
- an updated recycling and rubbish guide distributed to all households to reinforce what can and cannot be recycled
- composting courses
- supporting more than 150 schools, including the WasteWise programme
- over 10,000 people, most of them students, visited our waste minimisation learning centres
- further development of the Resource Recovery Network, a key project of the WMMP. This project attracted significant interest from community groups, social enterprises, waste companies and local boards. We upgraded our Waitākere Refuse Transfer Station, including the learning centre and resource recovery area.

The percentage of domestic kerbside collection material (refuse and recycling) that is recycled is just below target. The main reason is a reduction in kerbside recycling volumes – a 6 per cent drop compared to budgeted tonnage. We need to do more to divert kerbside volumes as there is a substantial amount of recycling still going into the rubbish bag or bin. There is also room to improve on good recycling and composting habits among different communities.

*The full funding impact statement for this group of activities is in Appendix 1, Table 6.23.

Non-financial performance

6.23 Waste and recycling services

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide reliable household waste collection and disposal services	Percentage of waste collections completed on time		99.9%	99.5%	99.9%
Provide reliable waste recycling services	Percentage of waste recycling collections completed on time		99.9%	99%	99.9%
	Percentage of material (refuse and recycling) collected in domestic kerbside collections that is recycled		39%	40%	40%
	Domestic kerbside refuse per capita (kg) ¹		150kg	≤ 160kg	149.9kg

Note:

- Household waste per capita varies from one legacy area to another e.g. Waitākere is at 120kg/capita, compared with 260kg/capita in the former Manukau City. This shows that user pays collection is effective at generating less volume of waste compared to a rates funded collection.

7. Theme: Water supply and wastewater treatment and disposal



Introduction

We provide daily water supply and wastewater treatment services across Auckland. We also maintain and upgrade our existing infrastructure while adding new infrastructure ranging from pipes to treatment plans to accommodate current needs and future growth.

Within this theme we deliver:

- water supply
- wastewater.

These activities are delivered by Watercare, except in Franklin where Veolia Water manages the local network.

Water supply and wastewater represent some of our most significant infrastructure. Watercare supplies around 330 million litres of drinking water to Aucklanders and treats around 408 million litres of wastewater and trade waste every day. Water is drawn from around 30 sources, treated and delivered to homes and businesses via a vast network of pipes. It also collects, treats and disposes of wastewater, including trade waste from industry. Watercare delivers a two-pronged strategy of maintaining and improving significant existing infrastructure while also planning for future population growth, with an expected capital investment of nearly \$5 billion over the next 10 years. This investment ranges from small local water supplies to high-value projects such as the Central Interceptor and Hunua 4 water main.

Summary of non-financial performance

Group of activities					
7.24 Water supply	9	1	-	1	-
7.25 Wastewater treatment and disposal	4	-	-	-	-

Commentary

7.24 Water supply

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	160	162
Total applications of operating funding	83	89
Surplus (deficit) of operating funding	77	73
Total applications of capital funding	147	192

We substantially met our level of service to provide uninterrupted access to safe, clean and drinkable water, achieving nine of 11 measures with one of the two measures not met showing progress (see non-financial performance table 7.24).

Key achievements for 2013/2014 include:

- Pukekohe and Bucklands Beach became the first towns in Franklin to connect to the metropolitan water supply. Replacing the previous water source with treated water from the Waikato River has improved both water quality and security of supply. For this project, we also upgraded four local reservoirs, built a pump station at Drury and doubled the capacity of the Waikato Treatment Plant
- progress on constructing the Hunua 4 bulk water main which will increase security of water supply in the south
- connecting Kumeu-Huapai and Riverhead to the metropolitan water and wastewater networks
- publication of Be Waterwise, a new booklet and online resource to help people use water more efficiently

One performance measure was not met and one was substantially achieved.

The percentage of complaints being 'resolved and closed' within 10 working days was just off target. This standard is considered industry best practice, so overall performance is still considered good. Watercare received 2,300 complaints out of a total of 406,567 customer interactions (phone, written and email). 94.2 percent of complaints were 'resolved and closed' within 10 working days, slightly below our target of 95 percent. This was largely due to the increased complexity of issues raised, in particular those relating to the new non-domestic wastewater

tariff structure, which was widely consulted on during the year.

Complaints about quality exceeded the target of five or fewer due to issues relating to the flushing of the Kumeu/Huapai transmission main in January and algal bloom in Waitākere water sources during February.

Capital expenditure is lower than budget due to:

- realignment of the Huia sludge system and Woodlands Park reservoir (\$18 million underspend)
- review of the requirement for an alternative water source for Helensville (\$12 million underspend)
- reprioritisation of local network renewals (\$9 million underspend).
- realignment of Greenhithe bridge realignment project (\$7 million underspend)
- reconfiguration of the North Harbour pumping programme (\$4 million underspend)
- acceleration of the Waikato Water Treatment Plant extension (\$6 million overspend).

*The full funding impact statement for this group of activities is in Appendix 1, Table 7.24.

7.25 Wastewater treatment and disposal

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	298	306
Total applications of operating funding	196	194
Surplus (deficit) of operating funding	102	112
Total applications of capital funding	154	126

We met our level of service to provide reliable wastewater services and manage discharges to maintain or improve the health of the environment, achieving all four measures (see non-financial performance table 7.25).

Key achievements for 2013/2014 include:

- gaining resource consent for the \$950 million Central Interceptor to cater for growth and reduce wastewater overflows to the Waitemātā Harbour
- progressing a new biological nutrient removal facility as part of a five-year \$136 million upgrade of the Māngere Treatment Plant

- realigning the Manukau foreshore walkway as part of the Mangere plant upgrade, enhancing a wide variety of recreational opportunities
- transforming the decommissioned pump station and surrounding area at the eastern end of the Puketutu causeway into a rest area with native bush and bird roosts to provide more accommodation for migratory wading birds
- projects to future-proof the Bayswater network to reduce the number of wastewater overflows and cope with future growth

All four performance measures met were on target, with improvements in customer satisfaction and the percentage of wastewater discharged that is compliant with consent discharge requirements for non-metropolitan areas.

Watercare has successfully fostered a strong working relationship with mana whenua through the establishment of its Mana Whenua Kaitiaki Forum which comprises representatives from 14 mana whenua authorities.

Mana whenua have provided input on planning for the Central Interceptor, the Army Bay Treatment Plant and the construction of the Hunua 4 watermain, as well as upgrades to the Mangere Wastewater Treatment Plant and the Mt Hobson and Mt Albert reservoirs.

Watercare and mana whenua are developing training programmes for Watercare staff covering the effective management of archaeological and cultural sites, wastewater disposal options, Waikato River water take application, marae drinking water upgrades and the Proposed Auckland Unitary Plan. Watercare is also working with its contractors to ensure they recognise their role and responsibilities in managing archaeological and cultural sites.

Through a robust engagement framework, mana whenua have been able to build a better understanding of Watercare's business, while Watercare staff have learned about the way Māori connect with the environment and the concept of kaitiakitanga.

Capital expenditure is higher than budget due to:

- acceleration of Puketutu Biosolids landfill (\$20 million overspend)
- an early start of the Māngere Treatment Plant capacity project (\$11 million overspend)
- the Orewa West wastewater project to accommodate expected growth (\$6 million overspend)
- acceleration of Pakuranga project (\$6 million overspend)
- acceleration of network upgrade (\$5 million overspend)
- completion of Pond 2 landfill ahead of plan (\$3 million overspend)
- increased costs in Eastern Interceptor and Miranda reserve (\$2 million overspend)
- revision of North Shore trunk upgrade (\$7 million underspend)

Some work resulted in a budget underspend, including:

- redesign of the Pt England storage tank (\$6 million underspend)
- consenting difficulty postponed the construction of Army Bay waste treatment upgrade (\$5 million underspend)
- efficiently use existing enterprise system led to saving (\$5 million underspend)
- delay in Rosedale wastewater treatment plant cogeneration upgrade (\$2 million underspend).

*The full funding impact statement for this group of activities is in Appendix 1, Table 7.25.

Non-financial performance

7.24 Water supply					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide uninterrupted access to safe, clean and drinkable water	Percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services		84.7%	≥80%	81.4%
	Percentage compliance with Ministry of Health drinking water standards for graded plants (excluding minor or technical non-compliance)		100% ⁵	100% ⁴	100% ⁶
	Number of unplanned water interruptions per 1000 connected properties		8.1 ¹	≤10	7.7
	Percentage of metropolitan water treatment plants achieving Grade 'A' ²		100% ⁵	100% ⁴	100%
	Percentage of metropolitan water supply reticulation achieving Grade 'a' ³		100% ⁵	100% ⁴	100%
	Percentage of non-metropolitan water treatment plants achieving Grade 'A' ²		37.5%	>35% ⁴	37.5%
	Percentage of non-metropolitan water supply reticulation achieving Grade 'a' ³		40% ⁵	>15% ⁴	33.8%
	Percentage of unplanned water shut downs restored within five hours		97.4%	≥95%	96.7%
	Number of water quality complaints (taste, odour, appearance) per 1000 water supply connection		5.9	≤5	4.6
	Percentage of complaints being "resolved and closed" within 10 working days		94.2%	≥95%	97.2%
	Percentage of annual potable water network losses measured as total network volume		13.9%	14%	14.8%

Notes

1. The reported result for 2013/2014 includes three regions: northern, southern and central. The 2012/2013 Annual Report included result for our northern and southern regions only. The performance was not reported for the central region as a new information process was being developed to enable reporting to start in the 2013/2014 year.
2. Grade 'A' is awarded for water treatment plants achieving a 'completely satisfactory, extremely low level of risk'. The assessment is based on source and treatment factors, as defined in the Ministry of Health's Public Health Grading of Community Drinking – Water Supplies 2003.
3. Grade 'a' is awarded for the water supply reticulation network achieving a 'completely satisfactory, extremely low level of risk'. The assessment is based on the reticulation condition, management and water quality, as defined in the Ministry of Health's Public Health Grading of Community Drinking - Water Supplies 2003.
4. The reported target is for the 2012/2013 year. This is to align with the reported result for 2012/2013, as explained in note 5 below.
5. The reported result is based on the grading achieved in November 2013, for the year beginning 1 July 2012 and ending 30 June 2013. The 2013/2014 result will be available after the grading in November 2014 for the year beginning 1 July 2013 and ending 30 June 2014.
6. The 2011/2012 result has been recalculated to reflect a change to the Watercare Statement of Intent for 2013/2014 (removal of the word grading) to enable a comparison with the 2013/2014 reported result.
7. The water losses in this measure are calculated by deducting water sales volumes and allowable unbilled water usage from the volume of water produced. These allowable uses fall into three categories: operational usage (pipeline flushing, fire-fighting etc.), meter under-recording and unauthorised usage. The volumes attributed to these three activities are calculated by using percentage figures as recommended by Water New Zealand. The unauthorised usage assumption has been changed from 0.1 per cent of water supplied in the 2013 Annual Report, to 0.45 per cent in the current year. This change was made in light of the levels of actual detected unauthorised usage in the current year which indicated that the percentage should be higher. Also, benchmarking with water utilities in the UK gives reported unauthorised usage ranging between 0 per cent and 1.37 per cent, with an average of 0.45 per cent. The nature of unauthorised usage means it is difficult to quantify, so Watercare has used the UK average of 0.45 per cent for the 2014 Annual Report. This assumption change is made with the commitment to carry out additional work and studies in the year ahead, to ascertain that it is correct. As this assumption has an impact on the reported water loss measure, the table below compares the current year performance against last year's reported performance; and also provides a range of other potential outcomes to the sensitivity of the measure to the unauthorised usage percentage.

	Sensitivity analysis of the assumed unauthorised usage percentage on water loss percentage						Target
	0.1% ⁸	0.20%	0.30%	0.45% ⁹	0.50%	0.60%	
2013	14.8%	14.7%	14.6%	14.5%	14.4%	14.3%	15%
2014	14.3%	14.2%	14.1%	13.9%	13.9%	13.8%	14%

8. Previous assumed percentage of unauthorised usage
9. Current assumed percentage of unauthorised usage

The water loss measure was calculated to be 13.9 per cent for the 2013/2014 year against a target of 14 per cent or less.

7.25 Wastewater treatment and disposal

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide reliable wastewater services and manage discharges to maintain or improve the health of the environment	Number of sewer bursts and chokes per 1000 properties		8.8 ¹	<10	6.8 ¹
	Number of dry weather sewer overflows per 100 km of wastewater pipe length per year		1.8	≤5	2.7
	Percentage of wastewater discharged that is compliant with consent discharge requirements (excluding minor or technical non-compliance) for metropolitan areas		100%	100%	100%
	Percentage of wastewater discharged that is compliant with consent discharge requirements (excluding minor or technical non-compliance) for non-metropolitan areas		64%	35%	60%

Notes

1. The reported result for 2013/2014 includes three regions: northern, southern and central. The 2012/2013 Annual Report included result for our northern and southern regions only. The performance was not reported for the central region as a new information process was being developed to enable reporting to start in the 2013/2014 year.

8. Theme: Stormwater and flood protection



Introduction

Our stormwater infrastructure is designed to minimise the impact of stormwater going into our streams, beaches, harbours and surrounding habitats. This is becoming increasingly important as Auckland grows and we need to protect our biodiversity, air quality, land, water and seas.

Within this theme we deliver:

- stormwater management
- flood protection and control.

Summary of non-financial performance

Group of activities					
8.26 Stormwater management	6	1	-	-	-
8.27 Flood protection and control	1	-	-	1	-

Commentary

8.26 Stormwater management

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	91	91
Total applications of operating funding	68	65
Surplus (deficit) of operating funding	23	26
Total applications of capital funding	48	63

We substantially met our level of service to mitigate the risks of flooding by constructing and maintaining reliable, effective, sustainable and future-proofed stormwater systems and networks and manage the detrimental effects of stormwater on the environment (see non-financial performance table 8.26).

Key achievements in 2013/2014 include:

- improved customer responsiveness as shown in our performance metrics
- a regional prioritised works programme tool in collaboration with Auckland Transport and Watercare
- a new stormwater design office to support best practice, and high-risk, value and strategic stormwater projects
- a \$48 million investment in stormwater including Ōtāhuhu West, Napier Street in Waitemātā, La Rosa daylighting, Mt Albert Grammar School and O'Halloran Catchment works
- 89 individual stormwater projects ranging from reducing localised flooding issues to rehabilitating stormwater ponds
- CCTV surveys of an estimated 175km of critical pipes.

Just one performance measure was not met with the percentage of customers satisfied with stormwater management just off target.

*The full funding impact statement for this group of activities is in Appendix 1, Table 8.26.

8.27 Flood protection and control

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	4	4
Total applications of operating funding	5	4
Surplus (deficit) of operating funding	(1)	-
Total applications of capital funding	9	15

We met one of our two levels of service to plan and develop stormwater infrastructure and improve design to help alleviate flooding (see non-financial performance table 8.27).

Key achievements for 2013/2014 include:

- completing major modelling projects for prioritised catchments to identify areas at risk from flooding
- continuing to develop flood protection plans, design projects and planning forward protection works
- uploading flooding information into GIS to assist residents' understanding of flooding hazards associated with areas and properties in the region.

We did not meet the measure on reducing habitable floors below the 100-year flood plain (see table).

Acquisition of land for retention ponds was not completed in 2013/2014 (\$3 million). These are expected to be concluded in 2014/2015. Delays in consenting held up delivery of physical works (\$9 million).

*The full funding impact statement for this group of activities is in Appendix 1, Table 8.27.

Non-financial performance

8.26 Stormwater

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Mitigate the risks of flooding by constructing and maintaining reliable, effective, sustainable and future-proofed stormwater systems and networks and manage the detrimental effects of stormwater on the environment ¹	Percentage of customers satisfied with stormwater management		50%	>50%	55%
	Percentage of mana whenua satisfied with stormwater management		7%	Set baseline	Not measured
	Number of blockages in the stormwater network per 100km		8.22	<201	6.96
	Percentage of urgent stormwater requests responded to within two hours		99%	≥85%	93%
	Percentage of non-urgent stormwater service requests responded to within three days		100%	≥80%	99%
	Percentage of manhole popping requests attended to and made safe within two hours		100%	100%	93%
	Percentage stormwater consent conditions with no justified abatement notices or enforcement proceedings		100%	100%	100%

Note

1. No abatement notices or enforcement orders were received during 2013/2014 in regard to the operation of the network. Responses to service requests are proactively managed and both the urgent and non-urgent service requests were all managed well in excess of their targets. A pro rata target of less than 10 for the previous six months has been met as has the cumulative target of less than 20.

8.27 Flood protection and control

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Plan and develop stormwater infrastructure and improve design to help alleviate flooding	Reduction of habitable floors that are below the 100-year flood plain		9 ¹	30	53
	Percentage of catchments with accurate flood hazard mapping completed		26%	25%	22%

Note

1. Only nine habitable floors were identified and protected in 2014. Identification is dependent on catchment modelling studies and significant rainfall events where reports of flooding highlight properties for protection. This measure has been affected by 19 per cent less rainfall than the long-term average over the past two years. Catchment management studies in 2014 have identified 68 properties requiring protection with flood alleviation projects to be carried over into the next financial year

9. Theme: Transport



Introduction

We work to provide an effective, efficient and safe public transport network that connects people and places with easy, affordable and sustainable transport choices. We work closely with the New Zealand Transport Agency (NZTA), Kiwi Rail, Ports of Auckland and Auckland International Airport to provide an integrated transport system.

Within this theme we deliver:

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

These activities are delivered by Auckland Transport which designs, builds and maintains our transport infrastructure from streetlights and road signs, to bridges, bus ways, rail and bus stations, electric trains and parking. It is responsible for New Zealand's highest-valued group of publicly held assets, worth a net \$15.6 billion. Their investment in infrastructure accommodates major public travel projects deemed essential to Auckland's future growth.

Summary of non-financial performance

Group of activities					
9.28 Public transport and travel demand management	3	1	6	1	-
9.29 Roads and footpaths	1	1	3	1	-
9.30 Parking and enforcement	2	-	-	-	-

Commentary

9.28 Public transport and travel demand management

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	472	481
Total applications of operating funding	464	477
Surplus (deficit) of operating funding	8	4
Total applications of capital funding	278	407

We did not meet our three levels of service for public transport and travel demand management. We achieved three out of 11 targets and six of those not met show improvement (see non-financial performance table 9.28).

Key achievements in 20213/2014 include:

- our first electric trains going into service on the Onehunga line
- working with mana whenua (Ngāti Paoa, Ngāti Whātua Ōrākei, Ngāti Tamaoho, Te Akitai Waiohū, Ngāi Tai ki Tāmaki, Ngāti Maru and Ngāti Te Ata) on the internal design at Panmure rail station
- completing the rollout of the AT HOP card across buses, trains and ferries
- consulting with mana whenua on the Mt Roskill Safer Routes and Pt England to Panmure walking and cycleway projects
- opening the new Panmure bus-rail interchange, delivering 99 per cent passenger satisfaction
- 16,587 fewer cars on the road daily during morning peak which was ahead of target
- working with a small number of Māori groups to provide road safety education and information covering driver's licence education, and education tools including a Te Reo Māori booklet for the Travel Wise school programme
- a mana whenua forum comprising Ngāti Whātua Ōrākei, Ngāti Paoa, Ngāti Maru, Te Akitai Waiohū, Ngāti Tamaoho, Te Kawerau a Maki, Ngāi Tai ki Tāmaki and Ngāti Te Ata was established to achieve the conditions of the City Rail Link notice of requirement which requires input by mana whenua. This includes interpreting and applying mana whenua design principles embedded in the urban

design framework which influence the design of this project.

While just three performance measures were met across this group of activity, there were a number of measures that showed progress from 2012/2013.

Overall, patronage was 5.6 per cent higher than in 2013. Patronage growth rates in 2014 for buses and rail were considered stretch targets because two transformational projects have impacted on service levels. Progressing the electrification programme resulted in service disruptions and closures for track work, while the roll out of the AT HOP card on buses was similarly disruptive. Despite this, patronage reached 92 per cent of the stretch targets. For the first time since the 1940s, annual rail patronage exceeded 11 million trips. The Northern Express and other bus services also achieved their highest recorded patronage figures. The Northern Express reached 2.4 million trips, representing 6.5 per cent growth. Other bus services reached 53 million annual trips which translates as 4.2 per cent respective growth.

The cycling target was exceeded this year. Taking bicycles on the new electric trains is much easier, with dedicated spaces, wider doors and automated lowered floors, and ties with press-release clips to quickly secure bikes. Bike parking at transport interchanges is also being developed.

The underspend in capex is driven by:

- land acquisition for City Rail Link which has been delayed to future years causing a \$104 million underspend
- delivery of the electric trains was accelerated with four more than budgeted delivered in 2013/2014 (\$13 million overspend)
- Design and resolution of access issues delayed station upgrades, particularly Pukekohe, Swanson and Parnell (\$8 million)
- the start of the Ōtāhuhu bus interchange was delayed (\$7 million)
- rolling stock renewals reduced pending possible sale process (\$14 million)

*The full funding impact statement for this group of activities is in Appendix 1, Table 9.28.

9.29 Roads and footpaths

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	283	290
Total applications of operating funding	190	195
Surplus (deficit) of operating funding	93	95
Total applications of capital funding	408	437

We did not meet our levels of service for roads and footpaths, achieving one measure, substantially achieving another and showing improvement in three of those not met (see non-financial performance table 9.29).

Key achievements in 2013/2014 include:

- the second bridge over the Ellerslie-Panmure Highway opened in Phase 1 of AMETI
- mana whenua engagement early on in the East West Link with input into the business case development, which includes criteria for Māori urban design
- the \$30 million upgrade of Tiverton-Wolverton streets was completed ahead of schedule
- approval for the \$66.3 million upgrade of Dominion Road
- partnerships with mana whenua are integrating works of art and narratives into high-profile projects. The council worked with Ngāti Whātua Ōrākei, Ngāti Tamaoho, Ngāi Tai ki Tāmaki, Ngāti Maru and Te Akitai Waiohū on a cultural landscape design incorporating Māori cultural heritage, Māori values and narratives for Dominion Road
- spending \$10 million on the North-West transformation project, including Hobsonville Point and Westgate roads
- we completed 567.3km of renewal projects including:
 - chip sealing of 167.2km of roads in Manukau, Papakura and Franklin
 - rehabilitation of 22.6km of roads in North Shore and Rodney
 - 26km of footpath renewals in the central area
 - asphalt concrete resurfacing of 14.2km of roads in the west
- achieving six of eight measures for inter-peak travel times along strategic freight routes.

We did not meet our target reduction in the number of fatal and serious injuries on local road networks. It increased by 21 per cent in 2013/2014 due in part to a significant increase in vehicle, motorcycle, pedestrian and cycling activities across the region. In response to this year's result, Auckland Transport formed a high level leadership group called RoadSafe Auckland Executive with New Zealand Police and NZTA to increase the effectiveness of road safety activities in the four safe system areas – safe roads, safe vehicles, safe speeds and safe road users. This focus applies particularly to improving the safety of vulnerable road users (motorcyclists, cyclists and pedestrians), intersection safety, speeding, and alcohol/drug-affected drivers on local roads.

The underspend in capex is driven by:

- delay of NZTA funding approval for the Albany Highway upgrade (\$20 million)
- local board initiatives were underspent due to the impact of the October elections. Newly-elected members wanted to assess transport priorities within each board (\$9 million)
- coordination of works with the ultra-fast broadband rollout delayed road and footpath renewals and cycleway extensions (\$18 million).
- AMETI spent \$27 million more than budgeted due to additional property along Pakuranga and Ti Rakau drives being required, along with out-of-scope construction work related to Panmure.

*The full funding impact statement for this group of activities is in Appendix 1, table 9.29.

9.30 Parking and enforcement

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	46	48
Total applications of operating funding	42	43
Surplus (deficit) of operating funding	4	5
Total applications of capital funding	3	10

We met our level of service for parking (see non-financial performance table 9.30).

A key achievement in 2013/2014 was the application of the City Centre Parking Zone to other areas around Auckland to help achieve optimum occupancy and reduce congestion.

This included:

- removal of time limits
- introducing a 10-minute grace period before payment must be made
- creating a demand-responsive tariff policy to ensure tariffs are set at the right level so that enough parking is available in metropolitan centres and town centres.

Replacement of wardens' hand held machines was delayed to coincide with the introduction of new on-street units (\$5 million).

Settlement of the purchase of Devon Lane (Devonport) carpark has been delayed to 2014/2015 (\$2.5 million).

*The full funding impact statement for this group of activities is in Appendix 1, Table 9.30.

Non-financial performance

9.28 Public transport and travel demand management

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Auckland's public transport services respond to demand and result in increased patronage	Total passenger transport patronage (000s)		72,396	79,090	68,726 ¹
	Rapid Transit Network rail boardings per annum (000s)		11,435	14,423	10,039
	Rapid Transit Network busway boardings per annum (000s)		2,426	2,618	2,279
	Quality Transit Network and Local Connector Network bus boardings per annum (000s)		53,424	56,305	51,251
	Ferry boardings per annum (000')		5,109	5,744	4,957 ¹
	Public transport subsidy per passenger kilometre		\$0.28 ²	\$0.27	\$0.27
	Public and customer safety and security incidents across public transport network per 100,000 passenger boardings		0.029	0.0925	0.054
Customers are satisfied with public transport services	Percentage of public transport passengers satisfied with their public transport service		81.4%	87%	85%
Effective infrastructure and services for walking, cycling and ride-sharing that help reduce the number of single-occupancy car trips	Morning peak (7am-9 am) car trips avoided through travel planning initiatives		16,587	12,800	14,781
	Number of walking trips into the CBD in the morning peak		5,330	5,511	4,633
	Number of cycling trips throughout the region during the morning peak		141,897	129,300	- ⁴

Notes

- These figures have been changed to correct an error in ferry patronage numbers for 2012/2013.
- The public transport subsidy per passenger kilometre was higher than target due to lower passenger kilometres as a result of lower patronage growth than target.
- This year, we launched an improved survey method been initiated from this year for all customer satisfaction surveys, using an 11-point scale rather than the previous 5-point scale. This method is in line with NZTA and Auckland Council's requirements as well as creating consistency on jointly funded projects
- The results for this measure correct a number of errors in previous years. The result for 2013 should have been 'New measure', not 7,019. The baseline for cycling trips was incorrectly listed as 88,357 in Auckland Transport's 2013-16 Statement of Intent. As this was used to calculate the target for 2013/2014, the target of 97,200 was also incorrect. The correct baseline for 2011/2012 is 106,828 and the revised target for 2013/2014 is 129,300.

9.29 Roads and footpaths

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Auckland's arterial road network moves people and goods effectively and efficiently	Arterial road network productivity (percentage of road corridor productivity maintained or improving on key arterial routes)		68%	51%	55.4%
	Travel times along strategic freight routes during the inter-peak (9am-4pm)		See below ¹		4 out of 8 targets achieved
	Percentage reduction in total fatal and serious injuries on local road network		+21% ²	2%	7.3%
Customers are satisfied with the quality of Auckland's roads	Percentage of residents satisfied with the quality of roads in the Auckland region		71% ³	>75%	46%
Customers are satisfied with the quality of Auckland's footpaths	Percentage of residents satisfied with the quality of footpaths in their local area		63% ³	>75	43%
	Percentage of residents satisfied with the quality of footpaths in the Auckland region		63% ³	>75%	41%

Notes

- Travel times along strategic freight routes during the inter-peak (9am-4pm) for 85th percentile (i.e. 85 per cent of trips on the route are made within the travel time indicated (see table below)

In minutes	Status	2014 actual	2014 target	2013 actual
from SH20 to SH1 via Neilson Street ^a		17.5	16	17.8
from SH1 to SH20 via Neilson Street		12.8	13	14
from Sylvia Park to East Tāmaki via South-eastern arterial		11.5	11	11
from East Tāmaki to Sylvia Park via South-eastern arterial ^b		10	12	10.5
from SH1 to SH18 via Wairau Road		8	8	8.7
from SH 18 to SH 1 via Wairau Road		8	8	8.8
from East Tāmaki to SH 1 Highbrook interchange via Harris Rd		9.7	10	9.7
from SH 1 Highbrook interchange via Harris Road		10.4	11	10.3

- The target for the route from SH 20 to SH 1 via Neilson Street was target not met. Travel times along this route have been variable this year due to extensive road works and the spreading of the peak period (e.g. afternoon peak starting around 2pm instead of 4pm). Neilson Street has been removed from the list of monitored

strategic freight routes due to construction works on or around the route. Following completion of works, Auckland Transport will assess the viability of reintroducing the route into the monitored route list.

- b. The target for the route from Sylvia Park to East Tāmaki via the South-Eastern arterial was not met due to roadworks causing disruption around Ti Rakau Drive.
2. The actual figure is 429 made up of 388 serious injuries and 41 deaths.
3. Customer satisfaction surveys now use an 11-point scale rather than the previous 5-point scale. This is more in line with NZTA and Auckland Council's requirements as well as creating consistency on jointly funded projects.

9.30 Parking and enforcement

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Off-street car parking meets customer demand	Off-street parking occupancy rates		73%	57%	66%
On-street car parking meets customer demand	On-street parking occupancy rates		63%	60%	59%

10 Theme: Commercial and investment



Introduction

Our commercial property and investment activities are designed to get the best possible return for council with a focus on making our economy more productive and developing affordable housing and upgraded town centres.

Within this theme we deliver:

- commercial
- investment.

Our commercial activities are delivered through Auckland Council Investments (ACIL) and Auckland Council Property (ACPL).

Summary of non-financial performance

Group of activities					
10.31 Commercial	4	-	-	-	-
10.32 Investment	2	-	-	-	-

Commentary

10.31 Commercial

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	37	57
Total applications of operating funding	26	53
Surplus (deficit) of operating funding	11	4
Total applications of capital funding	6	19

We met both levels of service with all measures achieved (see non-financial performance table 10.31).

Key achievements in 2013/2014 include:

- contributing an annual net surplus to council of \$24 million, excluding council funding of \$7 million, which was \$2.9 million above the budgeted net surplus. On a like-for-like basis, properties which have been consistently held in the portfolio over time have achieved creditable income growth compared to relevant benchmarks, particularly with residential properties. Business interests such as quarries, landfills and forests contributed a net surplus of \$3.2 million for the year
- exceeding the target to recommend \$100 million worth of properties for disposal to the Finance and Performance Committee by December of 2013 by more than \$50 million. We also exceeded a further target of \$12.3 million for recommended disposals between January and June 2014. During the year, 24 properties with an aggregate value of \$19.1 million were sold unconditionally
- acquiring 207 properties for \$132.4 million on behalf of the council and Auckland Transport
- the \$61 million acquisition for Colin Maiden Park from the University of Auckland
- meeting milestones for key development projects. A strategic review of the Hobsonville development changed the project from a 20-hectare marine precinct to a 10-hectare marine precinct and 10-hectare housing residential component. The 10-hectare residential block was declared a special

housing area (SHA). We estimate the residential components of the development will result in 300 housing units

- the 20-hectare Ormiston town centre development has reached building consent stage for the supermarket and for stage one of a terraced housing development of around 63 units. Approximately 300 further housing units will be included in later stages
- substantive development progress with a 3ha site in the Papatoetoe town centre
 - an eight-unit affordable housing development with the New Zealand Housing Foundation
 - a memorandum of understanding with Infratil for an approximately 120-unit terraced housing development
 - sale of the supermarket site to the operator with a commitment to redevelop.

We work with mana whenua (e.g. with Māori Trustees on Araparera Forest) our Māori Strategy and Relations unit, Te Waka Angamua, and gain guidance from the IMSB to develop an appropriate monitoring procedure for engagement with Māori and for contributing to Māori outcomes and capacity development.

We are formalising a Māori Responsiveness Plan for our commercial activities. We engage with mana whenua where property matters meet cultural significance considerations. We have engaged with mana whenua on 85 properties since January 2013 and include mana whenua in all expression of interest or request for proposals for council-led development projects. Mana whenua are also informed when any council property goes onto the market.

Council's contributions to commercial developments are dependent on market conditions and consenting processes. This has led to underspends in Colonial Road (\$0.7 million), Papatoetoe town centre development project (\$2.1 million), Hobsonville marine precinct (\$2.2 million) and Ormiston town centre (\$2 million).

*The full funding impact statement for this group of activities is in Appendix 1, Table 10.31.

10.32 Investment

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	319	175
Total applications of operating funding	140	138
Surplus (deficit) of operating funding	179	37
Total applications of capital funding	30	24

We met our investment level of service, achieving all measures (see non-financial performance table 10.32).

Key achievements in 2013/2014 include:

- our investments returned a dividend of \$156 million, \$111 million above budget. This was mainly driven by:
 - capital return by Auckland International Airport Limited (AIAL) - \$85 million above budget
 - use of tax losses within the Auckland Council Group - \$22 million
 - higher dividend from Ports of Auckland Limited (POAL) due to increased volumes and productivity - \$3.5 million and \$9.4 million higher than the 2012/2013 financial year (excluding tax loss offsets)
- a return on equity of 26 per cent, driven by:
 - revaluation of land by AIAL, adding 14 per cent to the return on equity
 - AIAL's capital return, through reduction of shareholders' funds
 - improved profitability of POAL
- a very strong performance from the Diversified Financial Assets Portfolio (DFAP) including:
 - actual gross return on the DFAP of 12.1 per cent, which was slightly below the reference portfolio return of 12.2 per cent. Strong performance by most funds was off-set by asset allocation which was unfavourable in the 2013/2014 financial year
 - DFAP outperformed the reference portfolio since its inception in November 2010

- a \$25.5 million distribution from the DFA to the council
- an increase in the value of the fund from \$301 million to \$311 million, after distribution
- a major contribution from POAL including:
 - strong results with the full year surplus of \$73.9 million (budget of \$41.9 million) which is 90 per cent higher than last year's surplus of \$38.9 million. Normalised profit increased by \$21.9 million to \$56.5 million, which is 63 per cent higher than last year
 - a 12.3 per cent return on equity (ROE), an impressive result as the ROE target of 12 per cent was achieved two years earlier than expected
 - exceeding all productivity targets as shown in the table below:

Productivity measure	2014 Target	2014 result
Crane rate ¹	33	33.5
Vessel rate ²	70	72.3
Ship rate ³	79	81.5

Notes

1. Crane rate is the number of containers a crane lifts on and off a container ship in an hour (as reported by the Ministry of Transport)
 2. Vessel rate is the number of containers moved on and off a container ship in an hour of labour (as reported by the Ministry of Transport)
 3. Ship rate is the number of containers moved on and off a container ship in an hour (as reported by the Ministry of Transport)
- handling 968,741 twenty-foot equivalent unit (TEU) compared to 818,819 TEU in the previous financial year, an 18.3 per cent rise. Auckland remains the country's largest container port
 - a 26 per cent increase in bulk and break bulk volumes to 5,679,325 tonnes, compared to 4,509,179 in the previous financial year
 - a 22 per cent increase in car numbers to 207,591 from 170,835 in the previous financial year

- a 5.3 per cent increase in ship calls from 1,463 to 1,541.

We are upskilling our investment governance and management staff with education programmes on Māori protocol and encouraging both Ports of Auckland Ltd and Auckland International Airport Ltd to apply the council's Māori Responsiveness Framework.

*The full funding impact statement for this group of activities is in Appendix 1, Table 10.32.

Non-financial performance

10.31 Commercial					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Manage commercial property to optimise returns	Return on investment (ROI) on commercial properties on a like-for-like basis	✓	4.4% ¹	≥3.94%	3.94%
	Net surplus from property portfolio on a like-for-like basis	✓	\$15.3m ²	\$21.1m ²	\$21.1m
Manage quality and financially prudent city parks services	Percentage of service requests completed on time	✓	90%	90%	99%
	Net surplus from city park services	✓	8%	8%	11.1%
10.32 Investment					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Manage council investments to optimise returns	Return on equity (ROE) for ACIL group	✓	26%	6.7%	11.2%
	Rolling 10-year return on equity (ROE) for the diversified financial assets portfolio (DFAP)	✓	12.9% ³	≥ ROE on reference portfolio	18.4%

Notes

1. The ROI baseline was set at 3.94 per cent in 2012/2013 as part of Auckland Council's annual report. This was calculated as gross rental revenue divided by rating valuation.
2. The 2014 target was based on the 713 properties held at 30 June 2012 and 30 June 2013. The actual result for 2014 is based on the 507 properties held at 30 June 2014 and 30 June 2012. Comparatively, the net surplus for the 507 properties held at 30 June 2012 and 30 June 2014 was \$15.3 million for 2014 and \$14.4 million for 2013, an increase of \$0.9 million on a like-for-like basis.
3. The return since March 2012 (when the council-approved Statement of Investment Policy and Objectives was implemented), was 12.9 per cent (reference portfolio 12.9 per cent p.a.). The year-end return of 12.1 per cent p.a. was slightly below the reference portfolio return of 12.2 per cent. The actual return of the DFAP has significantly exceeded the long-term target of CPI + 4 per cent (from 1 July 2013; OCR plus CPI prior to that) which was 4.4 per cent p.a.

11. Theme: Governance



Introduction

We have a unique model of local government covering the governing body, local boards, the Independent Māori Statutory Board, CCOs, and advisory panels and boards. Our governance activities are designed to enable decision-making that promotes the well-being of Aucklanders now and in the future.

This theme covers:

- governance and democracy services to the governing body, the Independent Māori Statutory Board, CCOs, advisory panels and boards
- local governance services to local boards.

Summary of governance performance

Group of activities					
11.33 Governance and democracy	5	-	1	5	-
11.34 Local governance	2	-	-	1	-

Commentary

11.33 Governance and democracy

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	27	27
Total applications of operating funding	26	27
Surplus (deficit) of operating funding	1	-
Total applications of capital funding	-	-

We did not meet our three levels of service for governance and democracy (see non-financial performance table 11.33).

Key achievements in 2013/2014 include:

- the successful administration of the conclusion to the 2010-2013 term for the governing body
- inaugural governing body meeting
- finalising of the new committee structure
- launch of the Enhancing Governance project to reflect changing support for councillors
- responding to new legislation supporting district licensing committees
- capacity contracts signed with all 19 mana whenua groups to enable mana whenua contribution to council's decision-making processes.

CCOs contribute significantly in the delivery of critical services for Auckland. Overall, performance across the seven CCOs is strong and improving, as organisations mature into their respective roles and responsibilities. While the current model is mostly working very well, there is room for improvement to clarify roles, remove duplications and streamline some areas of operation – these matters are being addressed through a CCO Review process.

Six out of 11 measures were not met (see table).

The key measure for managing elections and by-elections was met, but challenges remain in achieving other targets relating to this service level, notably voter turnout. Voter turnout was lower than target, and while many contributing factors are outside our control, we put initiatives in place to help improve voter engagement over time, including the Kids Voting programme.

We have other initiatives to improve the percentage of residents who feel they can participate in governing body decision-making, including:

- public notification of all council meetings and opportunities for the public to speak to committees
- rotating hearing and committee meetings throughout the region to improve public access
- new district licensing committees which enable more community input.

Māori have been encouraged to put forward their views, and have done so, during both formal and informal consultations. The governing body has committed to meeting with Māori across the region, and has been formally received by Ngāti Whātua Ōrākei at their marae. Further welcomes are being scheduled. We support Tu Pūna Maunga o Tāmaki Makaurau Authority and are also preparing to support Tūpuna Maunga o Tāmaki Makaurau Authority.

The council supported the selection body which appointed the nine members of the IMSB for the next three-year term.

We are conscious of the low proportion of Māori residents who feel they can participate in governing body decision-making. We have commissioned qualitative research involving Māori residents and ratepayers to help us better understand the barriers to participating in council decision-making processes and how to make council processes more accessible to Māori. We are in the process of considering the findings which will inform the development of specific initiatives in 2015/2016.

*The full funding impact statement for this group of activities is in Appendix 1, Table 11.33.

11.34 Local governance

Funding Impact Statement Summary (\$M)	Actual 2014	Annual Plan 2014
Total operating funding	30	30
Total applications of operating funding	28	30
Surplus (deficit) of operating funding	2	-
Total applications of capital funding	2	3

We met two out of three measures for level of service on community participation and contribution to local board decision-making (see non-financial performance table 10.34).

Key achievements in 2013/2014 include:

- the successful administration of the conclusion to the 2010-2013 term for local boards
- twenty-one inaugural local board meetings and induction of the incoming local board members
- development of 21 draft local board plans for formal consultation with the community
- adoption of 21 local board agreements for 2014/2015
- holding many successful and innovative informal engagements with the community and mana whenua, including stakeholder meetings, market stalls, public meetings, expos and joint hui, general advice and support to progress local projects
- support for local boards in providing input into various region-wide policies.

The low percentage of Māori residents who feel they can participate in local board decision-making indicates we need to focus on this area. We have commissioned qualitative research involving Māori residents and ratepayers to help council better understand the barriers to participating in council decision-making processes and how to make council processes more accessible to Māori. The council is in the process of considering the findings, which will inform the development of specific initiatives in 2015/2016. A pilot project is also underway to evaluate and progress different options for Māori to contribute to local board decision-making.

*The full funding impact statement for this group of activities is in Appendix 1, Table 11.34.

Non-financial performance

11.33 Governance and democracy					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Manage council elections and by-elections through fair and transparent processes	Percentage of eligible residents who voted in the local elections		36% ¹	40%	No election
	The number of candidates per available seat (excludes local board elections)		4.85	2.5	No election
	The number of candidates per available seat for local board elections		2.75	3	No election
	The number of complaints regarding electoral processes upheld		0	0	No election
Ensure the community can participate and contribute to governing body decision-making	Percentage of residents who feel they can participate in governing body decision-making		22%	50%	26%
	Percentage of Māori residents who feel they can participate in governing body decision-making		19%	≥50%	30%
	Percentage of formalised relationship arrangements between the council and mana whenua		56% ¹	100%	53%
	Percentage of compliance with statutory requirements for publishing agendas and minutes		100%	100%	99%
	Number of complaints regarding the council's democratic processes upheld by the Auditor-General or Ombudsman		0	0	0
Ensure Auckland Council is able to govern its CCOs effectively and hold them to account	Percentage of CCO-related long-term plan measures that met targets		61%	90%	81%
	Percentage of CCO-related monitoring and accountability requirements that met targets		100%	90%	100%

Note:

1. The number of formal relationship agreements remains unchanged. As part of the mana whenua survey 2014, eight mana whenua groups indicated specifically that they want a formal relationship with the council. The majority of groups opted for a Memorandum of Understanding (MoU) as the best vehicle for doing so and one group suggested a MoU could also encompass a relationship with the relevant local board. Further development of a relationship agreement policy (including the development of standard MoUs) is to be progressed through a political working party of governing body and local board members. The governing body agreed to support the development of mechanisms to implement relationship agreements with mana whenua including furthering discussions with mana whenua regarding the development of a forum for governance discussions on matters of mutual interest. Mana

whenua are continuing to discuss the potential for a regional collective to engage with the council and other agencies on a range of issues including relationships development with the council.

11.34 Local governance

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Ensure the community can participate and contribute to local board decision-making	Percentage of residents who feel they can participate in local board decision-making		27%	≥25%	25%
	Percentage of Māori residents who feel they can participate in local board decision-making		19%	≥29%	29%
	Percentage of compliance with statutory requirements for publishing agendas and minutes for local board meetings		100%	100%	100%

12. Theme: Corporate support



Introduction

We need an efficient and effective corporate support service to support staff as they deliver services to Aucklanders and plan for the city's future well-being and growth. This service provides the policy and monitoring frameworks that ensure council follows the strategic direction set by the governing body, local boards and Auckland plan.

Within this theme we deliver organisational support.

Summary of corporate support performance

Group of activities					
12.35 Organisational support	9	-	2	3	1

Commentary

12.35 Organisational support

Funding Impact Statement Summary (\$M)	Actual	Annual Plan
	2014	2014
Total operating funding	335	306
Total applications of operating funding	293	281
Surplus (deficit) of operating funding	42	25
Total applications of capital funding	151	(114)

We met four of our seven levels of service. Two of the measures not met showed improvement (see non-financial performance table 12.35).

Key achievements in 2013/2014 include:

- high levels of public engagement driven by high profile activities such as the PAUP which generated over 21,000 submissions and 90,000 website visits
- meeting both measures associated with the communication related support and improving our brand awareness
- lower than expected debt levels for the Auckland Council Group in part due to the unplanned Auckland Airport capital receipts of \$85 million
- completion of the ASB theatre upgrade (Aotea Centre)
- restoration work and seismic strengthening at Lopdell House in Titirangi
- Auckland Art Gallery – Toi o Tāmaki was a multiple winner at the World Architecture Festival held in Singapore in October 2013
- the creation of the Shape Auckland website where Aucklanders can engage with us more efficiently
- improved customer experience and reducing the number of times a call needs to be transferred. Customers' rates enquiries (40 per cent of all

enquiries) are being answered by any call centre staff member anywhere in the region

- three new mobile apps, working in partnership with Communications and Public Affairs, IS and the @Speed team, to meet the growing demand for mobile access to services and information
- a slight increase in the percentage of mana whenua organisations who agreed that the council has an appropriate working relationship in place with them. Achieving the level of service around relationships with mana whenua and Māori communities remains a challenge. While the majority of respondents did not consider their relationship with council to be good, six stated it ranges from fair to good or is improving.

Participants identified a number of areas for improvement across the Auckland Council Group. These include the council giving effect to a Treaty-based relationship based on a genuine commitment to partnership rather than legislative compliance, and developing a co-ordinated and consistent approach to engagement based on dialogue and reciprocity. We will consider the survey's recommendations and integrate specific actions into our ongoing Māori effectiveness programme to build the Group's understanding and capability to respond to our responsibilities and obligations to Māori.

We continue to efficiently manage the council rates and valuation function. Initiatives such as eRates (invoicing ratepayers electronically) are becoming increasingly popular with customers. The number of customers electing to pay rates by direct debit has also increased by 6 per cent during this year. Initiatives like this offer convenience for customers and generate efficiencies for the council.

*The full funding impact statement for this group of activities is in Appendix 1, Table 12.35.

Non-financial performance

12.35 Organisational support					
Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide communication-related support and improve brand awareness of Auckland Council	Percentage of residents who associate Auckland Council with the Auckland Council logo (prompted)		76%	64%	78%
	Percentage of residents who associate Auckland Council with the Auckland Council logo (unprompted)		43%	28%	40%
Develop and maintain relationships with iwi and Māori communities and ensure their effective contribution to the decision-making processes of the council	Percentage of Māori organisations who consider they have an appropriate working relationship with the council		27% ¹	75%	23%
Provide efficient, effective and convenient ways for customers and stakeholders to contact and conduct business with the council	Percentage of calls that are answered within 20 seconds		71% ²	80%	74%
	Percentage of emails actioned and responded to within 72 hours		- ³	80%	70%
Ensure sound financial governance and maintain an effective financial transaction management centre for account payables and receivables	Percentage of net debt to total revenue		154%	187.7%	147.5%
	Percentage of net interest to total revenue		10%	10.5%	9.2%
	Percentage of receipts processed within 24 hours from receipt		100%	97%	100%
	Maximum number of days to process receipt		1 ⁴	2	1

12.35 Organisational support

Level of service	Measure	Status	2014 actual	2014 target	2013 actual
Provide human resources and health and safety advice and initiatives to support Auckland Council and CCOs	Percentage employee engagement		68% ⁵	70%	66%
	Annual employee turnover		11.7%	<10%	11%
Provide organisational leadership and political support required for the council to function efficiently and effectively	Percentage of long-term plan performance measure targets met or exceeded		57% ⁶	90%	73%
Develop and maintain council facilities and manage its core property portfolio and tenants	Percentage of projects delivered according to plan (time and cost)		72%	70%	67%
Create and maintain an efficient transaction management centre to manage the council rates and valuation function	Percentage of rates revenue collected		98%	97%	97.7%
	Percentage of rates notices lodged within legislative timetable for the first instalment due date		99%	99%	99.4%

Notes

- Participants identified a number of areas for improvement across the council Group. These include the council giving effect to a Treaty-based relationship, based on a genuine commitment to partnership rather than legislative compliance, and developing a coordinated and consistent approach to engagement based on dialogue and reciprocity. We will consider the survey's recommendations and integrate specific actions into its ongoing Māori Effectiveness programme to build the Group's understanding and capability to respond to our responsibilities and obligations to Māori.
- There were three main impacts on service level this year. During October and November, the contact centres changed to a new telephony system, affecting performance at a time of increased volumes of calls relating to the third rates instalment. Between December and April, the service level recovered after a queue management system was put in place. In June, Auckland experienced three major weather events, resulting in a significant increase in calls. In June we also completed re-balancing of our contact centres involving relocation of the CBD contact centre and a number of its staff across regional centres such as Orewa and Papakura. We were unable to make up the loss to overall service level which resulted from this changeover.
- In 2012/2013, this measure was 'Percentage of emails actioned and responded to within 48 hours'. For June 2014, we are unable to report a service level figure for emails due to issues with the reporting tool introduced as part of the new email processing system implemented in May. Using an average for the 10 months reported for 2014, the grade of service is 78.4 per cent which is within 2 per cent of target.
- This excludes suspense accounts where the customer has made an error.
- Our overall engagement index score for 2014 is 68 per cent an increase over last year. The industry benchmark, comparing us to New Zealand local government and private sector companies of a comparable size, is 71 per cent. The increase is an encouraging result as it shows that we are continuing to increase engagement as an organisation each year by taking action, listening to feedback and making improvements.
- The 2012/2013 result was calculated based on regional measures only, not local board. This year's result has been calculated based on both regional and local measures. For comparison against last year's result, the percentage of LTP regional targets met in 2013/2014 is 63 per cent. This is down 10 per cent on 2012/2013.

Appendix 1: Funding impact statements by group of activity

1.1 Community – Regional library services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		41	41	33	32
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		3	4	3	3
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		44	45	36	35
Applications of operating funding:					
Payment to staff and suppliers	1	21	23	21	21
Finance costs		1	1	1	-
Internal charges and overheads applied		11	11	6	6
Other operating funding applications		-	-	-	-
Total applications of operating funding		33	35	28	27
Surplus (deficit) of operating funding		11	10	8	8
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		3	8	10	9
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		3	8	10	9
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		14	18	18	17
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	14	18	18	17
Surplus (deficit) of capital funding		(11)	(10)	(8)	(8)
Funding balance		-	-	-	-

Variance explanation Actual 2014 to Annual Plan 2014

1. There was lower than planned expenditure on collections and inter-library transfers planned.
2. Installation of public computers and libraries management system were delayed due to unavailability of council resources.

1.2 Community – Local library services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		55	55	53	50
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		1	1	1	1
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other		-	-	-	-
Total operating funding		56	56	54	51
Applications of operating funding:					
Payment to staff and suppliers		40	39	40	38
Finance costs		3	3	3	2
Internal charges and overheads applied		15	15	13	12
Other operating funding applications		-	-	-	-
Total applications of operating funding		58	57	56	52
Surplus (deficit) of operating funding		(2)	(1)	(2)	(1)
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	1	1
Increase (decrease) in debt		20	27	25	23
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		20	27	26	24
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		7	10	13	13
- to improve the level of service		4	6	4	6
- to replace existing assets		7	10	7	4
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	1	18	26	24	23
Surplus (deficit) of capital funding		2	1	2	1
Funding balance		-	-	-	-

Variance explanation Actual 2014 to Annual Plan 2014

- Construction of new libraries and fitout of current libraries fell behind schedule. Westgate Library is in the planning stage and Devonport, Ōtāhuhu, Rānui, Te Atatu and Waiheke libraries under construction. With the exception of the Ōtāhuhu and Westgate libraries, the remaining builds are due to complete within the next financial year.

1.3 Community – Regional community services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		30	30	40	41
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		2	2	2	2
Fees and charges		6	7	7	7
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding	1	38	39	49	50
Applications of operating funding:					
Payment to staff and suppliers		29	31	38	38
Finance costs		-	-	1	-
Internal charges and overheads applied		8	8	9	11
Other operating funding applications		-	-	-	-
Total applications of operating funding		37	39	48	49
Surplus (deficit) of operating funding		1	-	1	1
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		1	1	5	4
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding	2	1	1	5	4
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		2	1	6	5
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		2	1	6	5
Surplus (deficit) of capital funding		(1)	-	(1)	(1)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

1. The decrease in operating funding is primarily due to the reallocation of efficiency targets, staff costs and corporate overhead costs, as well as the reallocation of cost from regional activities to local activities.
2. The decrease in capital funding is due to the deferral of the Wilsher Village redevelopment project from 2013/2014 due to 2014/2015 as a result of changes in market conditions.

1.4 Community – Local community services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		26	26	15	14
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		4	3	2	2
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding	1	30	29	17	16
Applications of operating funding:					
Payment to staff and suppliers		22	24	14	14
Finance costs		1	1	1	1
Internal charges and overheads applied		4	4	2	2
Other operating funding applications		-	-	-	-
Total applications of operating funding		27	29	17	17
Surplus (deficit) of operating funding		3	-	-	(1)
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		3	-	1	-
Increase (decrease) in debt		1	19	11	9
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding	2	4	19	12	9
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	1	5	1
- to improve the level of service		6	8	2	1
- to replace existing assets		1	10	5	6
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	3	7	19	12	8
Surplus (deficit) of capital funding		(3)	-	-	1
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The increase in operating funding is primarily due to the reallocation of staff costs and corporate overhead costs, as well as the reallocation of cost from regional activities to local activities.
- The increase in capital funding for this activity is due to the addition of the Warkworth Town Hall and Pioneer Women's Hall projects, the deferral of the Te Atatu Peninsula redevelopment project from 2012/2013 and the bring forward of the Hobsonville Point community projects from 2016/2017. These increases are partially offset by the deferral of the Massey North Community facility project to 2016-2018.

Variance explanation Actual 2014 to Annual Plan 2014

3. Renewals and upgrades of local community projects were below budget (\$9 million), primarily due to delays in planning. There were delays to the Warkworth Town Hall and Pioneer Women's and Ellen Melville Hall upgrade projects (\$3.1 million). Building of Warkworth Town Hall will start in 2014/2015 and is expected to be completed in late 2015. Pioneer Women's and Ellen Melville Hall has been delayed to enable further scoping of the project.

1.5 Community – Emergency management

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		7	7	7	6
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		7	7	7	6
Applications of operating funding:					
Payment to staff and suppliers		6	5	5	4
Finance costs		-	-	-	-
Internal charges and overheads applied		2	2	2	2
Other operating funding applications		-	-	-	-
Total applications of operating funding		8	7	7	6
Surplus (deficit) of operating funding		(1)	-	-	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		1	1	1	1
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		1	1	1	1
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		-	1	1	1
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		-	1	1	1
Surplus (deficit) of capital funding		1	-	-	-
Funding balance		-	-	-	-

1.6 Community – Cemeteries and crematoria

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		(2)	(2)	(2)	(2)
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		7	8	8	8
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		5	6	6	6
Applications of operating funding:					
Payment to staff and suppliers		4	4	4	4
Finance costs		1	1	1	-
Internal charges and overheads applied		1	1	1	1
Other operating funding applications		-	-	-	-
Total applications of operating funding		6	6	6	5
Surplus (deficit) of operating funding		(1)	-	-	1
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		3	2	2	4
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		3	2	2	4
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		1	1	1	3
- to replace existing assets		1	1	1	2
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		2	2	2	5
Surplus (deficit) of capital funding		1	-	-	(1)
Funding balance		-	-	-	-

2.7 Regional arts, culture and events

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		13	13	14	15
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		2	1	1	1
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	-	-	-
Total operating funding		16	14	15	16
Applications of operating funding:					
Payment to staff and suppliers	1	13	17	16	14
Finance costs		-	-	1	-
Internal charges and overheads applied		2	2	2	3
Other operating funding applications		-	-	-	-
Total applications of operating funding		15	19	19	17
Surplus (deficit) of operating funding		1	(5)	(4)	(1)
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(1)	8	7	4
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		(1)	8	7	4
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		-	3	3	3
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	-	3	3	3
Surplus (deficit) of capital funding		(1)	5	4	1
Funding balance		-	-	-	-

Variance explanation Actual 2014 to Annual Plan 2014

- Delays in planning for the Auckland Theatre Company's new Waterfront Theatre meant milestones to trigger Council's grant were not met. It is anticipated the grant will be paid in 2014/2015.
- Capital expenditure was \$3 million below budget relating to delays in delivering the regional public art programme and key capital works, including Glen Innes Music and Arts Centre, Rānui Library, Otara town centre canopy and the O'Connell Street upgrade.

2.8 Local arts, culture and events

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		18	18	13	12
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		1	1	1	1
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding	1	19	19	14	13
Applications of operating funding:					
Payment to staff and suppliers		15	15	11	10
Finance costs		1	1	1	1
Internal charges and overheads applied		3	3	2	2
Other operating funding applications		-	-	-	-
Total applications of operating funding		19	19	14	13
Surplus (deficit) of operating funding		-	-	-	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		8	17	15	8
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		8	17	15	8
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		3	-	-	-
- to improve the level of service		5	10	8	2
- to replace existing assets		-	7	7	6
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	8	17	15	8
Surplus (deficit) of capital funding		-	-	-	-
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The increase in operating funding is primarily due to the reallocation of staff and corporate overhead costs and the reallocation of cost from regional activities to local activities.

Variance explanation Actual 2014 to Annual Plan 2014

- Lower than expected capital expenditure relates mainly to delays in two key projects - Glen Innes Music and Arts Centre (\$5.5 million) where development began later than scheduled, and Uxbridge Arts Centre redevelopment (\$2.7 million) which has had slower than expected delivery.

2.9 Regional events facilities

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		28	28	25	24
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		1	-	-	-
Fees and charges		32	31	33	31
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		2	-	-	-
Total operating funding	2	63	59	58	55
Applications of operating funding:					
Payment to staff and suppliers		37	38	39	38
Finance costs		7	7	5	5
Internal charges and overheads applied		10	6	8	7
Other operating funding applications		-	-	-	-
Total applications of operating funding		54	51	52	50
Surplus (deficit) of operating funding		9	8	6	5
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		1	4	9	8
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding	1	1	4	9	8
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	1	3	-
- to replace existing assets		10	11	12	13
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		10	12	15	13
Surplus (deficit) of capital funding		(9)	(8)	(6)	(5)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The decrease in capital funding is primarily due to a decision to spread the Town Hall acoustic improvements over two years to better accommodate scheduled events.

Variance explanation Actual 2014 to Annual Plan 2014

- Successful promotions by Auckland Conventions lifted income above budget.

2.10 Regional parks services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		27	28	23	22
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		3	3	5	4
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		30	31	28	26
Applications of operating funding:					
Payment to staff and suppliers		23	23	19	18
Finance costs		10	10	10	9
Internal charges and overheads applied		7	7	6	6
Other operating funding applications		-	-	-	-
Total applications of operating funding		40	40	35	33
Surplus (deficit) of operating funding		(10)	(9)	(7)	(7)
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		27	11	29	17
Increase (decrease) in debt		72	68	35	28
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding	1	99	79	64	45
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		20	45	45	15
- to improve the level of service		65	17	7	18
- to replace existing assets		4	8	5	5
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	89	70	57	38
Surplus (deficit) of capital funding		10	9	7	7
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The increase in capital funding is due to land acquisition budget being brought forward from outer years in order to acquire additional land for parks.

Variance explanation Actual 2014 to Annual Plan 2014

- Council approved the unbudgeted purchase of land for Colin Maiden Park (\$61 million), to retain playing fields in St. Johns. Negotiations for planned land acquisitions in North Shore, Rodney, Franklin and Manukau were not completed (\$37 million). The open space acquisitions programme is dependent on developers completing subdivisions, timing of the Public Works Act and negotiations with individual landowners.

During 2013/2014, a number of projects were put on hold until the new Maunga Authority was established. The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Bill was passed into law in July 2014. Work in the volcanic

cones area will continue under the direction of the new Tāmaki Collective/Maunga Authority.

2.11 Local parks services

\$M	Note	Actual 2014	Annual Plan 2014	Long- term Plan 2014	Long- term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		156	156	156	149
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		1	1	1	1
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		157	157	157	150
Applications of operating funding:					
Payment to staff and suppliers		105	102	108	105
Finance costs		11	11	11	7
Internal charges and overheads applied		23	23	17	18
Other operating funding applications		-	-	-	-
Total applications of operating funding		139	136	136	130
Surplus (deficit) of operating funding		18	21	21	20
Sources of capital funding:					
Subsidies and grants for capital expenditure		10	6	6	8
Development and financial contributions		3	4	9	6
Increase (decrease) in debt		51	84	69	66
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding	1	64	94	84	80
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		32	51	46	40
- to improve the level of service		23	29	23	22
- to replace existing assets		27	35	36	38
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	82	115	105	100
Surplus (deficit) of capital funding		(18)	(21)	(21)	(20)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The increase in planned capital funding is primarily due to deferrals from 2012/2013 for Devonport's Victoria Wharf project and the McLennan Park extension, as well as an acceleration in the delivery of additional sports field capacity.

Variance explanation Actual 2014 to Annual Plan 2014

2. The underspend in the application of capital funding was driven by:
- Massey North Open Spaces project due to delays in the development of adjacent roads and commercial / industrial properties, which this project is dependent on (\$2.2 million underspend).
 - Onehunga Foreshore upgrade delayed due to timing of construction for the bridge works and some of the earthworks re-sequenced (\$5 million underspend).
 - Michael Avenue Reserves sports field development physical works due to consenting and consultation (\$1.5 million underspend).
 - Riverton Park Reserve was not delivered (\$2.1 million underspend). A contract has now been awarded for works on path, car park and field development, with work planned to commence in early 2015.
 - Colin Dale Park is delayed due to hearings currently underway to resolve lease agreements with user groups. (\$0.7 million underspend)
 - McLennan Park Extension (\$1.1 million underspend). The contract for renovation of existing toilets has been awarded and contract for the extension and renovation of clubrooms is expected to be out for tender in September 2014.
 - Renewals work programme has been delayed due to consenting and sign-off issues, including for furniture and fixtures renewals (\$2.1 million underspend), local parks play space renewals (\$1.1 million underspend). Sportsfield renewals in Ashley Reserve, Stanmore Bay, and Victor Eaves park physical works will commence in late 2014 (\$1.9 million underspend). Local park public convenience renewals delays are caused by finding a suitable relocation of Michael Joseph Savage toilet due to heritage constraints (\$1 million underspend).
 - Delays in getting local board sign offs and consenting issues have delayed sportsfields and sports park development (\$2.6 million underspend), Foundation Infrastructure (\$1.7 million underspend) and local improvement projects (\$2.5 million underspend).

2.12 Regional recreation services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		13	13	12	11
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	1	1	1
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		13	14	13	12
Applications of operating funding:					
Payment to staff and suppliers		15	14	11	9
Finance costs		-	-	-	-
Internal charges and overheads applied		4	4	3	3
Other operating funding applications		-	-	-	-
Total applications of operating funding		19	18	14	12
Surplus (deficit) of operating funding		(6)	(4)	(1)	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		6	4	3	2
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		6	4	3	2
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		-	-	2	2
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		-	-	2	2
Surplus (deficit) of capital funding		6	4	1	-

2.13 Local recreation services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		21	21	22	23
Targeted rates		1	1	-	-
Subsidies and grants for operating purposes		4	2	2	2
Fees and charges	1	23	29	30	27
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		49	53	54	52
Applications of operating funding:					
Payment to staff and suppliers		38	38	36	37
Finance costs		3	3	4	3
Internal charges and overheads applied		11	12	12	12
Other operating funding applications		-	-	-	-
Total applications of operating funding		52	53	52	52
Surplus (deficit) of operating funding		(3)	-	2	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		6	1	2	2
Increase (decrease) in debt		7	30	32	13
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		13	31	34	15
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		3	10	13	1
- to improve the level of service		4	13	15	5
- to replace existing assets		3	8	8	9
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	10	31	36	15
Surplus (deficit) of capital funding		3	-	(2)	-
Funding balance		-	-	-	-

Variance explanation Actual 2014 to Annual Plan 2014

- Leisure facilities were unable to generate budgeted revenues
- Additional design works to add a learners' pool delayed the Albany Pool project (\$9.2 million). Construction of the Ōtāhuhu Pool fell behind schedule (\$2.8 million) but is due to be completed on time.

Aquatic and recreation renewals (\$5 million) were deferred to 2014/2015. Equipment is expected to be delivered in the first quarter of 2014/2015. The decision was made to delay \$2.5 million of capital works delivery over a shutdown period to reduce the disruption to the facilities and their users.

A Manurewa Netball Complex tender came in under budget and there were some project delays in the planning and design phase (\$1.7 million).

Consultation has driven delays in Te Rangi Hiroa Recreation Centre (\$500,000), with the design phase and awarding a contract for construction to take place in 2014/2015.

2.14 Regional collections and amenities

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		85	85	76	73
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	1	1	2
Fees and charges		13	15	15	13
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding	1	98	101	92	88
Applications of operating funding:					
Payment to staff and suppliers		77	84	83	77
Finance costs		4	4	2	2
Internal charges and overheads applied		17	14	8	7
Other operating funding applications		-	-	-	-
Total applications of operating funding		98	102	93	86
Surplus (deficit) of operating funding		-	(1)	(1)	2
Sources of capital funding:					
Subsidies and grants for capital expenditure		1	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		5	4	5	3
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		6	4	5	3
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		1	-	1	1
- to replace existing assets		5	3	3	4
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	6	3	4	5
Surplus (deficit) of capital funding		-	1	1	(2)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The increase is driven by the transfer of statutory grants expenditure (ARAFA, MOTAT and Auckland Museum) from RFA to council parent, thereby attracting a higher allocation of corporate overhead.

Variance explanation Actual 2014 to Annual Plan 2014

- Aging infrastructure at Auckland Zoo meant some works had to be brought forward for potential animal welfare and health and safety issues. This has been offset by an underspend in other parts under RFA management.

3.15 Regional economic strategy

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		17	17	16	14
Targeted rates		20	20	20	20
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		37	37	36	34
Applications of operating funding:					
Payment to staff and suppliers		10	10	9	9
Finance costs		11	11	13	11
Internal charges and overheads applied		3	3	3	3
Other operating funding applications		13	13	10	11
Total applications of operating funding		37	37	35	34
Surplus (deficit) of operating funding		-	-	1	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		24	26	44	42
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		24	26	44	42
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		21	18	18	33
- to improve the level of service		3	8	27	9
- to replace existing assets		-	-	-	-
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	1	24	26	45	42
Surplus (deficit) of capital funding		-	-	(1)	-
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The reduction in application of capital expenditure is due to the cancellation of the Tāmaki Innovation Precinct project, the deferral of the Strategic Property Development budget and changes in timing for Westgate (formerly the Northern Strategic Growth Area (NORSGA)) and the Fort Street area upgrade projects.

3.16 Local economic development

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		19	19	18	16
Targeted rates		14	14	14	13
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		33	33	32	29
Applications of operating funding:					
Payment to staff and suppliers		23	24	25	23
Finance costs		2	2	2	1
Internal charges and overheads applied		5	5	4	4
Other operating funding applications		-	-	-	-
Total applications of operating funding	1	30	31	31	28
Surplus (deficit) of operating funding		3	2	1	1
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		1	17	15	9
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		1	17	15	9
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	1	3	1
- to improve the level of service		2	13	9	6
- to replace existing assets		2	5	4	3
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	4	19	16	10
Surplus (deficit) of capital funding		(3)	(2)	(1)	(1)
Funding balance		-	-	-	-

Variance explanation Actual 2014 to Annual Plan 2014

- There was a delay in the spend and phasing of local board business centre planning (\$0.4 million), plus a delay in the Great Barrier Island broadband project due to longer DOC and mana whenua consultation (\$0.3 million), which will be carried out in 2014/2015.
- Construction projects in local street environments have been deferred past June 2014, including Pukekohe town centre and Devonport Wharf upgrade (\$5.6 million).

Consultation and/or revised scoping delayed a number of projects (\$4.2 million), including Onehunga Mall upgrade, Torbay piazza, Devonport Barclay-Clarence, and Māngere town centre canopy.

3.17 Tourism, major events and industry development

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		44	44	45	40
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		3	2	1	1
Fees and charges		5	5	12	11
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding	1	52	51	58	52
Applications of operating funding:					
Payment to staff and suppliers		36	41	47	42
Finance costs		-	-	-	-
Internal charges and overheads applied		11	10	11	10
Other operating funding applications		-	-	-	-
Total applications of operating funding		47	51	58	52
Surplus (deficit) of operating funding		5	-	-	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(4)	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		(4)	-	-	-
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		1	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		-	-	-	-
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		1	-	-	-
Surplus (deficit) of capital funding		(5)	-	-	-
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

1. The reductions in operating revenue and expenditure are primarily due to the decision to close loss-making i-SITE centres.

3.18 Waterfront development

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		12	12	12	11
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		25	29	30	27
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	16
Total operating funding		37	41	42	54
Applications of operating funding:					
Payment to staff and suppliers		25	26	23	22
Finance costs		6	7	6	4
Internal charges and overheads applied		-	5	8	7
Other operating funding applications		-	-	-	-
Total applications of operating funding		31	38	37	33
Surplus (deficit) of operating funding		6	3	5	21
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	3	3
Development and financial contributions		1	1	4	2
Increase (decrease) in debt		24	42	28	31
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		25	43	35	36
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		14	30	32	13
- to improve the level of service		11	12	4	37
- to replace existing assets		6	4	4	7
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	1,2	31	46	40	57
Surplus (deficit) of capital funding		(6)	(3)	(5)	(21)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The increase in application of capital funding is primarily due to the reprioritisation of funding from outer years for the Waterfront Walkway and Cycleway project, as well as the deferral of public works projects in Wynyard Quarter from 2012/2013. This is partially offset by the deferral of capital funding for the Westhaven Marina development and Westhaven pier renewals projects.

Variance explanation Actual 2014 to Annual Plan 2014

2. There were some delays in the start of the marina development and Innovation Precinct projects, which caused capital expenditure for the year to be \$10.4 million below budget. Both the projects are now well underway with anticipated completion dates before the end of December 2014.

4.19 Planning

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		49	49	40	41
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		2	2	2	2
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		51	51	42	43
Applications of operating funding:					
Payment to staff and suppliers		38	35	28	30
Finance costs		1	1	1	-
Internal charges and overheads applied		14	14	12	12
Other operating funding applications		-	-	-	-
Total applications of operating funding	1	53	50	41	42
Surplus (deficit) of operating funding		(2)	1	1	1
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		3	5	(1)	13
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		3	5	(1)	13
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		1	4	-	7
- to replace existing assets		-	2	-	3
Increase (decrease) in reserves		-	-	-	4
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2,3	1	6	-	14
Surplus (deficit) of capital funding		2	(1)	(1)	(1)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

1. The increase in applications of operating funding is primarily due to additional funding for the Unitary Plan and the reallocation of corporate overhead costs.
2. The increase in application of capital funding relates to investment in information technology to support the council's planning processes.

Variance explanation Actual 2014 to Annual Plan 2014

3. The asset management system project was revised to provide an improved regional outcome. Completion is now December 2015.

5.20 Environment and heritage protection

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		48	48	47	46
Targeted rates		2	3	3	2
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		1	1	1	1
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		51	52	51	49
Applications of operating funding:					
Payment to staff and suppliers		32	36	37	36
Finance costs		3	3	3	2
Internal charges and overheads applied		12	12	10	10
Other operating funding applications		1	1	1	1
Total applications of operating funding		48	52	51	49
Surplus (deficit) of operating funding		3	-	-	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		4	24	14	24
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		4	24	14	24
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		2	17	7	17
- to replace existing assets		1	1	1	1
Increase (decrease) in reserves		4	6	6	6
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	1,2	7	24	14	24
Surplus (deficit) of capital funding		(3)	-	-	-
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The increase in application of capital funding is primarily due to the deferral of expenditure for the Built Heritage Protection Fund from 2012/2013.

Variance explanation Actual 2014 to Annual Plan 2014

- The Built Heritage Protection Fund also entered negotiations for two purchases, settlement of which is expected in 2014/2015 (\$11.4 million).

Business cases for other environmental projects were reassessed to ensure outcomes were delivered. This delayed the projects (\$7 million).

5.21 Local built and natural environment

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		3	3	2	2
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		3	3	2	2
Applications of operating funding:					
Payment to staff and suppliers		3	2	1	3
Finance costs		-	-	-	-
Internal charges and overheads applied		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding		3	2	1	3
Surplus (deficit) of operating funding		-	1	1	(1)
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		1	3	2	1
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		1	3	2	1
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		1	2	1	-
- to replace existing assets		-	2	2	-
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		1	4	3	-
Surplus (deficit) of capital funding		-	(1)	(1)	1
Funding balance		-	-	-	-

5.22 Regulation

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		75	76	68	61
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	2	132	122	120	116
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		207	198	188	177
Applications of operating funding:					
Payment to staff and suppliers		131	130	123	120
Finance costs		9	9	9	4
Internal charges and overheads applied		55	55	52	51
Other operating funding applications		4	4	4	1
Total applications of operating funding	1	199	198	188	176
Surplus (deficit) of operating funding		8	-	-	1
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		48	92	92	73
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		48	92	92	73
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		1	1	-	2
- to replace existing assets		-	-	-	1
Increase (decrease) in reserves	3	55	91	92	71
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		56	92	92	74
Surplus (deficit) of capital funding		(8)	-	-	(1)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The increase in applications of operating funding is due to the reallocation of corporate overhead as well as additional set up costs for new liquor licensing legislation and for the Integrated Bylaw Review and Implementation Project

Variance explanation Actual 2014 to Annual Plan 2014

- Building and resource consent volumes increased by more than anticipated in the budgets. In addition, the revenue per consent increased due to larger, more complex applications (\$5 million). Demand for property information increased more than forecast (\$2 million).
- A lower weathertightness settlement was driven by the level of new single dwelling claims slowing and more complex claims taking longer to resolve.

6.23 Waste and recycling services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		15	15	10	10
Targeted rates		60	61	63	64
Subsidies and grants for operating purposes		5	4	4	4
Fees and charges		21	20	20	20
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		2	3	3	3
Total operating funding		103	103	100	101
Applications of operating funding:					
Payment to staff and suppliers	1	73	88	89	89
Finance costs		-	-	-	-
Internal charges and overheads applied		15	15	11	12
Other operating funding applications		-	-	-	-
Total applications of operating funding		88	103	100	101
Surplus (deficit) of operating funding		15	-	-	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(15)	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		(15)	-	-	-
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		-	-	-	-
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		-	-	-	-
Surplus (deficit) of capital funding		(15)	-	-	-
Funding balance		-	-	-	-

Variance explanation Actual 2014 to Annual Plan 2014

1. Council has been promoting waste minimisation and recycling. This has contributed to lower tonnages collected and in particular that sent to landfill, resulting in considerable cost savings.

7.24 Water supply

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		-	-	-	-
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1	160	162	176	157
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		160	162	176	157
Applications of operating funding:					
Payment to staff and suppliers		71	77	82	79
Finance costs		12	12	15	8
Internal charges and overheads applied		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding	2	83	89	97	87
Surplus (deficit) of operating funding		77	73	79	70
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		70	119	130	103
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		70	119	130	103
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		70	83	91	82
- to improve the level of service		51	65	75	49
- to replace existing assets		26	44	43	42
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	3,4	147	192	209	173
Surplus (deficit) of capital funding		(77)	(73)	(79)	(70)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

1. The decrease in user fees and charges is predominantly driven by reduced infrastructure growth charges relating to lower projections for new connections and improved operating efficiencies that have assisted in holding water tariffs unchanged from 2012/2013.
2. The decrease in applications of operating funding is primarily due to improved business efficiencies and lower finance costs as a result of reduced borrowing requirements and a lower cost of funds.
3. Application of capital funding in 2013/2014 has decreased following a review of the timing of the capital programme.

Variance explanation Actual 2014 to Annual Plan 2014

4. Capital expenditure is lower than budget due to:

- realignment of the Huia sludge system and Woodlands Park reservoir (\$18 million underspend)
- review of the requirement for an alternative water source for Helensville (\$12 million underspend)
- reprioritisation of local network renewals (\$9 million underspend)
- realignment of Greenhithe bridge realignment project (\$7 million underspend)
- reconfiguration of the North Harbour pumping programme (\$4 million underspend)
- acceleration of the Waikato Water Treatment Plant extension (\$6 million overspend)

7.25 Wastewater treatment and disposal

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		-	-	-	-
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1	297	306	321	305
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	-	-	-
Total operating funding		298	306	321	305
Applications of operating funding:					
Payment to staff and suppliers		123	119	125	120
Finance costs		73	75	85	84
Internal charges and overheads applied		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding	2	196	194	210	204
Surplus (deficit) of operating funding		102	112	111	101
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		52	14	22	32
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		52	14	22	32
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		51	40	50	44
- to improve the level of service		41	48	35	29
- to replace existing assets		62	38	48	60
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	3,4	154	126	133	133
Surplus (deficit) of capital funding		(102)	(112)	(111)	(101)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

1. The decrease in user fees and charges is predominantly driven by reduced infrastructure growth charges relating to lower projections for new connections and improved operating efficiencies that have assisted in holding water tariffs unchanged from 2012/2013
2. The decrease in applications of operating funding is primarily due to improved business efficiencies and lower finance costs as a result of reduced borrowing requirements and a lower cost of funds.
3. Application of capital funding in 2013/2014 has decreased following a review of the timing of the capital programme.

Variance explanation Actual 2014 to Annual Plan 2014

4. Capital expenditure is higher than budget due to:

- acceleration of Puketutu Biosolids landfill (\$20 million overspend)
- early commencement of Māngere treatment plant capacity project (\$11 million overspend)
- Orewa West wastewater project to accommodate expected growth (\$6 million overspend)
- acceleration of Pakuranga project (\$6 million overspend)
- acceleration of network upgrade (\$5 million overspend)
- completion of Pond 2 landfill ahead of plan (\$3 million overspend)
- increased costs in Eastern Interceptor and Miranda reserve (\$2 million overspend)
- revision of North Shore trunk upgrade (\$7 million underspend)
- redesign of the Pt England storage tank (\$6 million underspend)
- consenting difficulty postponed the construction of Army Bay waste treatment upgrade (\$5 million underspend)
- efficiently use existing enterprise system led to saving (\$5 million underspend)
- delay in Rosedale wastewater treatment plant cogeneration upgrade (\$2million underspend)

8.26 Stormwater management

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		91	91	89	86
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		91	91	89	86
Applications of operating funding:					
Payment to staff and suppliers		46	43	45	44
Finance costs		8	8	8	7
Internal charges and overheads applied		14	14	9	9
Other operating funding applications		-	-	-	-
Total applications of operating funding		68	65	62	60
Surplus (deficit) of operating funding		23	26	27	26
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		8	11	21	14
Increase (decrease) in debt		17	26	17	14
Lump sum contributions		-	-	-	-
Total sources of capital funding		25	37	38	28
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		16	31	28	28
- to improve the level of service		23	25	26	19
- to replace existing assets		9	7	11	7
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	1	48	63	65	54
Surplus (deficit) of capital funding		(23)	(26)	(27)	(26)
Funding balance		-	-	-	-

Variance explanation Actual 2014 to Annual Plan 2014

- Acquisition of land for retention ponds was not completed in 2013/2014 (\$3 million). These are expended to be concluded in 2014/2015. Delays in consenting held up delivery of physical works (\$9 million).

8.27 Flood protection and control

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		4	4	4	4
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		4	4	4	4
Applications of operating funding:					
Payment to staff and suppliers		2	1	2	2
Finance costs		3	3	3	3
Internal charges and overheads applied		-	-	(1)	(1)
Other operating funding applications		-	-	-	-
Total applications of operating funding		5	4	4	4
Surplus (deficit) of operating funding		(1)	-	-	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		1	1	2	1
Increase (decrease) in debt		9	14	13	13
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		10	15	15	14
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		1	2	2	2
- to improve the level of service		8	13	13	12
- to replace existing assets		-	-	-	-
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	1	9	15	15	14
Surplus (deficit) of capital funding		1	-	-	-
Funding balance		-	-	-	-

Variance explanation Actual 2014 to Annual Plan 2014

- 1.. Consenting requirements delayed commencement of projects.

9.28 Public transport and travel demand management

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		236	236	234	212
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		183	186	175	175
Fees and charges	1	53	59	68	59
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		472	481	477	446
Applications of operating funding:					
Payment to staff and suppliers	2	385	399	387	364
Finance costs		77	76	82	66
Internal charges and overheads applied		-	-	-	-
Other operating funding applications		2	2	9	7
Total applications of operating funding		464	477	478	437
Surplus (deficit) of operating funding		8	4	(1)	9
Sources of capital funding:					
Subsidies and grants for capital expenditure		16	18	19	18
Development and financial contributions		6	5	9	7
Increase (decrease) in debt		248	380	379	224
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		270	403	407	249
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		16	18	20	12
- to improve the level of service		253	377	374	236
- to replace existing assets		9	12	12	10
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	3	278	407	406	258
Surplus (deficit) of capital funding		(8)	(4)	1	(9)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The decrease in fees and user charges is primarily due to a property acquisition for the City Rail Link project not proceeded as planned, and consequentially the loss of a planned rental revenue stream.

Variance explanation Actual 2014 to Annual Plan 2014

- Payments to suppliers are lower than budget due to savings in professional services
- Land acquisition for City Rail Link has been delayed to future years, causing a \$104 million underspend.
Delivery of the electric trains was accelerated with four more than budgeted delivered in 2013/2014 (\$13 million overspend).

Design and resolution of access issues delayed station upgrades, particularly Pukekohe, Swanson and Parnell (\$8 million).

The start of the Ōtāhuhu bus interchange was delayed (\$7 million).

Rolling stock renewals reduced pending possible sale process (\$14 million).

9.29 Roads and footpaths

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		241	241	266	248
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		31	35	36	36
Fees and charges		2	5	11	10
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		9	9	9	9
Total operating funding		283	290	322	303
Applications of operating funding:					
Payment to staff and suppliers		129	134	165	158
Finance costs		61	61	67	55
Internal charges and overheads applied		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding	1	190	195	232	213
Surplus (deficit) of operating funding		93	95	90	90
Sources of capital funding:					
Subsidies and grants for capital expenditure		148	159	140	101
Development and financial contributions		10	8	19	12
Increase (decrease) in debt		157	160	189	241
Gross proceeds from sale of assets		-	15	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		315	342	348	354
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		33	36	36	38
- to improve the level of service		185	213	218	224
- to replace existing assets		190	188	184	182
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	408	437	438	444
Surplus (deficit) of capital funding		(93)	(95)	(90)	(90)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The decrease in applications of operating funding is due to the removal of berm mowing services, transfers of budget to the Waste and Recycling group of activities delivered by the council parent in line with approved functional responsibilities, and the reallocation of savings and efficiency targets within Auckland Transport.

Variance explanation Actual 2014 to Annual Plan 2014

- Delay of NZTA funding approval for the Albany Highway upgrade (\$20 million).
Reassessment of local initiatives by new local boards (\$9 million underspend).

Coordination of works with the ultra-fast broadband rollout delayed road and footpath renewals and cycleway

extensions (\$18 million).

AMETI spent \$27 million more than budgeted due to additional property required along Pakuranga and Ti Rakau drives, along with out-of-scope construction work related to Panmure.

9.30 Parking and enforcement

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		(30)	(30)	(25)	(21)
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		1	-	-	-
Fees and charges	1	75	78	85	80
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		46	48	60	59
Applications of operating funding:					
Payment to staff and suppliers		41	42	51	52
Finance costs		1	1	2	1
Internal charges and overheads applied		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding	2	42	43	53	53
Surplus (deficit) of operating funding		4	5	7	6
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(1)	5	4	3
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		(1)	5	4	3
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		1	4	2	3
- to replace existing assets		2	6	9	6
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	3	3	10	11	9
Surplus (deficit) of capital funding		(4)	(5)	(7)	(6)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The decrease in fees and user charges is due to lower parking fees as a result of lower occupancy rates and lower tariffs in the city parking area compared to the LTP, and also lower tariffs and less spaces subject to increased hours of operation (6pm-10pm). The line marking initiative to standardise the number of cars which can be parked on a street has also been delayed.
- The decrease in applications of operating funding is due to the reallocation of savings and efficiency targets within Auckland Transport

Variance explanation Actual 2014 to Annual Plan 2014

3. Replacement of wardens' hand held machines delayed to coincide with introduction of new on-street units (\$5 million).
Settlement of purchase of Devon Lane (Devonport) carpark delayed to 2014/2015 (\$2.5 million).

10.31 Commercial

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		(13)	(13)	(17)	(14)
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		50	70	64	63
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding	1,3	37	57	47	49
Applications of operating funding:					
Payment to staff and suppliers		17	44	38	40
Finance costs		(2)	(2)	(2)	(1)
Internal charges and overheads applied		11	11	10	10
Other operating funding applications		-	-	-	-
Total applications of operating funding	2	26	53	46	49
Surplus (deficit) of operating funding		11	4	1	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	6	18	15
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(5)	(7)	(18)	(41)
Gross proceeds from sale of assets		-	16	16	52
Lump sum contributions		-	-	-	-
Total sources of capital funding		(5)	15	16	26
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		2	6	6	9
- to improve the level of service		3	5	5	8
- to replace existing assets		1	8	6	9
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	4	6	19	17	26
Surplus (deficit) of capital funding		(11)	(4)	(1)	-
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

1. The increase in revenue is primarily due to a rise in the number of properties under management and the outcome of rental reviews.
2. The increase in applications of operating funding is primarily driven by the additional costs to manage additional commercial rental properties and to increase in the revenue from these properties.

Variance explanation Actual 2014 to Annual Plan 2014

3. Non-renewal of a major City Parks Services contract led to reduced revenue, and costs were scaled back accordingly (\$20 million adverse fees and charges, \$23m favourable on payments to staff and suppliers).
4. Council's contributions to commercial developments are dependent on market conditions, and consenting processes.

This has affected Colonial Road (\$0.7 million), Papatoetoe town centre development project (\$2.1 million), Hobsonville marine precinct (\$2.2 million), and Ormiston town centre (\$2 million).

10.32 Investment

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		(58)	(58)	(38)	(31)
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1	220	198	188	179
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	157	35	31	29
Total operating funding	4	319	175	181	177
Applications of operating funding:					
Payment to staff and suppliers	5	114	95	99	96
Finance costs		28	29	35	36
Internal charges and overheads applied		(2)	(2)	-	-
Other operating funding applications		-	16	25	23
Total applications of operating funding	3	140	138	159	155
Surplus (deficit) of operating funding		179	37	22	22
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(149)	(13)	2	(5)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		(149)	(13)	2	(5)
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		6	4	4	-
- to improve the level of service		3	2	2	2
- to replace existing assets		21	18	18	15
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	6	30	24	24	17
Surplus (deficit) of capital funding		(179)	(37)	(22)	(22)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

- The increase in fees and charges is driven higher revenue projections for Ports of Auckland Ltd.
- The increase in other receipts is driven by the dividend policy change of Auckland International Airport Ltd from 90 per cent of profit to 100 per cent.
- The decrease in applications of operating funding is primarily due to increased efficiencies associated with the council's investments.

Variance explanation Actual 2014 to Annual Plan 2014

- Increased fees and charges and payments to staff reflect increased trading by Ports of Auckland. Council received an

higher than planned dividend of \$156 million from its associate, Auckland International Airport Ltd.

5. Higher costs incurred are due to the higher than budgeted revenue levels.
6. The \$5 million overspend in capital expenditure against growth and renewal is largely due to capital expenditure being brought forward, which includes the purchase of a new tug. This was to meet the increased operational requirements for the Ports of Auckland.

11.33 Governance and democracy services

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		26	26	26	21
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		1	1	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		27	27	26	21
Applications of operating funding:					
Payment to staff and suppliers		20	21	21	16
Finance costs		-	-	-	-
Internal charges and overheads applied		6	6	5	5
Other operating funding applications		-	-	-	-
Total applications of operating funding		26	27	26	21
Surplus (deficit) of operating funding		1	-	-	-
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(1)	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		(1)	-	-	-
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		-	-	-	-
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		-	-	-	-
Surplus (deficit) of capital funding		(1)	-	-	-
Funding balance		-	-	-	-

11.34 Local governance

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		30	30	31	29
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding		30	30	31	29
Applications of operating funding:					
Payment to staff and suppliers		21	23	25	24
Finance costs		1	1	-	-
Internal charges and overheads applied		6	6	6	6
Other operating funding applications		-	-	-	-
Total applications of operating funding		28	30	31	30
Surplus (deficit) of operating funding		2	-	-	(1)
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		-	3	2	1
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding		-	3	2	1
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		1	2	1	-
- to replace existing assets		1	1	1	-
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		2	3	2	-
Surplus (deficit) of capital funding		(2)	-	-	1
Funding balance		-	-	-	-

12.35 Organisational support

\$M	Note	Actual 2014	Annual Plan 2014	Long-term Plan 2014	Long-term Plan 2013
Sources of operating funding:					
General rates, UAGCs, rates penalties		10	10	47	43
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		11	5	25	24
Internal charges and overheads recovered		268	261	241	241
Local authorities fuel tax, fines, infringement fees and other receipts		46	30	5	4
Total operating funding	3	335	306	318	312
Applications of operating funding:					
Payment to staff and suppliers		274	266	261	255
Finance costs		19	15	10	12
Internal charges and overheads applied		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding	1,4	293	281	271	267
Surplus (deficit) of operating funding		42	25	47	45
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		92	(166)	(117)	19
Gross proceeds from sale of assets		17	27	27	26
Lump sum contributions		-	-	-	-
Total sources of capital funding	2	109	(139)	(90)	45
Application of capital funding:					
Capital expenditure:					
- to meet additional demand		1	2	2	2
- to improve the level of service		62	(181)	(107)	33
- to replace existing assets		85	60	57	51
Increase (decrease) in reserves		3	5	5	4
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2,5	151	(114)	(43)	90
Surplus (deficit) of capital funding		(42)	(25)	(47)	(45)
Funding balance		-	-	-	-

Variance explanation Annual Plan 2014 to LTP 2014

1. The increase in the application of operating funding is primarily due to the reallocation of efficiency targets which have been identified within other activities.

2. Sources and application of capital funding include a provision for carried forward capital expenditure for capital projects that are unlikely to be delivered within the forecast timeframes due to constraints on Auckland Council's overall capacity for capital delivery. These allocations are re-phased over future years and the provision has been revised to allow for the updated capital expenditure profile resulting from changes in the timing of capital expenditure and council decisions. This reflects Auckland Council's cash investment in the form of borrower notes that, as a shareholder, it is required to make into the Local Government Funding Agency. This provides the Local Government Funding Agency with its liquidity.

Variance explanation Actual 2014 to Annual Plan 2014

- 3 Higher holding of cash contributed to more interest income and return on Diversified Financial Assets exceeded budget.
4. Establishing provision for the cost of reinstating leased accommodation (\$11.7 million) .
5. Organisational support carried a group capital expenditure funding adjustment of \$226 million. Gross budgeted expenditure for this activity is \$112 million.

The higher than budgeted spend relates to acceleration of the renewals projects for corporate accommodation at 135 Albert Street and Bledisloe House, as well as new investments in customer-related technology enhancements for transport

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