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Auckland Council retains strong credit rating from Moody's and Standard & Poor's

Auckland Council has retained its strong credit ratings from international agencies Moody's Investor Service and Standard & Poor's.

Both Moody's and Standard & Poor's reaffirmed the council's credit ratings as Aa2 and AA respectively, with a stable outlook from both.

The reaffirmed ratings reflect the strength of council's debt servicing ability, acting Group Chief Financial Officer Matthew Walker says.

"Our financial strategy sets limits on the council's borrowing to maintain debt at a sustainable level," Mr Walker says. "While total group debt is projected to reach \$11.6 billion by 2025, it will still remain at a prudent level in comparison to our annual income of \$5.4 billion, by 2025."

The council considers this increase in debt to be appropriate on the basis that it is primarily driven by investment in new assets and the benefit of the expenditure is spread over time, thereby promoting inter-generational equity – costs are shared with those that benefit from the assets, he says.

ENDS

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