Media release

27 February 2017

Auckland Council shows solid financial performance in half-year results

The Auckland Council has today released the Group results for the six months ended 31 December 2016.

Group highlights include:

- Revenue of $2,777 million, ahead of the prior year by $137 million;
- Operating surplus before gains and losses of $966 million, against the 31 December 2015 surplus of $948 million;
- Total net Group debt (after cash on hand) was $7,539 million, which has increased by $56 million in the last six months; and
- Total assets amounted to $45.8 billion, an increase of $1.1 billion from June 2016.

Auckland Council Group Chief Financial Officer Sue Tindal says the six months to 31 December 2016 was a period of significant activity for the Group with the October 2016 local government elections and the ongoing focus on investment in major projects to support the growth and infrastructure challenges that Auckland faces.

“Our solid financial performance demonstrates the underlying strength in our financial management and our resolve to deliver the council’s Long-term Plan”.

“The increased growth Auckland is experiencing not only puts pressure on the infrastructure within the Auckland region but also places more demand on council services and resources.”

“Last financial year the group delivered $1.4 billion of investment, and we are continuing this focus on infrastructure with investment in the last six months of $713 million.”

As part of this infrastructure growth the council and the central government entered into a Heads of Agreement in September for the equal co-funding and delivery of the City Rail Link (CRL). The CRL reflects just one of the projects in the Auckland Transport Alignment Project (ATAP), a joint initiative between the council and the central government.

Other infrastructure investment includes $147 million on water and wastewater projects, $100 million on public transport and travel demand management, $188 million on roads and footpaths and $79 million on parks and community facilities.

“These long-term assets are funded by debt in line with our strategy to spread costs over the generations that benefit from these projects. The council continues to diversify its funding sources which in part contributed to the reaffirming of our credit ratings of AA (stable) from Standard and Poor’s and Aa2 from Moody’s Investor Services in November 2016. These continue to remain among the strongest credit ratings in New Zealand.”

For the full NZX announcement, please visit the NZX website.

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