

29 September, 2017

# **Auckland Council adopts its Group Annual Report after a year of significant investment and solid financial performance**

Auckland Council's Group 2016/2017 Annual Report for the year ended 30 June 2017 has been formally adopted by council's governing body.

Auckland Council is a complex authority which provides Aucklanders with a diverse range of services and infrastructure. The results reflect council's response to Auckland's growth through continued investment in critical infrastructure and increased service delivery across a wide range of areas.

Council continues to be focused on providing cost effective and quality service delivery while still managing our financial performance prudently.

This is reflected in the Group highlights including:

- Revenue of \$4,129 million, ahead of the prior year by \$424 million;
- Operating surplus before gains and losses of \$340 million, against a prior-year surplus of \$250 million;
- Net debt (after cash on hand) was \$7,969 million, an increase of \$486 million from the prior year however \$467 million lower than budget; and
- Total assets amounted to \$47.4 billion, an increase of \$2.7 billion from the prior year.

The 2016/2017 Annual Report reveals the impact that Auckland's growth is having on the city. Almost 900 new people per week made Auckland their home and this has resulted in the need for a large capital investment programme.

Group Chief Financial Officer Sue Tindal said that with \$1.7 billion of capital expenditure spent on infrastructure such as public transport, roads, footpaths, parks, water supply and wastewater treatment in the 2016/2017 financial year, Auckland is currently in one of its biggest investment periods in its history.

"In 2017/2018 the Group is planning to invest more than ever before in new assets for Auckland. The total capital budget of \$2.0 billion, is predominantly being spent to help cater for population growth or to improve service levels.

“A key area of the Group’s focus is investment in core infrastructure to improve the transport network and to support building of new dwellings. Transport and water network infrastructure investment, (water supply, wastewater and stormwater management), will make up \$1.3 billion or 65 percent of the capital budget.

“Aucklanders will see this investment occur across the region and in a wide range of council services.”

### **On a secure footing**

“Overall, the Annual Report shows the council remains on a secure financial footing, evidenced through retaining its AA (stable) rating from Standard and Poor’s and Aa2 from Moody’s Investor Services, reaffirmed in October 2016,” Ms Tindal said.

### **Looking forward**

Over the next nine months the Mayor will lead the 10-year budget 2018-2028 process which will be adopted in late June 2018. Mayor Phil Goff’s intent for the next 10 years is set out in the Mayoral Intent for the 10-year budget (Long Term Plan) 2018-2028 document and can be found on council’s website. ([link](#))

The 10-year budget sets out the priorities and funding for council activities that are planned over the 10 year period. It includes financial and non-financial information for the whole Auckland Council group.

For further information on the overview, service performance, local board and financial performance for the Auckland Council Group refer to the 2016/2017 Summary Annual Report and Annual Report available on council’s website. ([link](#))

For a detailed media release refer to the NZX preliminary announcement issued by council on 29 August 2017. ([link](#))

### **ENDS**

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