

29 August 2018

Auckland Council finances remain solid

Auckland Council's unaudited financial results show a solid performance for the Auckland Council group in 2017/18, alongside ongoing investment in infrastructure projects to meet rapid population growth.

The 2017/18 unaudited financial results reflect the council's focus on expenditure control as it continues to invest in critical infrastructure and increase services required by a rapidly growing city.

Financial highlights include:

- capital investment of \$1.7 billion;
- total assets amounted to \$51.5 billion, an increase of \$4.1 billion from June 2017;
- total net group debt (after cash on hand) was \$8.2 billion, which has increased by \$253 million in the last year to support the council's capital programme;
- council debt to revenue ratio remains within prudential limits; and
- operating surplus before gains and losses of \$660 million compared to \$340 million in the prior year.

Auckland Council's Acting Chair of the Finance and Performance Committee Desley Simpson says: "As Auckland undergoes record population growth, the demand for infrastructure and community services is strong. The need to balance rates affordability with demand for the council's services and resources remains challenging. Our 2017/18 financial results demonstrate our commitment to being effective stewards of our community's resources."

Auckland Council's Acting Group Chief Financial Officer Matthew Walker added: "Our solid financial performance is evidence of our focus on containment of controllable costs while continuing to invest in core infrastructure. This year the group invested \$1.7 billion in infrastructure, and we are continuing this work with the Crown and other partners to deliver another \$26 billion of capital infrastructure comprising transport, water and wastewater and community facilities over the next 10 years."

"In the 2017/2018 year we invested \$676 million on transport projects including public transport, roads and footpaths, \$309 million on water and wastewater projects, \$200 million on parks and community facilities and \$480 million on a number of other areas such as planning, regulation, regional facilities and environmental management."

"We maintained prudent debt levels to support our infrastructure delivery, and at 30 June 2018 held \$8.2 billion of net debt. Included in this debt is \$200 million of Green Bonds issued in June this year to fund electric trains. The council is the first New Zealand local government organisation to issue Green Bonds, which demonstrates our commitment to being an environmental leader."

The council's credit ratings with Standard & Poor's and Moody's are AA and Aa2 respectively, both on "stable" outlook.

The full audited Auckland Council Group Annual Report 2017/18 will be published in September.

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