Media release

28 February 2019

Encouraging financial performance in half-year results for the Auckland Council Group

The Auckland Council Group results for the six months ended 31 December 2018 have been released today. The Group achieved a positive operating result, which increased from the corresponding period for last year, mainly due to two new targeted rates and increases in vested asset revenue arising from infrastructure development.

Rates revenue increased by $80 million as a result of a general rates increase of 2.5%, the new water quality and natural environment targeted rates, as well as growth in the rating base.

Our key focus area continues to be increased infrastructure investment to respond to growth and facilitate housing availability, while managing our financial resources prudently. A challenge to our capital programme is the growing pressures in the construction and infrastructure sector around both the availability and cost of resources required to deliver this programme.

Group highlights include:

- revenue of $3,261 million, ahead of the 6 months ended 31 December 2017 by $258 million
- surplus after income tax of $1,039 million, against the 31 December 2017 surplus of $976 million

- total net debt was $8,285 million, which has increased by $63 million in the last six months
- total assets amounted to $52.4 billion, an increase of $938 million from 30 June 2018.

The significant priority areas the Group invested in during the last 6 months were public transport and roading ($268 million), water and waste water infrastructure ($160 million), and community services assets ($128 million).

“This performance demonstrates the underlying strength in our financial management and our continued focus on delivering the Group’s ten-year budget” says Group Chief Financial Officer Matthew Walker.

“Our challenge has, and will always be, to balance the costs of delivering and maintaining services against the infrastructure investment demands of a growing city. We believe our continued commitment to providing cost effective services, as well as our prudent approach to the management of debt, is reflected in these results.”

The Group’s credit ratings of AA from Standard and Poor’s and Aa2 from Moody’s were reaffirmed in September and October 2018 respectively. Both ratings are on stable outlook.

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

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