

27 August 2021

## **Auckland Council Group’s positive results pave the way for recovery**

“Our unaudited results reflect our prudent approach to managing finances through the drought and the COVID-19 pandemic. This was a tough year for all organisations in Auckland, including ours, but our focus on cost containment and improving operating efficiencies put us in a strong position to navigate our recovery phase,” says Cr Desley Simpson, Chairperson of Auckland Council’s Finance and Performance Committee.

The group continued its large capital investment, with a spend of \$2.5 billion, despite COVID-19 lockdowns and supply chain challenges. Key highlights included:

- \$1,124 million investment in transport infrastructure which included key expenditure of \$395 million on the city rail link, \$162 million on renewals of roads and footpaths, \$136 million on the development of the rapid transit network, \$69 million on the city centre and waterfront projects to support the America’s Cup and \$53 million to improve the safety of our roads.
- \$881 million investment in water infrastructure, comprising \$408 million on water supply, \$356million on wastewater and \$117 million on stormwater.

Total revenue increased by \$147 million to \$5.3 billion compared to the previous year. While this is a positive result, it is short of what we expected pre-COVID-19. Increased demand for property positively impacted all revenue types that are related to development, including infrastructure growth charges, development contributions and regulatory revenue. This was partly offset by low public transport patronage and decreased revenue from events, shows and festivals which were severely impacted by COVID-19.

Total expenses of \$4.4 billion were \$29 million lower than the previous year, driven by a strong focus on cost containment. The overall operating surplus before gains and losses for the year was \$928 million.

The group's total asset base increased to \$60.8 billion. Despite the group's significant capital investment, net borrowings increased by a moderate \$474 million to \$10.4 billion. This resulted in a debt to revenue ratio of 258% which is within the group's 290% policy limit.

“COVID-19 is far from over. The emergence of new variants, recent lockdown, continued travel restrictions and skill shortages mean we must stay vigilant to risks and maintain our ability to adapt. Despite the difficulties faced this year, we maintained a measured approach to managing our finances. This is reflected in our credit ratings with S&P Global Ratings and Moody's Investor Services which are AA and Aa2 respectively, both with a “stable” outlook.” says Group Chief Financial Officer Peter Gudsell.

The full audited Auckland Council Group Annual Report 2020/2021 will be published at the end of September and will be available on the [Auckland Council website](#).

Ends

**For further information please contact:**

Isabelle Walker

Senior Specialist, Corporate Communications and Media

Mobile: +64 27 316 3498

[Isabelle.walker1@aucklandcouncil.govt.nz](mailto:Isabelle.walker1@aucklandcouncil.govt.nz)