

# Mayoral Proposal Budget Scenario

The proposed budget scenario set out on the following pages is based on the Partially Funded Scenario in the staff report, aside from funding some of the additional public transport costs from savings, covering Auckland Council pressures for the first three years only and some modest operating expenditure inclusions. It reflects the following key parameters:

## Revenue reductions

- Estimated reductions of \$520 million over the next three years compared to pre-Covid projections
- Combined with latest projections of a \$240 million revenue reduction for 2020/2021, a total estimated revenue reduction of \$760 million over four years.

## Funding levers:

- A one-off 5% increase in average general rates for 2021/2022 before reverting to 3.5% each year
- Higher debt-to-revenue in the short-term, before returning to below 270% over the medium term
- Extending the timeframe for fully funding depreciation by three years to 2027/2028
- \$90 million of ongoing cost savings
- \$70 million per annum asset recycling target over the next 3 years, with additional targets in subsequent years to reflect timing changes for asset recycling opportunities not realised in 2020/2021.

## Capital investment:

- Total capital investment of \$31.8 billion over the next 10 years
- Additional budget of \$182 million for Auckland Unlimited for venue renewals
- Additional \$383 million of transport investment with matching additional Waka Kotahi subsidies
- \$200 million of capital programme reprofiling, primarily from years 4-6 to years 7-10, including:
  - Parks & Community - \$86 million of some programme budgets rephased from years 4-6
  - Auckland Unlimited - \$28 million rephased from years 4 and 5
  - Panuku - \$25 million of rephasing from years 4 and 5
  - Healthy Waters – \$25 million of rephasing from years 4-6
  - Council support – \$33 million of rephasing from years 4-6.

## Operating expenditure:

- Total direct expenditure of \$37 billion over the next 10 years
- Additional funding of \$50 million for new public transport services over ten years. Combined with \$50 million of savings from Auckland Transport and \$100 million of additional Waka Kotahi subsidies, this enables \$200 million of new services to be delivered (net of fare revenue)
- Additional funding of \$6 million in 2022/2023 and \$11 million in 2023/2024 to cover Auckland Council operating cost pressures, including those resulting from legislative change
- Additional \$200,000 per annum for the next three years to provide a baseline grant of \$2.067 million to Citizens Advice Bureau
- Additional \$204,000 per annum for Mangere Mountain Education Centre for the next three years
- Additional \$100,000 per annum to continue operation funding for the Hibiscus Coast Youth Centre for the next three years.

## Auckland Council Group - Mayoral Proposal scenario

\$ million & inflated	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	10-year total
<b>Capital investment</b>	<b>2,871</b>	<b>2,943</b>	<b>2,977</b>	<b>2,937</b>	<b>3,143</b>	<b>3,437</b>	<b>3,341</b>	<b>3,363</b>	<b>3,315</b>	<b>3,484</b>	<b>31,812</b>
Auckland Transport	820	994	1,186	1,093	1,133	1,260	1,259	1,217	1,225	1,186	11,373
City Rail Link	490	456	244	82	-	-	-	-	-	-	1,272
Watercare	746	715	773	930	1,160	1,245	1,058	1,077	921	1,028	9,653
Panuku	91	90	98	83	79	74	72	71	61	60	778
Auckland Unlimited including AFS	93	47	51	52	55	53	51	51	49	52	554
Ports of Auckland	67	70	85	84	60	89	95	72	70	50	741
<b>Auckland Council</b>	<b>565</b>	<b>572</b>	<b>540</b>	<b>613</b>	<b>656</b>	<b>717</b>	<b>806</b>	<b>877</b>	<b>989</b>	<b>1,108</b>	<b>7,442</b>
Customer & Community	253	271	274	339	400	453	527	582	683	780	4,564
Infrastructure & environmental	233	219	213	203	184	178	192	196	204	219	2,041
Auckland council others	79	82	53	70	72	85	87	98	101	109	838
<b>Capital subsidies:</b>	<b>474</b>	<b>529</b>	<b>649</b>	<b>622</b>	<b>634</b>	<b>668</b>	<b>650</b>	<b>604</b>	<b>607</b>	<b>587</b>	<b>6,025</b>
Auckland Transport	416	512	640	619	632	665	646	601	606	587	5,923
Auckland Unlimited including AFS	30	-	-	-	-	-	-	-	-	-	30
<b>Auckland Council</b>	<b>28</b>	<b>17</b>	<b>10</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>73</b>
Customer & Community	17	12	4	-	-	-	-	-	-	-	33
Infrastructure & environmental	11	5	6	3	2	3	4	3	1	-	40



## Auckland Council Group - Mayoral Proposal scenario

\$ million & inflated	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	10-year total
<b>Direct revenue*</b>	<b>2,258</b>	<b>2,434</b>	<b>2,612</b>	<b>2,732</b>	<b>2,916</b>	<b>3,083</b>	<b>3,263</b>	<b>3,446</b>	<b>3,548</b>	<b>3,675</b>	<b>29,969</b>
Auckland Transport	705	766	809	834	887	915	941	967	994	1022	8,840
Watercare	767	836	936	1005	1107	1217	1348	1470	1526	1594	11,806
Panuku	59	58	56	57	57	62	60	66	65	67	608
Auckland Unlimited including AFS	93	105	110	110	114	117	120	123	119	122	1,133
Ports of Auckland	260	287	302	315	334	347	361	375	389	405	3,375
Auckland Council	373	382	398	411	417	425	434	446	455	466	4,207
Customer & Community	107	106	108	109	110	113	115	118	122	126	1,134
Infrastructure & environmental	35	39	43	50	49	51	52	54	55	57	485
Regulatory services	211	214	226	230	234	239	244	249	254	259	2,358
Auckland council others	21	23	22	22	24	23	23	25	24	25	231
<b>Direct expenditure*</b>	<b>3,224</b>	<b>3,315</b>	<b>3,431</b>	<b>3,566</b>	<b>3,705</b>	<b>3,804</b>	<b>3,912</b>	<b>4,058</b>	<b>4,175</b>	<b>4,307</b>	<b>37,497</b>
Auckland Transport	1049	1094	1141	1190	1244	1283	1317	1351	1387	1423	12,479
Watercare	311	313	326	341	353	362	376	392	408	425	3,607
Panuku	77	78	79	80	81	81	82	83	84	85	809
Auckland Unlimited including AFS	199	214	213	212	216	221	226	231	231	235	2,199
Ports of Auckland	161	166	172	178	190	196	201	207	213	218	1,901
Auckland Council	1427	1449	1500	1566	1621	1661	1710	1794	1854	1920	16,503
Customer & Community	570	572	591	608	624	645	666	686	711	733	6,404
Infrastructure & environmental	261	279	296	286	297	302	313	326	336	350	3,045
Regulatory services	180	184	196	199	202	207	211	215	219	224	2,037
Auckland council others	416	415	418	474	499	507	520	567	588	613	5,017

\*Note: Inter-entity eliminations are not shown on this page

\*Direct revenue and expenditure relates to activity from day-to-day operations and excludes accounting and finance factors such as depreciation, interest, vested assets and rates income.