



29 November 2022

Official information request 8140010969  
(Please quote this in any correspondence)

By email: [REDACTED]@taxpayers.org.nz

Tēnā koe [REDACTED]

**Local Government Official Information and Meetings Act 1987**

**Re: Eke Panuku - Revenue and Expenditure**

Thank you for your email dated 21 October 2022, in which you requested information about Eke Panuku's revenue and expenditure. The specific details of your request and our response are below.

*I refer to a blog post by Eke Panuku of 17 October 2022 titled '[Eke Panuku - revenue and expenditure](#)'. The blog post states that: "...Eke Panuku will bring in at least \$153.2m and spend \$150.3m this year."*

*The blog post further states that Eke Panuku's operational budget is funded by Auckland Council "either from the net contribution from the properties we manage, or from rate payers as detailed above."*

**Please disclose the following information under the Local Government Official Information & Meetings Act:**

- 1. Does the estimated total \$150.3m expenditure by Eke Panuku include the "operational budget for the operational costs of urban regeneration"; if not, why not?**

Yes.

- 2. Please confirm the total operational budget for the operational costs of urban regeneration.**

\$24.1m for the 2022/23 financial year.

- 3. Please disclose the total amount Eke Panuku made, and the total amount Eke Panuku spent in the financial years ended 30 June 2021 and 30 June 2022, including operational costs of urban regeneration.**

	Actual FY21 \$m	Actual FY22 \$m	Budget FY23 \$m
<u>Inflows</u>			
Selling surplus Council property	108.7	100.9	91.7
Portfolio operating revenue	74.5	68.7	61.6
<b>Total</b>	<b>183.1</b>	<b>169.6</b>	<b>153.3</b>
<u>Outflows</u>			
Capital expenditure (including renewals)	77.5	44.2	80.0
Rates paid to Auckland Council	7.5	7.8	8.0
Maintenance	8.9	7.5	7.3
Occupancy and utilities	5.7	7.7	7.1
Managing assets	15.2	15.1	19.4
Managing consultation, negotiation and sales process to sell Council property	3.6	4.1	4.5
Leading regeneration	14.9	20.0	24.1
<b>Total</b>	<b>133.3</b>	<b>106.4</b>	<b>150.3</b>
<b>Net inflows</b>	<b>49.8</b>	<b>63.2</b>	<b>3.0</b>

- 4. Please disclose the "net contribution from properties" Eke Panuku managed for the financial years 2020/21 and 2021/22. Include a definition of "net contribution".**

Please see our response to question 6

- 5. In your response of 2 September 2022, you disclosed that Eke Panuku received \$18.3m of Council funding in 2021/22 and \$15.7m of Council funding in 2020/21. Please confirm how much of this funding, in each year, came from the "net contribution" and how much came from rates. I note that the blog post did not provide any information about how Eke Panuku is funded by ratepayers, and I seek a detailed explanation.**

Please see our response to question 6

- 6. For the 2022/23 financial year, please confirm the amount of Council funding that has been received and disclose how much of this funding is from rates. I have assumed that this funding is to cover the operational costs of urban regeneration as discussed above. If this is not the case, please clarify.**

Eke Panuku has a complex set of financial arrangements with Auckland Council and Auckland Transport. In summary, Eke Panuku provides the staff who manage non-service property owned by Auckland Council and Auckland Transport, and undertake urban regeneration on behalf of Auckland Council.

The Eke Panuku Ltd total expenditure budget for 2022/23 is \$41.4m. This covers the cost of staff to provide the service to the Auckland Council group and the corporate costs such as governance and office costs. With the exception of a small income for a part of Viaduct Marina (<\$2m), all the costs of operating Eke Panuku are paid from funds provided by Auckland Council. Auckland Council for its accounting purposes splits the way it funds Eke Panuku into two streams, recharges, and funding. These terms reflect the accounting treatment for the way Eke Panuku costs are met.

Recharges reflect the process of recharging for actual staff costs to budgets within Auckland Council that are managed by Eke Panuku for:

- Capital projects for urban regeneration and renewals.
- Operating budgets for planning, engagement, communications, and placemaking for urban regeneration.
- Marina operations within Auckland Council budgets.
- City Centre regeneration projects funded by the targeted rate within Auckland Council.

The total for these recharges budget in 2022/23 is \$15.3m.

Funding from the Council covers all the remaining costs of running Eke Panuku Ltd including the staff costs associated with managing the property portfolio for Auckland Council and Auckland Transport, staff costs for Urban Regeneration (not recovered under recharges), and governance and corporate costs. The total for these funding budgets in 2022/23 is \$24.1m.

In addition to managing itself as an entity, Eke Panuku manages portfolio (property and marinas) income and expenditure budgets within Auckland Council and within Auckland Transport, and Urban Regeneration budgets within Auckland Council. The managed budgets include both opex and capex budgets within Auckland Council, but just opex budgets within AT.

Budgets managed or controlled within Auckland Council are reported and retained within Auckland Council, and the same for the AT budgets. Auckland Council separates out the budgets managed on its behalf by Eke Panuku and these budgets can be found in Eke Panuku's Statement of Intent.

In the table given in response to question 3, we have shown the total inflows and outflows generated by Eke Panuku, regardless of whether they are shown in the financial statements of Eke Panuku, Auckland Council, or Auckland Transport as it is not correct to look at them in isolation. The funding and recharges are not in addition to the table – what they are spent on is represented in the table in the outflow lines.

The staff costs and costs to operate Eke Panuku have been apportioned to the managing assets line and the leading regeneration lines in the table given in response to question 3. However, these lines include other direct costs for these two activities.

Auckland Council receives income from many different sources, rates are just one source It does not tag its expenditure to the different sources of income, so it is not possible to say how much is funded by rates, versus how much is funded by net revenue generated from property management.

If we were to take out capital revenue (selling property) and capital expenditure from the 2022/23 column table in question 3, there would be a net deficit of \$8.7m. We note that this is after deducting \$8m of rates paid by Eke Panuku managed activities to Auckland Council and \$3.3m for maintenance of public spaces at the waterfront, which would have to be managed by another part of Auckland Council if it wasn't operated by Eke Panuku.

For the 2022/23 financial year, the total spend of \$150.3m includes \$41.4m for the staff costs and costs to operate Eke Panuku, \$8.0m paid to Auckland Council for rates, and \$100.9m for the direct capital and operating costs for property management and urban regeneration.

The decision by Eke Panuku to release the information contained in this response was made by **the Chief Executive of Eke Panuku**.

You have the right to complain to the Ombudsman if you believe we have not responded appropriately to your request. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

If you have any further queries, please contact me on 09 301 0101 quoting official information request number 8140010969.

Ngā mihi

A handwritten signature in black ink, consisting of a stylized 'A' and 'P' with a horizontal line through them, ending in a small dot.

Amanda Pillay  
Privacy and Official Information Business Partner  
**Governance Services**