

Results for announcement to the market		
Name of issuer	Auckland Council	
Reporting Period	6 months to 31 December 2025	
Previous Reporting Period	6 months to 31 December 2024	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$5,543,645 <sup>1</sup>	2%
Total revenue	\$5,543,645 <sup>1</sup>	2%
Net profit/(loss) from continuing operations	\$3,002,481 <sup>2</sup>	79% <sup>3</sup>
Total net profit/(loss)	\$3,002,481 <sup>2</sup>	79% <sup>3</sup>

<p>A brief explanation of any of the figures above necessary to enable the figures to be understood</p>	<h2>Results overview</h2> <p>Auckland Council Group continues to deliver on the priorities set out in the Long-term Plan 2024–2034 (LTP), with a clear focus on strengthening Auckland’s physical and financial resilience. During the six months to 31 December 2025, we stayed on track with investment levels and priorities planned for in the second year of the LTP. We are progressing well with our increased infrastructure investment, transport improvements and enhanced community activities and services.</p> <p>These results include Watercare Services Limited (Watercare), even though Watercare became financially separate for borrowing and credit rating purposes on 1 July 2025.</p> <p><b>Investing where it matters most</b></p> <p>During the six months, we invested heavily in assets like roads, pipes and transport infrastructure to improve services to Aucklanders. We also made visible progress on climate-related rebuilds and storm recovery. Our Recovery Office is steadily helping residents leave high-risk homes, with Risk Category 3</p>
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<sup>1</sup> Revenue from continuing operations and total revenue refer to Total revenue excluding other gains in our financial statements

<sup>2</sup> Net profit/(loss) from continuing operations and net profit/(loss) above are shown after tax, and before other comprehensive revenue/(expenditure). In our financial statements these are referred to as surplus/(deficit), rather than profit/(loss), as required by the Public Benefit Entity Accounting Standards.

<sup>3</sup> The large increase in net profit is mainly due to a one-off tax credit. Recent law changes mean that Watercare no longer pays tax, so its deferred tax liability at 30 June 2025 was written back, increasing this year’s result.

	<p>buy-outs on track for completion in April–May 2026 and Risk Category 2P grants nearly halfway complete and due to finish by December 2026. These investments support increased demand on infrastructure and services due to population growth and make the region more resilient to increasingly frequent and severe weather events. They also provide assets we need to deliver activities and services communities rely on.</p> <p><i>Transport and roading</i></p> <ul style="list-style-type: none"> <li>• We invested \$654 million in developing a more dependable, efficient and safe transport and roading system. In partnership with central government, we advanced the City Rail Link, which is now in its final commissioning and testing phase.</li> </ul> <p><i>Water services</i></p> <ul style="list-style-type: none"> <li>• We invested \$564 million in providing safe, reliable and resilient water and wastewater services.</li> </ul> <p><i>Community facilities</i></p> <ul style="list-style-type: none"> <li>• We invested \$549 million in buying, building and restoring local community assets.</li> </ul> <p>In total, \$1.8 billion was invested into assets and infrastructure during the first six months. This is around \$156 million lower than the same period last year, mainly due to fewer Risk Category 3 property buy-outs<sup>4</sup> as that programme nears completion.</p> <p>During the period, the Auckland Future Fund Board appointed Vontobel as its global investment manager to oversee \$1.3 billion of funds on Auckland Council’s behalf. Investment activity has now begun, and implementation is progressing as planned. Over time, these investments will help pay for council services and infrastructure, so the council won’t need to rely as much on rates.</p> <p><b>Debt</b></p> <p>We use both debt and revenue to fund long-term investment. Debt spreads the cost of assets over the generations that will use them.</p> <ul style="list-style-type: none"> <li>• Net debt increased by \$883 million to \$15 billion over the six months, mainly to fund the new capital investment.       <ul style="list-style-type: none"> <li>○ The book value of our foreign-currency debt rose by \$331 million due to exchange rate movements, but this debt is hedged with the associated exposure managed</li> </ul> </li> </ul>
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<sup>4</sup> Funding is provided for the purchase of properties as a result of severe weather events. The properties are assessed by Auckland Council to represent an intolerable risk to life with land instability or flooding and for which there are no feasible mitigation solutions. Residential properties assessed as Risk Category 3 are eligible to be purchased.

	<p>in line with our policy, so this increase does not require additional revenue funding.</p> <ul style="list-style-type: none"> <li>○ Our debt-to-revenue ratio is tracking as planned in the LTP, and it stays well within the limits needed to protect our credit rating. We retained our strong credit ratings of AA (S&amp;P Global) and Aa2 (Moody’s Investor Services), both with stable outlooks.</li> </ul> <p>From 1 July 2025, Watercare became financially independent under the central government’s Local Water Done Well programme. It now has its own Aa3 credit rating from Moody’s Investor Services and has started borrowing money directly, so it can invest in more water infrastructure. Watercare will repay its existing debt raised through Auckland Council over the next few years.</p> <p><b>Revenue</b></p> <p>Revenue<sup>5</sup> was \$5.5 billion, an increase of \$103 million compared with the six months to 31 December 2024.</p> <ul style="list-style-type: none"> <li>• The largest increase was in rates revenue, which rose by \$247 million to \$3 billion. This reflects the 5.8 per cent annual rates increase for an average-value home in 2025/2026, which was necessary because the council faced higher-than-expected cost pressures including inflation, rising interest costs, increased funding for local board services and the growing demand for services from a larger population. Although our long-term target is to limit annual rates increases to 3.5 per cent, the additional funding was needed to maintain service levels, supports increased asset maintenance, strengthen climate and environmental programs, contribute to storm recovery and ensure Auckland’s overall resilience.</li> <li>• Fees and user charges increased by \$48 million to \$948 million, driven by strong performance in water services, port operations, and consenting activity.</li> <li>• These increases were partly offset by lower vested asset revenue, as the comparative period’s result included a one-off \$230 million receipt from NZ Transport Agency Waka Kotahi for the former State Highway 1 (Puhoi to Warkworth) assets.</li> </ul> <p><b>Operating costs and surplus</b></p> <ul style="list-style-type: none"> <li>• Operating costs were \$3.5 billion, broadly in line with the same period last year.</li> </ul>
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<sup>5</sup> Under PBE IPSAS 23, the timing of recognising rates revenue is at the date of issuing the rating notices for the annual general rate charge resulting in the entire rates revenue being recognised in the interim financial statements.

	<ul style="list-style-type: none"> <li>○ Depreciation and amortisation<sup>6</sup> increased \$201 million as new infrastructure and other assets came into service.</li> <li>○ Inflation continued to place pressure on wages, materials, utilities and long-term contracts.</li> <li>○ The prior period’s results included a one-off \$400 million provision for Category 3 property buy-outs<sup>7</sup>, which did not recur this year.</li> <li>● Recent legislative changes mean Watercare is now tax-exempt. As a result, we made a one-off accounting adjustment to reverse its previously recognised deferred tax liability. These are large non-cash entries and do not affect water rates or the services Aucklanders receive. They show up as a \$1 billion tax credit in our surplus or deficit and a \$2 billion credit in other comprehensive income.</li> <li>● Overall, the surplus after tax increased to \$3 billion, compared to \$1.7 billion in the prior period, reflecting a combination of better operating performance and one-off accounting adjustments during the year.</li> </ul>
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**Authority for this announcement**

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Date of release through MAP	27/02/2026

Unaudited financial statements accompany this announcement.

<sup>6</sup> Depreciation is a non-cash expense that represents the cost of replacement and renewal of assets over time. When applied to intangible assets, such as information technology programs, it is known as amortisation.

<sup>7</sup> The provision for Risk Category 3 property buy-outs is based on our current best estimate of the cost to settle our obligations to property owners. This estimate is informed by management’s judgement and advice from independent actuaries.