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Financial Results for the Month Ended 31 July 2015

This report summarises the Auckland Transport draft financial results for the month ended 31 July 2015.

Recommendation

That the Board:

- i. Receives the report.

Overview

Expenditure results for the first month of the year are within 0.5% of budget and are unexceptional.

Revenue to date confirms a known risk to the Transport Agency co-investment for both capital and operating. Budgets are achievable for the year but will require all programmed work to be delivered.

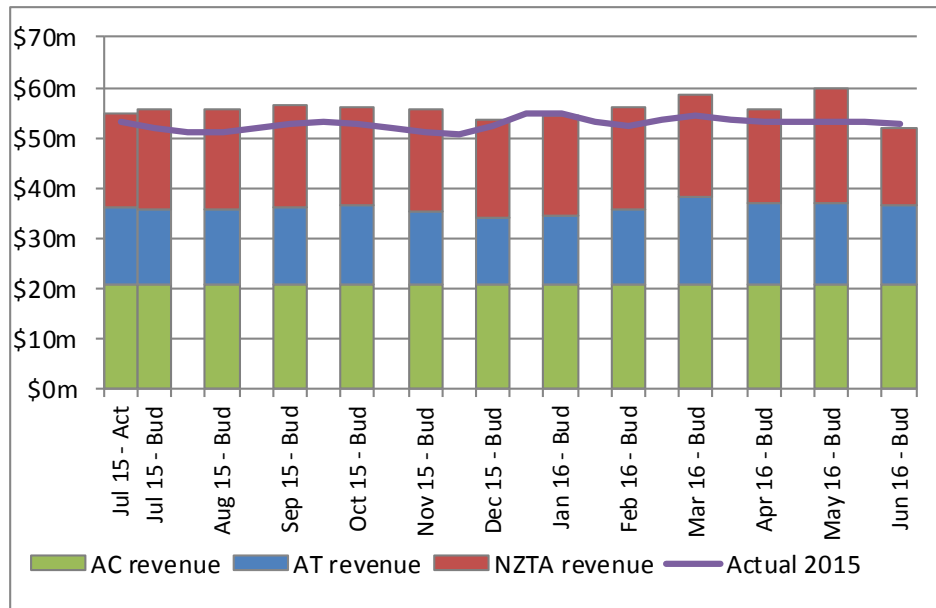
Other revenue relating to Parking and AT Metro are based on Statement of Intent targets. Early indications are for continued strong patronage growth and for high levels of parking occupancy.

There has been a slow start to the capital programme, however, the full year programme will be achieved.

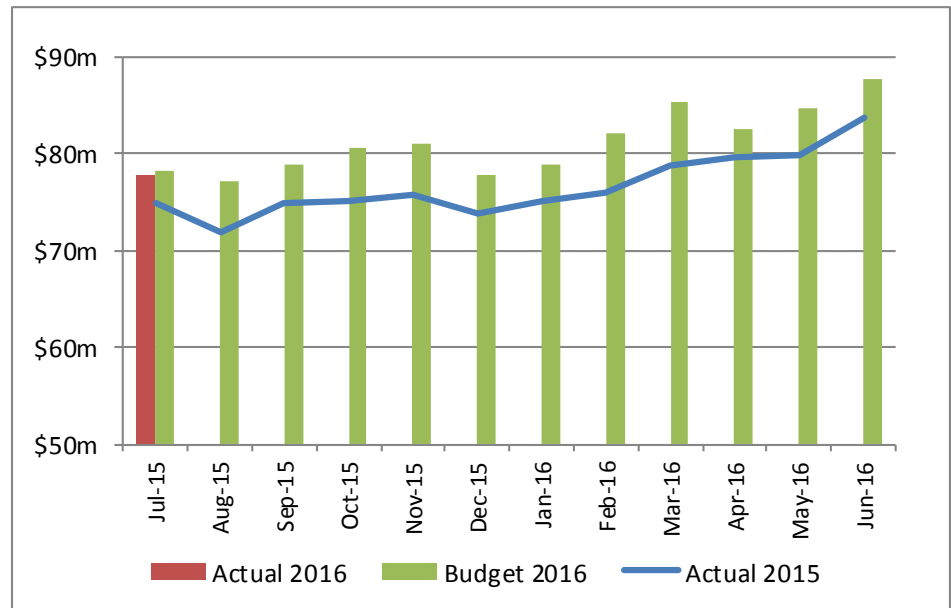
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Summary of Financial Results

Operating revenue



Operating expenditure (excl. disposals and derivatives)



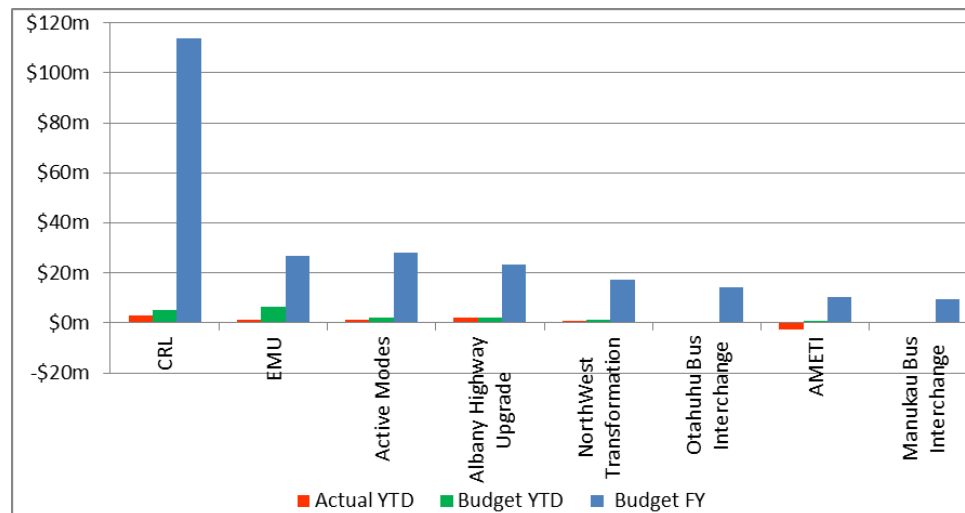
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Capital Expenditure

Major new capital (58% of total NEW capital budget)

	Year to date			Full year
	Actual	Budget	Variance	Budget
	\$000	\$000	\$000	\$000
CRL	3,074	5,294	2,220	113,808
EMU	1,152	6,272	5,120	26,798
Active Modes	1,227	1,973	746	28,215
Albany Highway Upgrade	2,262	1,957	(305)	23,495
NorthWest Transformation	947	1,072	125	17,146
Otahuhu Bus Interchange	551	295	(256)	14,353
AMETI	(2,815)	855	3,670	10,260
Manukau Bus Interchange	98	126	28	9,542
	6,496	17,844	11,348	243,617

- **CRL** overall underspent by \$2.2 million. Investigation and design works tracking behind plan.
- **EMU** is behind budget by \$5.1 million. Provisional acceptance for three electric trains planned for July, now happening in September. These are the last units to arrive.
- **AMETI** is behind budget by \$3.7 million mainly due to reduction to the original claim made by Fletchers.



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Special Topic: Vested Assets

Vested assets are assets transferred from developers to meet their obligations under the building / resource consent issued for subdivisions. Other sources include NZ Transport Agency, for assets no long classified as state highways. They consist of land under roads, and all infrastructure within that roading corridor, including:

- Road Land
- Street lighting
- Drainage associated with the road
- Bus Shelters
- Traffic signals, signs, road markings, Speed Humps & Traffic Islands & Bollards
- Footpaths and cycle ways
- Road Bridges
- Street Gardens and Trees
- Retaining Walls, Railings & fences

Value vested to Auckland Transport	Ex Developers	Ex NZTA	Others	Total
2014-2015	162,482,524		443,536	162,926,060
2013-2014	94,852,391	122,732	211,305	95,186,428
2012-2013	45,821,991	385,092,224		430,914,215
	<u>303,156,906</u>	<u>385,214,956</u>	<u>654,841</u>	<u>689,026,703</u>

The value of vested depends on the development of subdivisions within the region. This is expected to increase in the foreseeable future. A budget has therefore been included in the LTP from 2015-2016 onwards for \$140 million (\$100 million land and \$40 million for associated assets).

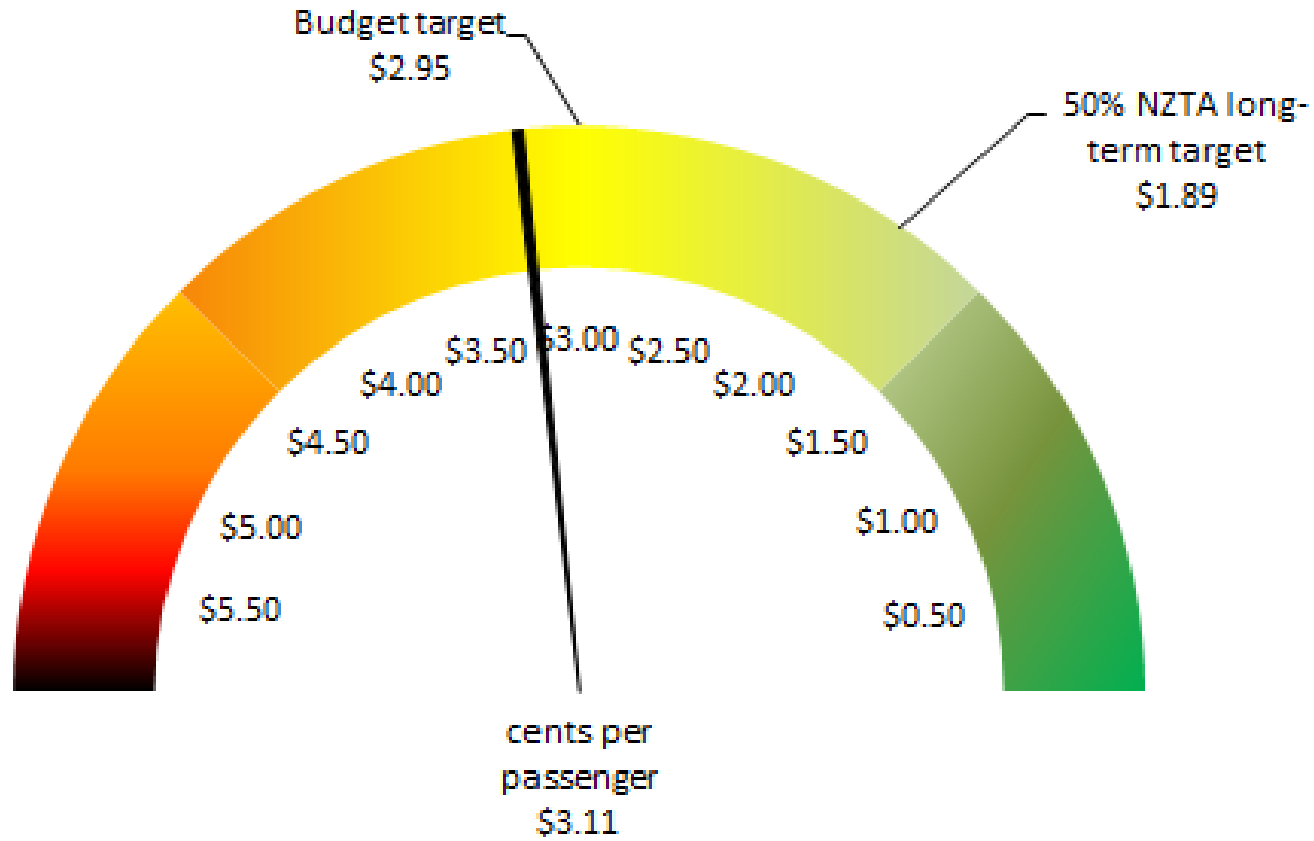
No additional operating funding for maintaining these additional assets has been included in the current or previous LTP.

Vested Assets 2014-2015

Vested Land	123,651,756
Road - Formation	9,598,318
Roading Base, Surface, Footpaths and Drainage	21,261,863
Street lighting, Traffic Control and other associated assets	<u>7,970,587</u>
	<u>162,482,524</u>

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Operational funding requirement per passenger for the month of July 2015



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NZ Transport Agency

	Year to date		
	Actual \$000	Budget \$000	Variance \$000
New capital	4,535	5,105	(570)
Renewal capital	3,304	3,466	(162)
Total NZ Transport Agency capital co-investment	7,839	8,571	(732)
Operating funding	18,955	20,234	(1,279)

- **New capital variance** is due to projects that were planned but had no cost in July:
 - Integrated Fares \$227,000
 - AMETI Panmure Roundabout Investigation \$209,000
 - Various Bus Infrastructure Projects \$102,000
- **Renewal** work in Cornwallis Road in West Auckland was planned but did not start this month. This contributed \$158,000 to the variance shortfall.
- **Operating funding** variance main reasons are:
 - Transdev Rail contract co-investment was \$675,000 less than planned. This is being investigated.
 - Less than budgeted Roding co-investment of \$612,000 due to change in funding assumptions, which is being investigated.

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