

Long Term Plan

Glossary

| | |
|--------------------|-------|
| Auckland Council | (AC) |
| Auckland Transport | (AT) |
| Long Term Plan | (LTP) |

Executive Summary

This summary paper is designed to set the background to the LTP meeting scheduled to be held following this month's board meeting.

The meeting will discuss the main issues identified in the opex forecasts and the proposed revised capex programme

Recommendations

It is recommended that the Board:

- i). Receive the report

Strategic Context

As a Council Controlled Organisation AT is tasked with delivering a number of agreed activities on behalf of AC. AT is required to provide financial forecasts for the delivery of these activities as part of the development of AC's LTP.

In developing the LTP AC has developed opex and capex funding envelopes for funding of the activities AT provides.

Background

AC's draft LTP has been out for public consultation and AC is currently working through the public submissions and formal hearings as part of the consultation process.

In parallel with this process AT has been asked to review and update the LTP forecasts for its activities based on more up to date information, assumptions and factoring in any potential new political initiatives.

Opex

The main issues identified in the LTP opex forecast are;

- a transfer from AC of new services to AT (berm mowing and street cleaning central area) with no corresponding budget being transferred (\$17M)
- NZTA funding estimates now being below AC's assumptions when they developed their funding envelopes for AT (\$16M)
- AT wanting to include some new initiatives of its own (\$8M).

A key focus of the LTP meeting will be to provide more background on the issues and to walk the board through managements' recommended solutions.

Capex

The core capex programme of \$500M per annum in the draft LTP is being updated to reflect

- 2011/12 planned expenditures not expected to be completed this year
- \$26M per annum of new projects requested by AC (Local board budget, seal extensions, walking and cycling)
- Some potential new projects being requested by AT
- Revised assumptions on timing and cost of some projects

The LTP meeting will update the board on the proposed updated capex programme and any associated risks or issues identified by management as a result of the update

| | | |
|-----------------------------------|---|--|
| WRITTEN BY | Grant Smith Acting Business Support Manager | |
| RECOMMENDED by | David Foster Chief Financial Officer |  |
| APPROVED FOR SUBMISSION by | David Warburton Chief Executive |  |