



Date: Thursday, 16 June 2016
Time: 9.38am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Finance and Performance Committee

OPEN MINUTE ITEM ATTACHMENTS

ITEM	TABLE OF CONTENTS	PAGE
6.2	Peter Haynes and Glenda Fryer - Albert-Eden Local Board - Wiremu Street, Balmoral	
A.	16 June 2016, Finance and Performance Committee, Item 6.2, Local Board Input - Peter Haynes and Glenda Fryer - Albert-Eden Local Board - Wiremu Street, Balmoral - Recommendations from 4 May 2016 meeting	3
13	Auckland Council Group third quarter financial results to 31 March 2016	
A.	16 June 2016 - Finance and Performance Committee - Item 13, Auckland Council Group third quarter financial results to 31 March 2016 - PowerPoint Presentation	5

Recommendation made at the 4 May 2016 Albert-Eden Local Board meeting

13 Divestment recommendation - 2 Wiremu Street, Balmoral

Resolution number AE/2016/71

MOVED by Deputy Chairperson GJ Fryer, seconded by Member H Arlington:

That the Albert-Eden Local Board:

- A. Considers that there has not been adequate assessment of community facility needs, in particular buildings for lease, within the Albert-Eden Local Board area.
- B. Notes that the Community Facilities Network Plan does not address the provision of leased accommodation and requests that the Community and Social Policy Unit undertakes this work as part of its 2016/2017 work programme.
- C. Notes that in response to advertisement of its two most recent buildings for lease the Board has received over 26 worthy expressions of interest, which has resulted in 24 community groups without a home.
- D. Notes that the Board's policy for community leases is to require community groups to share, and it has pursued this concerted, and the Board has decreased the lease terms to a 3 year term with one right of renewal with the express intention of getting more groups to share the leased facilities we have.
- E. Notes that in spite of this demonstrated need for more leased accommodation in Albert-Eden, the Community Places Team did not pursue an expression of interest with Panuku Development Auckland for the retention of 2 Wiremu Street, Balmoral.
- F. Opposes Panuku Development Auckland's recommendation to the Finance and Performance Committee to dispose of 2 Wiremu Street, Balmoral being of an estate in fee simple comprising approximately 726m² more or less being part Lot 39-40 Deposited Plan 4347 contained in certificate of title NA207/106.
- G. Recommends that the Finance and Performance Committee transfer 2 Wiremu Street, Balmoral from a non-service to a service property, as expeditiously as possible, which will enable the Board to partly address the concerns noted above.

Finance and Performance Committee

Auckland Council Group 9 months
financial results to 31 March 2016

16 June 2016



3rd quarter financial report

- Covers the 9-month period from 1 July 2015 to 31 March 2016
- Auckland Council parent performance result was presented on 19 May 2016
- Individual CCOs presented their results to the CCO Governance and Monitoring Committee on 7 June 2016
- Consolidated Group result



Information about the preparation of the result

- The actual result is compared with the original phased Long-term Plan
- We now recognise rates revenue at the time of the issuance of ratings notices. This results in a large operating surplus reported during the year



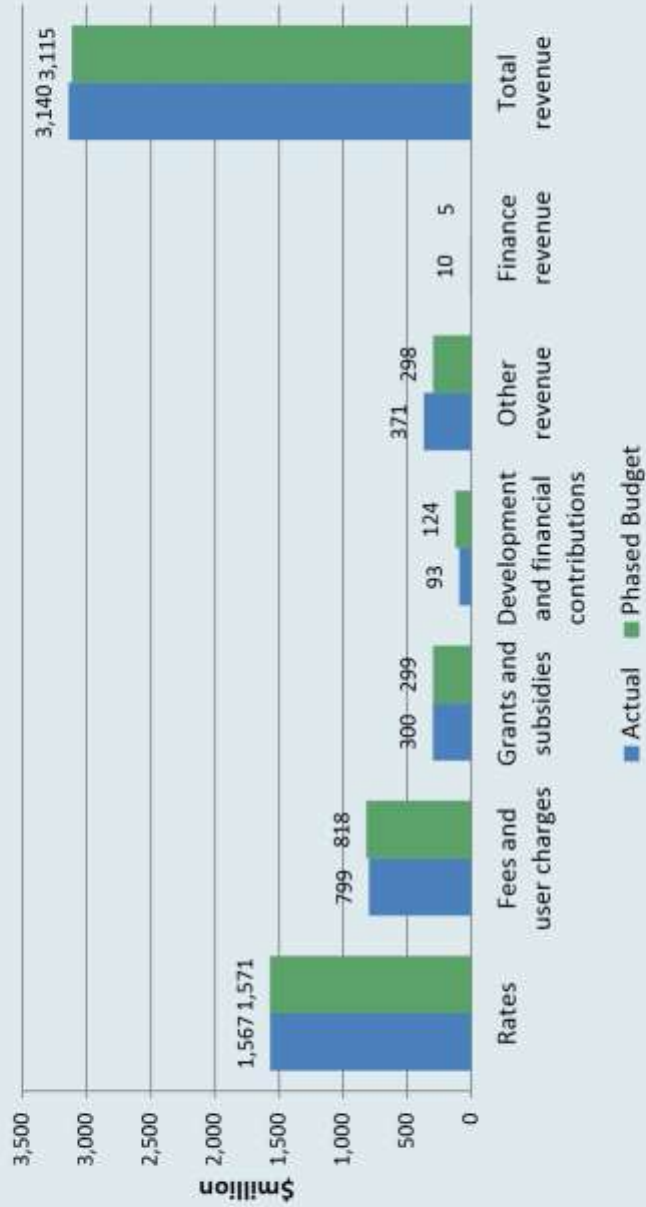
Statement of financial performance

Smillion	Actual	9-month budget	Full year Budget	Commentary
Rates	1,567	1,571 ●	1,571	Slightly below budget due to lower penalty income
Grants and subsidies	300	299 ●	427	
Fees and user charges	799	818 ▲	1,143	Lower than expected revenue from Ports due to reduced volumes.
Other	474	427 ●	517	Above budget due to higher volume of vested assets received
Total revenue	3,140	3,115 ●	3,658	
Employee benefits	591	589 ●	772	
Depreciation and amortisation	611	617 ●	823	Due to delays in timing of capitalisation and projects.
Other operating expenses	991	1,038 ●	1,411	Expenditure expected to be incurred later than originally planned
Finance costs	313	330 ●	441	
Total expenses	2,506	2,574 ●	3,447	
Operating surplus before gains and losses	634	541 ●	211	
Net other losses	(377)	(2) ◆	-	Fair value accounting movements in derivatives (non cash) not budgeted
Share of surplus in associates and joint ventures	28	33 ◆	43	
Surplus before income tax	285	572 ◆	254	

● Favourable (within 1%)
 ▲ Unfavourable over 1% and upto 5%
 ◆ Unfavourable over 5%



Group Revenue Actual vs Budget



Group Expenditure Actual vs Budget

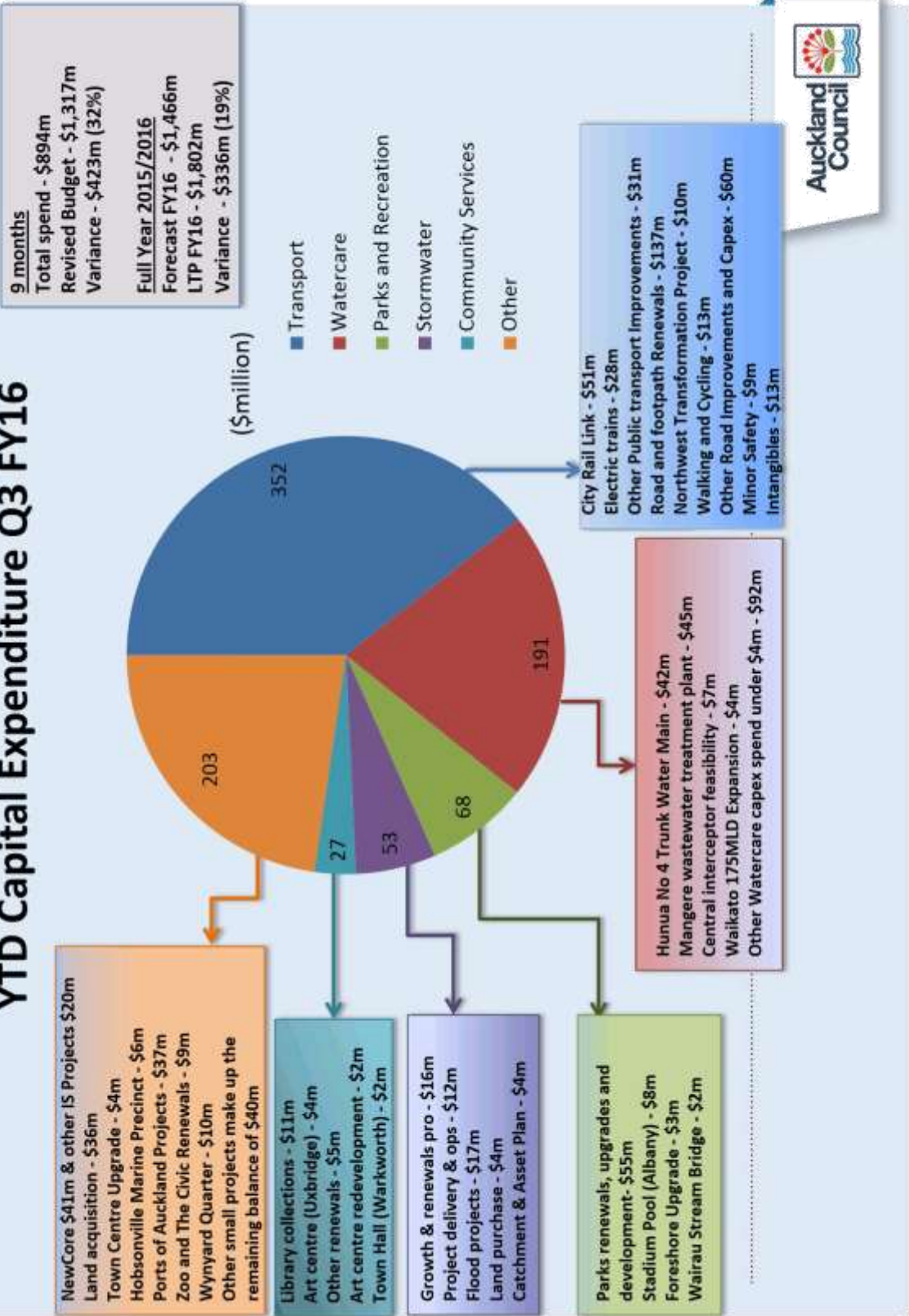


Statement of financial position


\$million	Actual as at 31 Mar 2016	Actual as at 30 Jun 2015	Movement	Commentary
Current assets	1,261	1,013	248	Recognition of rates debtors
Non current assets	41,699	41,155	544	Gross CAPEX less depreciation plus derivative movement
Total assets	42,960	42,168	792	
Current liabilities	1,616	1,838	(222)	Mainly due to timing of payables and accruals
Non current liabilities	8,970	8,248	722	Increase in long term borrowings to fund capital expenditure and derivative movement due to fall in interest rates (non cash)
Total liabilities	10,586	10,086	500	
Equity	32,374	32,082	292	




YTD Capital Expenditure Q3 FY16




YTD Capital Expenditure Q3 FY16				
\$million	Actual Mar 2016	Revised Budget Mar 2016	Variance	Commentary
Transport	352	487	(135)	Projects tracking behind schedule due to delays in startup, design, tendering process etc, expected underspend at year-end
Watercare	191	286	(95)	Projects running behind schedule due to design, construction delays and changes in scope of projects
Parks and Recreation	68	100	(32)	Parks renewals are running behind schedule due to delays in project/programme delivery
Stormwater	53	49	4	Land acquisition which occurred earlier than expected
Community Services	27	40	(13)	Delays in upgrade projects due to resource consents issues, project scoping and timing of renewals
Other	203	354	(151)	This is mainly made up of: - \$71m Ports mainly due to timing of projects and wharf extension postponed due to initial resource consent issues and deferral of certain projects to FY17 - \$41m commercial property mainly due to timing of settlement of potential land acquisitions and deferrals. - \$25m Panuku behind schedule mainly due to design and consultation process taking longer than expected
Total Capital Expenditure	894	1,317	(423)	



Warkworth Town Hall Restoration
Completed April 2016

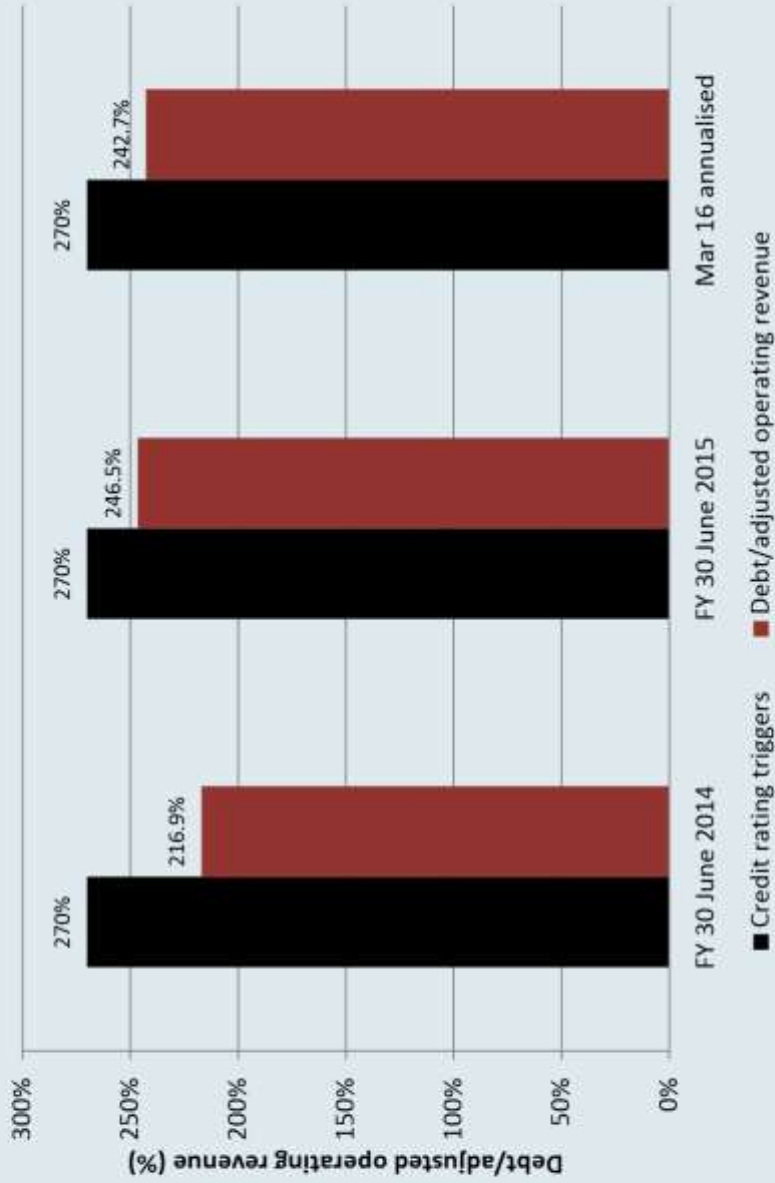


Onehunga Foreshore Restoration
Completed November 2015

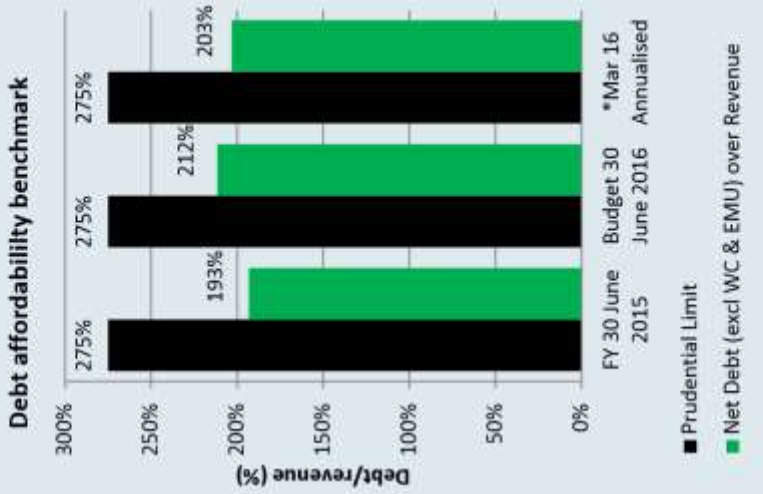
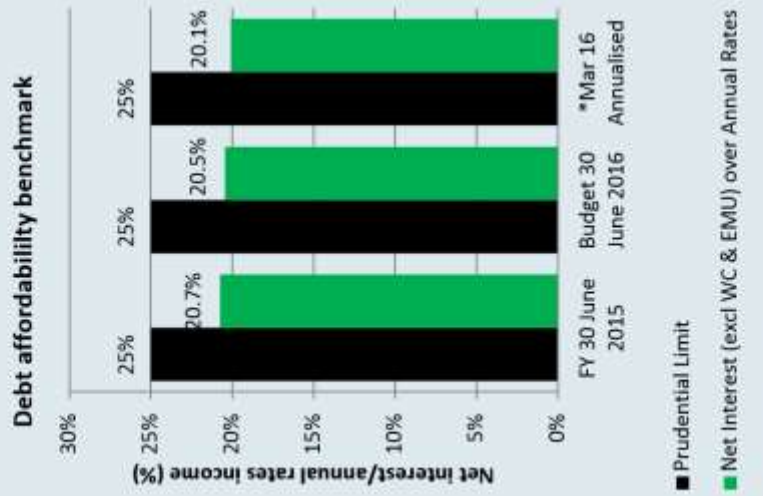
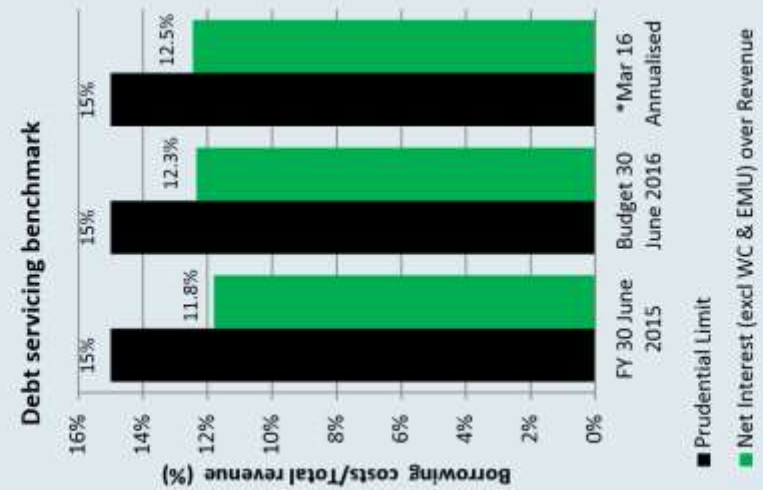


Kohimarama Wastewater Storage Tank
Completed April 2016

Credit Rating Financial Ratios



Treasury Management Prudential Limit (as Per LTP)



* Annualised for comparability purposes



Summary

- Operating surplus before gains and losses is \$634m vs budget of \$541m
- Actual results in line with the phased budget
- Net fair value losses not budgeted for in the Long-term Plan
- Capital expenditure of \$894m is \$423m (32%) behind budget (primarily timing difference), forecast for FY16 is \$1,466m against LTP of \$1,802m (19%)
- The group continues to manage financial performance and debt prudently in line with the long-term plan



City Centre Cycleway
Completed December 2015