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## Results for the Eight Months Ended 28 February 2022

For decision:  For noting:

### Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

- a) Receives the report.

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## Section 1 – Te whakarāpopototanga matua / Executive summary

The full year budget was prepared on the assumption of Auckland being at COVID-19 pandemic (COVID-19) Alert Level 1 for the full financial year. Ongoing COVID-19 impacts and subsequent restrictions with the move to the traffic light system on 3 December 2021, mean that achievement of the full year budget is unrealistic. In December, Waka Kotahi New Zealand Transport Agency (Waka Kotahi) agreed to continue funding lost public transport (PT) farebox revenue at 51% FAR this financial year and Auckland Council has approved additional operating funding of up to \$50 million for this financial year.

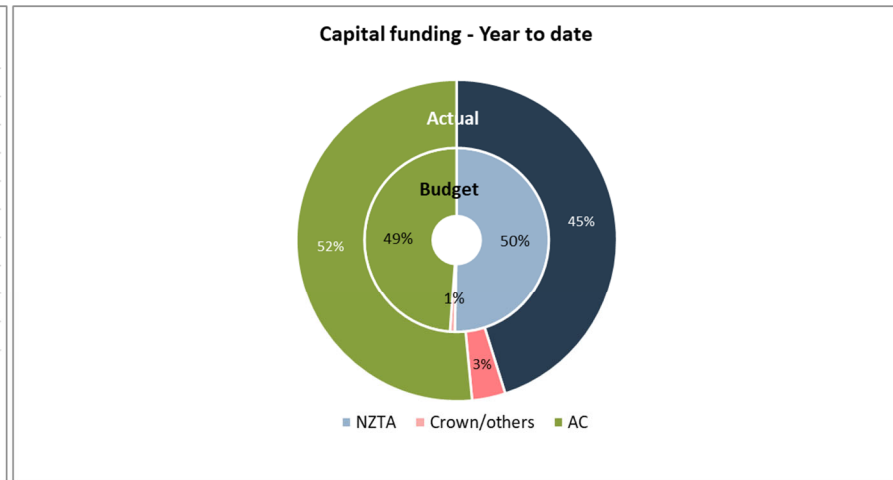
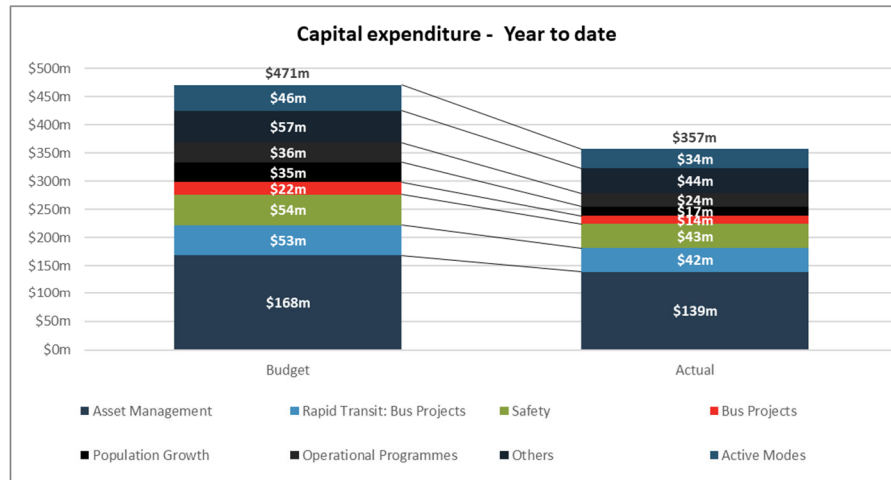
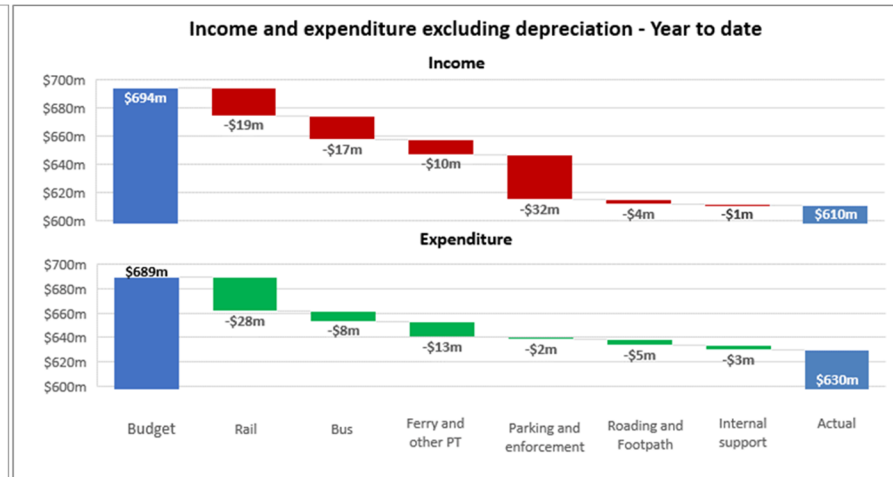
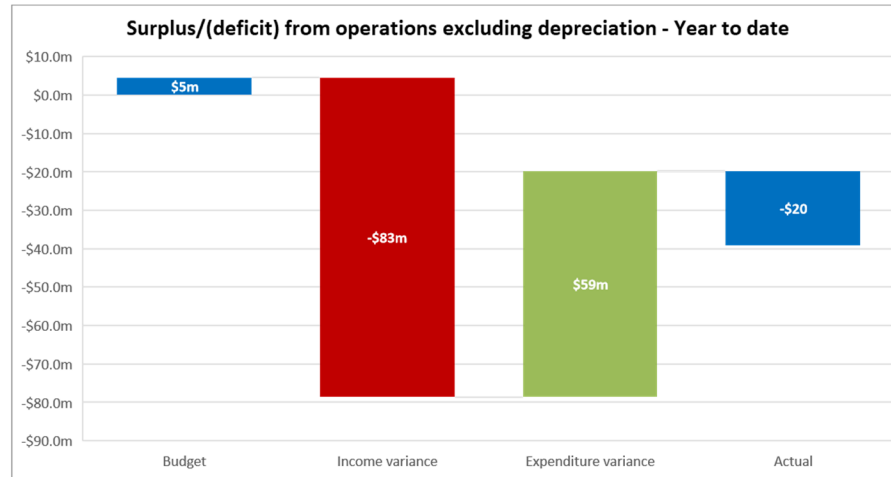
1. **Deficit from operations** is \$3.7 million favourable to budget in February and \$15.9 million unfavourable year to date (YTD). The favourable result in February is mainly due to higher than expected Waka Kotahi operational funding and lower than budgeted PT costs and other expenses including a one off \$0.9 million reversal of a maintenance accrual and \$0.5 million favourable movement in the Ministry of Justice doubtful debt provision.
2. The full year result remains sensitive to COVID-19 impacts, PT patronage recovery and Waka Kotahi funding and the recent Omicron outbreak mean that AT's full year operating result may be up to \$60 million adverse to budget. Recent central Government announcements to offer 50% discount on PT fares are expected to have limited impact on the full year result due to COVID-19 suppressing demand for services.
3. **YTD deficit from operations excluding depreciation** of \$19.6 million is \$24.3 million unfavourable to budget mainly due to ongoing COVID-19 impacts on revenue. Operating income is down \$83.4 million YTD against budget, three quarters of which is offset by a \$59.1 million reduction in operating expenditure. The underlying run rate is \$14.0 million worse when one offs (TransDev wash up and KiwiRail reimbursement) are taken into consideration. Items to note:
  - Waka Kotahi funding is \$6.4 million favourable to budget mainly due to claims for higher net PT expenditure, partially offset by lower capital activity and administration subsidies.
  - Parking and enforcement revenue is unfavourable to budget mainly due to lower parking occupancy and infringement ticket issuances as a result of COVID-19 impacts and subsequent delays in the implementation of the next tranche of special vehicle lanes.
  - PT income is unfavourable to budget due to lower than expected patronage. PT patronage began to recover at the beginning of the financial year, but recovery has stalled and is currently declining due to the emergence of the Omicron variant of COVID-19. Patronage decreased from 42% in January to 41% in February (of pre-COVID-19 levels).
  - Other revenue is unfavourable to budget mainly due to lower than expected fuel tax income and ferry operator access fees.
  - YTD operating expenditure includes \$4.0 million reclassification of Software as a Service (SaaS) costs from capital to operational expenditure in line with recent technical accounting changes. The full year impact is expected to be around \$8 million of SaaS costs reclassified from capex to opex which was not budgeted nor included in the additional Auckland Council funding of up to \$50 million.

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- Personnel cost is favourable to budget primarily due to budgeted positions not yet filled.
  - Capitalised personnel cost is lower than budget due to vacant positions and SaaS capitalised labour cost of \$1 million reclassified to opex in December 2021.
  - PT contract costs are favourable to budget due to reduced rail operating costs from favourable prior and current year cost wash-ups, reduced train service kilometres and utilities costs, lower ferry indexation and Key Performance Indicator (KPI) savings on bus contracts driven by the bus driver shortage. KPI's were suspended after the change to a weekend timetable under Alert Levels 4 and 3. AT resumed a weekday timetable at the beginning of February.
  - Contractor maintenance is favourable to budget mainly from a reduction in stormwater charges, towing costs and reduced activity as a result of COVID-19 impacts.
  - Track and ferry access charges are favourable due to reimbursement of prior year charges by KiwiRail.
  - Other expenditure is favourable to budget primarily due to lower than expected unplanned facilities maintenance (e.g. stations, carparks etc.), AT delivered events and training, security, mobility and PT concessions and advertising costs.
4. **Loss on disposal of assets** - City Rail Link Limited (CRL) transferred Britomart Station Works including the Chief Post Office (CPO, C1 SP3) through Auckland Council to AT for \$161.9 million in September. As a result of the physical works performed by CRL, \$34.2 million of old assets were disposed of.
  5. **Capital expenditure** of \$357 million (76% delivery) is \$114 million lower than budget. Programmes and projects across the board are behind planned spend due to the impacts of COVID-19 on public consultations, consenting, procurement, tendering processes and broader supply chain constraints. AT are expecting to deliver a full year capital programme of circa \$650 million to \$700 million.
  6. **Waka Kotahi capital funding YTD** of 45% is lower than the budget of 50%. The budget assumption for the full year is 50% with the full year forecast expected to be less than 50% based on a lower capital spend.
  7. **Regional Fuel Tax (RFT) enabled capital spend** as at February YTD is \$92 million versus a full year planned spend of \$262 million which is approximately 35% of the full year RFT enabled capital budget.

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## Section 1 – Te whakarāpopototanga matua / Executive summary (continued)



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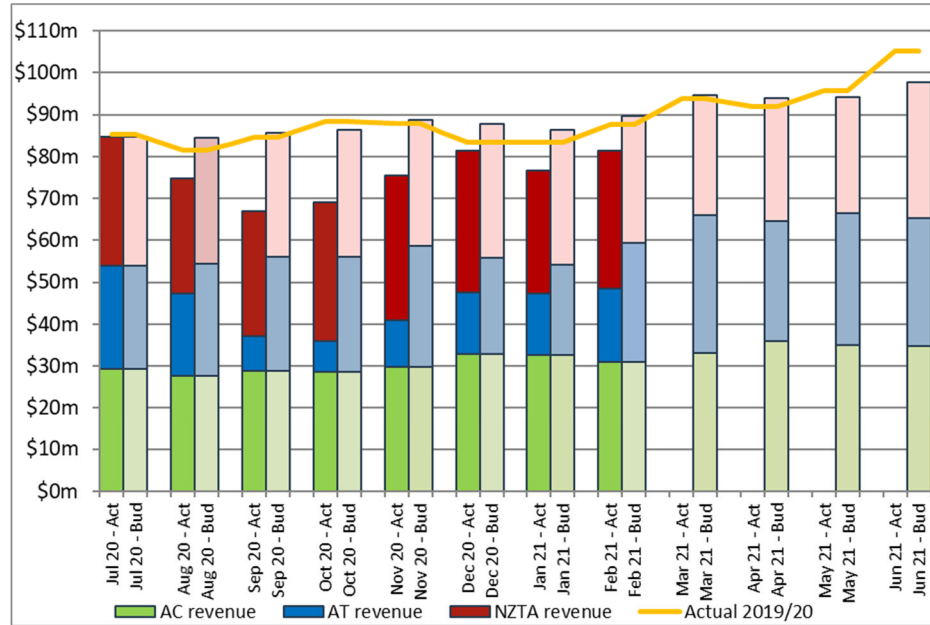
## Section 2 – Financial results for the eight months ended 28 February 2022

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating income</b>							
Auckland Council funding	30,986	30,986	-	240,947	240,947	-	379,855
Waka Kotahi NZ Transport Agency operating funding	32,934	30,225	2,709	251,552	245,152	6,400	363,288
Parking and enforcement income	6,562	9,735	(3,173)	37,124	68,847	(31,723)	108,605
Public transport income	8,136	15,918	(7,782)	61,071	116,646	(55,575)	190,896
Other revenue incl. other grants and subsidies	2,814	2,763	51	19,786	22,287	(2,501)	31,912
<b>Total operating income</b>	<b>81,432</b>	<b>89,627</b>	<b>(8,195)</b>	<b>610,480</b>	<b>693,879</b>	<b>(83,399)</b>	<b>1,074,556</b>
<b>Operating expenditure</b>							
Personnel costs	15,738	16,867	1,129	128,017	134,635	6,618	208,709
Capitalised personnel costs	(3,406)	(4,254)	(848)	(26,184)	(33,601)	(7,417)	(51,217)
Public transport contracts	40,903	43,666	2,763	308,628	332,590	23,962	512,588
Contractors-maintenance	7,274	7,574	300	56,795	61,064	4,269	93,075
Professional services	2,831	3,480	649	24,589	27,218	2,629	42,971
Track and ferry access charges	2,209	3,318	1,109	16,126	26,294	10,168	40,014
Other expenditure	11,560	16,183	4,623	102,787	121,648	18,861	192,140
Finance costs	2,218	2,224	6	19,328	19,326	(2)	28,946
<b>Total operating expenditure excluding depreciation</b>	<b>79,327</b>	<b>89,058</b>	<b>9,731</b>	<b>630,086</b>	<b>689,174</b>	<b>59,088</b>	<b>1,067,226</b>
<b>Surplus/(deficit) from operations excluding depreciation</b>	<b>2,105</b>	<b>569</b>	<b>1,536</b>	<b>(19,606)</b>	<b>4,705</b>	<b>(24,311)</b>	<b>7,330</b>
Depreciation and amortisation	34,016	36,222	2,206	267,034	275,427	8,393	425,920
<b>Surplus/(deficit) from operations</b>	<b>(31,911)</b>	<b>(35,653)</b>	<b>3,742</b>	<b>(286,640)</b>	<b>(270,722)</b>	<b>(15,918)</b>	<b>(418,590)</b>
<b>Income for capital projects</b>							
Waka Kotahi NZ Transport Agency capital co-investment	21,383	34,322	(12,939)	160,974	236,573	(75,599)	406,206
Auckland Council capital grant	32,503	21,141	11,362	183,851	230,322	(46,471)	403,908
Other capital grants	(6)	1,000	(1,006)	12,044	4,000	8,044	10,000
Vested asset income	20,955	14,311	6,644	143,878	176,929	(33,051)	275,000
<b>Total income for capital projects</b>	<b>74,835</b>	<b>70,774</b>	<b>4,061</b>	<b>500,747</b>	<b>647,824</b>	<b>(147,077)</b>	<b>1,095,114</b>
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>42,924</b>	<b>35,121</b>	<b>7,803</b>	<b>214,107</b>	<b>377,102</b>	<b>(162,995)</b>	<b>676,524</b>
Gains/(losses) on derivatives	(5,953)	-	(5,953)	(251)	-	(251)	-
Gain/(loss) on disposal of assets	124	-	124	(32,592)	-	(32,592)	-
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>37,095</b>	<b>35,121</b>	<b>1,974</b>	<b>181,264</b>	<b>377,102</b>	<b>(195,838)</b>	<b>676,524</b>

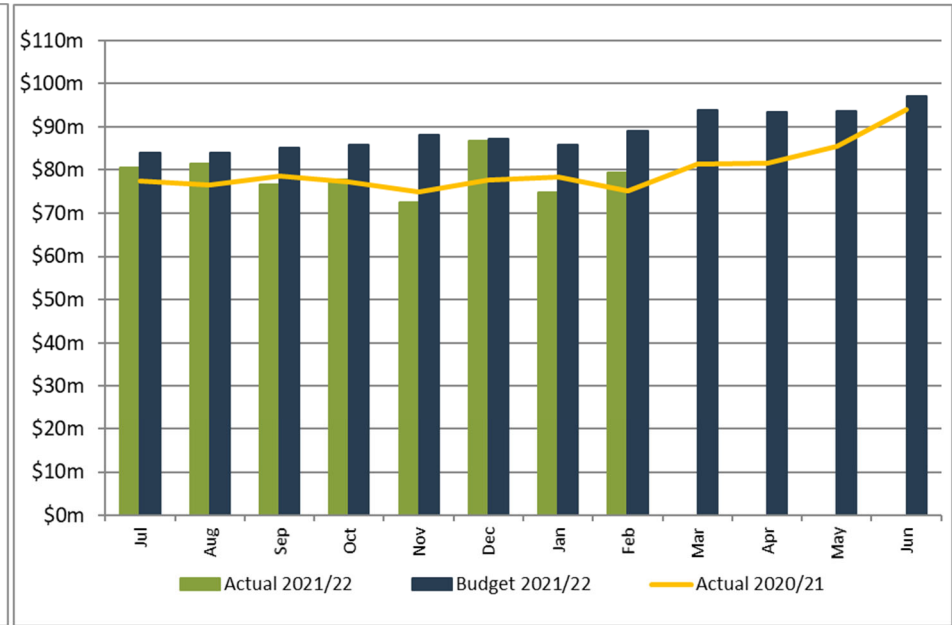
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## Section 2 – Financial results for the eight months ended 28 February 2022 (continued)

### Operating income



### Operating expenditure excluding depreciation



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## Section 2a – Summary of Financial Results by Activity

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Rail	8,231	11,714	(3,483)	75,348	94,731	(19,383)	145,432
Bus	19,794	20,965	(1,171)	146,535	163,950	(17,415)	256,256
Ferry	2,220	3,353	(1,133)	16,153	22,781	(6,628)	35,694
Other public transport	1,538	2,458	(920)	16,128	19,634	(3,506)	30,076
Parking	2,730	4,117	(1,387)	17,347	32,158	(14,811)	49,350
Enforcement	3,832	5,618	(1,786)	19,777	36,689	(16,912)	59,255
Roading and footpaths	6,918	5,796	1,122	44,057	47,654	(3,597)	71,114
Internal support	5,184	4,620	564	34,187	35,336	(1,149)	47,523
Auckland Council operating funding	30,986	30,986	-	240,947	240,947	-	379,855
<b>Total operating income</b>	<b>81,433</b>	<b>89,627</b>	<b>(8,194)</b>	<b>610,479</b>	<b>693,880</b>	<b>(83,401)</b>	<b>1,074,555</b>
<b>Operating Expenditure</b>							
Rail	13,809	18,091	4,282	122,183	149,783	27,600	228,574
Bus	33,049	33,763	714	244,991	253,288	8,297	389,437
Ferry	3,561	4,305	744	24,496	30,070	5,574	48,418
Other public transport	3,955	5,375	1,420	34,780	42,008	7,228	66,898
Parking	927	1,085	158	8,094	8,822	728	13,244
Enforcement	1,332	2,346	1,014	16,660	17,966	1,306	27,686
Roading and footpaths	11,350	11,288	(62)	84,098	89,009	4,911	135,108
Internal support	11,345	12,803	1,458	94,789	98,223	3,434	157,860
Depreciation and amortisation	34,016	36,222	2,206	267,034	275,427	8,393	425,920
<b>Total operating expenditure</b>	<b>113,344</b>	<b>125,278</b>	<b>11,934</b>	<b>897,125</b>	<b>964,596</b>	<b>67,471</b>	<b>1,493,145</b>
<b>Surplus/(deficit) from Operations</b>	<b>(31,911)</b>	<b>(35,651)</b>	<b>3,740</b>	<b>(286,646)</b>	<b>(270,716)</b>	<b>(15,930)</b>	<b>(418,590)</b>

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## Section 2b – Rail Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Activity income	1,428	4,047	(2,619)	10,811	29,208	(18,397)	46,509
Other income	74	159	(85)	426	1,273	(847)	1,908
Waka Kotahi NZ Transport Agency operating funding	6,729	7,508	(779)	64,111	64,250	(139)	97,015
<b>Total operating income</b>	<b>8,231</b>	<b>11,714</b>	<b>(3,483)</b>	<b>75,348</b>	<b>94,731</b>	<b>(19,383)</b>	<b>145,432</b>
<b>Operating Expenditure</b>							
Personnel costs	509	698	189	4,172	5,749	1,577	8,834
Capitalised personnel costs	108	(60)	(168)	954	(365)	(1,319)	(603)
Public transport contracts	7,901	9,517	1,616	66,765	79,578	12,813	121,676
Contractors-maintenance	51	12	(39)	331	100	(231)	150
Professional services	(22)	1	23	750	12	(738)	411
Track access charges	2,171	3,282	1,111	15,862	26,007	10,145	39,583
Other expenditure	877	2,420	1,543	14,052	19,401	5,349	29,613
Finance costs	2,214	2,221	7	19,297	19,301	4	28,910
<b>Total operating expenditure</b>	<b>13,809</b>	<b>18,091</b>	<b>4,282</b>	<b>122,183</b>	<b>149,783</b>	<b>27,600</b>	<b>228,574</b>
Depreciation and amortisation	3,753	4,314	561	31,101	33,765	2,664	51,288
<b>Surplus/(deficit) from Operations</b>	<b>(9,331)</b>	<b>(10,691)</b>	<b>1,360</b>	<b>(77,936)</b>	<b>(88,817)</b>	<b>10,881</b>	<b>(134,430)</b>
Internal support costs	2,288	3,083	795	21,145	23,053	1,908	39,423
<b>Surplus/(deficit)</b>	<b>(11,619)</b>	<b>(13,774)</b>	<b>2,155</b>	<b>(99,081)</b>	<b>(111,870)</b>	<b>12,789</b>	<b>(173,853)</b>



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## Section 2b – Bus Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Activity income	4,465	8,322	(3,857)	33,335	60,614	(27,279)	100,745
Other income	801	382	419	5,019	5,015	4	8,892
Waka Kotahi NZ Transport Agency operating funding	14,528	12,261	2,267	108,181	98,321	9,860	146,619
<b>Total operating income</b>	<b>19,794</b>	<b>20,965</b>	<b>(1,171)</b>	<b>146,535</b>	<b>163,950</b>	<b>(17,415)</b>	<b>256,256</b>
<b>Operating Expenditure</b>							
Personnel costs	380	483	103	3,383	3,970	587	6,099
Capitalised personnel costs	50	(135)	(185)	465	(961)	(1,426)	(1,501)
Public transport contracts	30,272	30,680	408	223,238	229,321	6,083	352,488
Contractors-maintenance	84	99	15	693	794	101	1,190
Professional Services	27	300	273	682	1,347	665	2,269
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	2,236	2,336	100	16,529	18,817	2,288	28,892
Finance costs	-	-	-	1	-	(1)	-
<b>Total operating expenditure</b>	<b>33,049</b>	<b>33,763</b>	<b>714</b>	<b>244,991</b>	<b>253,288</b>	<b>8,297</b>	<b>389,437</b>
Depreciation and amortisation	564	640	76	4,432	4,675	243	7,391
<b>Surplus/(deficit) from Operations</b>	<b>(13,819)</b>	<b>(13,438)</b>	<b>(381)</b>	<b>(102,888)</b>	<b>(94,013)</b>	<b>(8,875)</b>	<b>(140,572)</b>
Internal support costs	3,898	5,253	1,355	36,026	39,277	3,250	67,167
<b>Surplus/(deficit)</b>	<b>(17,717)</b>	<b>(18,691)</b>	<b>974</b>	<b>(138,914)</b>	<b>(133,290)</b>	<b>(5,625)</b>	<b>(207,739)</b>

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## Section 2b – Ferry Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Operator access fees	602	630	(28)	3,312	4,547	(1,235)	6,935
Activity income	301	1,358	(1,057)	1,753	7,560	(5,807)	13,191
Other income	100	92	8	701	732	(31)	1,099
Waka Kotahi NZ Transport Agency operating funding	1,217	1,273	(56)	10,387	9,942	445	14,469
<b>Total operating income</b>	<b>2,220</b>	<b>3,353</b>	<b>(1,133)</b>	<b>16,153</b>	<b>22,781</b>	<b>(6,628)</b>	<b>35,694</b>
<b>Operating Expenditure</b>							
Personnel costs	111	178	67	1,360	1,347	(13)	2,130
Capitalised personnel costs	(33)	28	61	(486)	221	707	334
Public transport contracts	2,730	3,408	678	18,396	23,137	4,741	37,629
Contractors-maintenance	-	-	-	10	-	(10)	-
Professional Services	-	31	31	(13)	98	111	362
Ferry access charges	38	36	(2)	264	287	23	431
Other expenditure	715	624	(91)	4,965	4,980	15	7,532
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>3,561</b>	<b>4,305</b>	<b>744</b>	<b>24,496</b>	<b>30,070</b>	<b>5,574</b>	<b>48,418</b>
Depreciation and amortisation	463	355	(108)	4,219	2,812	(1,407)	4,241
<b>Surplus/(deficit) from Operations</b>	<b>(1,804)</b>	<b>(1,307)</b>	<b>(497)</b>	<b>(12,562)</b>	<b>(10,101)</b>	<b>(2,461)</b>	<b>(16,965)</b>
Internal support costs	485	653	168	4,479	4,883	404	8,351
<b>Surplus/(deficit)</b>	<b>(2,289)</b>	<b>(1,960)</b>	<b>(329)</b>	<b>(17,041)</b>	<b>(14,984)</b>	<b>(2,057)</b>	<b>(25,316)</b>

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## Section 2b – Other Public Transport Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Other income	365	928	(563)	5,714	7,698	(1,984)	11,616
Waka Kotahi NZ Transport Agency operating funding	1,173	1,530	(357)	10,414	11,936	(1,522)	18,460
<b>Total operating income</b>	<b>1,538</b>	<b>2,458</b>	<b>(920)</b>	<b>16,128</b>	<b>19,634</b>	<b>(3,506)</b>	<b>30,076</b>
<b>Operating Expenditure</b>							
Personnel costs	1,885	1,993	108	15,825	15,779	(46)	24,507
Capitalised personnel costs	(40)	102	142	445	873	428	1,314
Public transport contracts	-	61	61	229	560	331	805
Contractors-maintenance	926	882	(44)	8,446	7,752	(694)	13,032
Professional Services	511	688	177	4,548	5,743	1,195	8,964
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	9	55	46	614	351	(263)	526
Other expenditure	664	1,594	930	4,673	10,950	6,277	17,750
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>3,955</b>	<b>5,375</b>	<b>1,420</b>	<b>34,780</b>	<b>42,008</b>	<b>7,228</b>	<b>66,898</b>
Depreciation and amortisation	559	619	60	4,783	5,042	259	7,597
<b>Surplus/(deficit) from Operations</b>	<b>(2,976)</b>	<b>(3,536)</b>	<b>560</b>	<b>(23,435)</b>	<b>(27,416)</b>	<b>3,981</b>	<b>(44,419)</b>
Internal support costs	670	902	233	6,189	6,747	558	11,538
<b>Surplus/(deficit)</b>	<b>(3,646)</b>	<b>(4,438)</b>	<b>793</b>	<b>(29,624)</b>	<b>(34,163)</b>	<b>4,539</b>	<b>(55,957)</b>

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## Section 2b – Parking Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Parking Fees	2,646	4,063	(1,417)	16,413	31,755	(15,342)	48,720
Other income	84	54	30	934	403	531	630
<b>Total operating income</b>	<b>2,730</b>	<b>4,117</b>	<b>(1,387)</b>	<b>17,347</b>	<b>32,158</b>	<b>(14,811)</b>	<b>49,350</b>
<b>Operating Expenditure</b>							
Personnel costs	204	222	18	1,721	1,804	83	2,782
Capitalised personnel costs	(7)	(22)	(15)	(79)	(178)	(99)	(269)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	124	145	21	972	1,159	187	1,738
Professional Services	5	11	6	137	85	(52)	129
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	601	729	128	5,343	5,952	609	8,864
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>927</b>	<b>1,085</b>	<b>158</b>	<b>8,094</b>	<b>8,822</b>	<b>728</b>	<b>13,244</b>
Depreciation and amortisation	840	665	(175)	6,682	5,291	(1,391)	7,961
<b>Surplus/(deficit) from Operations</b>	<b>963</b>	<b>2,367</b>	<b>(1,404)</b>	<b>2,571</b>	<b>18,045</b>	<b>(15,474)</b>	<b>28,145</b>
Internal support costs	133	179	46	1,225	1,336	111	2,284
<b>Surplus/(deficit)</b>	<b>830</b>	<b>2,188</b>	<b>(1,358)</b>	<b>1,346</b>	<b>16,709</b>	<b>(15,363)</b>	<b>25,861</b>

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## Section 2b – Enforcement Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Infringement income	3,832	5,618	(1,786)	19,775	36,689	(16,914)	59,255
Other income	-	-	-	2	-	2	-
<b>Total operating income</b>	<b>3,832</b>	<b>5,618</b>	<b>(1,786)</b>	<b>19,777</b>	<b>36,689</b>	<b>(16,912)</b>	<b>59,255</b>
<b>Operating Expenditure</b>							
Personnel costs	983	987	4	8,808	7,977	(831)	12,316
Capitalised personnel costs	-	8	8	(39)	62	101	95
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	268	307	39	1,193	2,169	976	3,305
Professional Services	6	8	2	133	66	(67)	100
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	165	79	(86)	1,192	636	(556)	953
Movement in doubtful debts	(336)	196	532	646	1,570	924	2,355
Other expenditure	246	761	515	4,727	5,486	759	8,562
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>1,332</b>	<b>2,346</b>	<b>1,014</b>	<b>16,660</b>	<b>17,966</b>	<b>1,306</b>	<b>27,686</b>
Depreciation and amortisation	147	216	69	1,188	1,489	301	2,424
<b>Surplus/(deficit) from Operations</b>	<b>2,353</b>	<b>3,056</b>	<b>(703)</b>	<b>1,929</b>	<b>17,234</b>	<b>(15,305)</b>	<b>29,145</b>
Internal support costs	277	373	96	2,561	2,792	231	4,775
<b>Surplus/(deficit)</b>	<b>2,076</b>	<b>2,683</b>	<b>(607)</b>	<b>(632)</b>	<b>14,442</b>	<b>(15,074)</b>	<b>24,370</b>

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## Section 2b – Roading and Footpaths Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Petrol tax	716	817	(101)	4,135	6,929	(2,794)	10,448
Other income	592	740	(148)	5,367	6,558	(1,191)	9,312
Waka Kotahi NZ Transport Agency operating funding	5,610	4,239	1,371	34,555	34,167	388	51,354
<b>Total operating income</b>	<b>6,918</b>	<b>5,796</b>	<b>1,122</b>	<b>44,057</b>	<b>47,654</b>	<b>(3,597)</b>	<b>71,114</b>
<b>Operating Expenditure</b>							
Personnel costs	3,100	3,007	(93)	24,277	24,191	(86)	37,418
Capitalised personnel costs	(1,103)	(987)	116	(8,366)	(8,631)	(265)	(12,935)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	5,730	6,042	312	45,594	48,365	2,771	72,556
Professional Services	1,598	1,286	(312)	7,604	10,688	3,084	16,096
Track and ferry access charges	-	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	2,025	1,940	(85)	14,989	14,396	(593)	21,973
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>11,350</b>	<b>11,288</b>	<b>(62)</b>	<b>84,098</b>	<b>89,009</b>	<b>4,911</b>	<b>135,108</b>
Depreciation and amortisation	24,751	25,332	581	191,107	193,526	2,419	298,515
<b>Surplus/(deficit) from Operations</b>	<b>(29,183)</b>	<b>(30,824)</b>	<b>1,641</b>	<b>(231,148)</b>	<b>(234,881)</b>	<b>3,733</b>	<b>(362,509)</b>
Internal support costs	1,352	1,822	470	12,499	13,626	1,128	23,302
<b>Surplus/(deficit)</b>	<b>(30,535)</b>	<b>(32,646)</b>	<b>2,111</b>	<b>(243,647)</b>	<b>(248,507)</b>	<b>4,861</b>	<b>(385,811)</b>

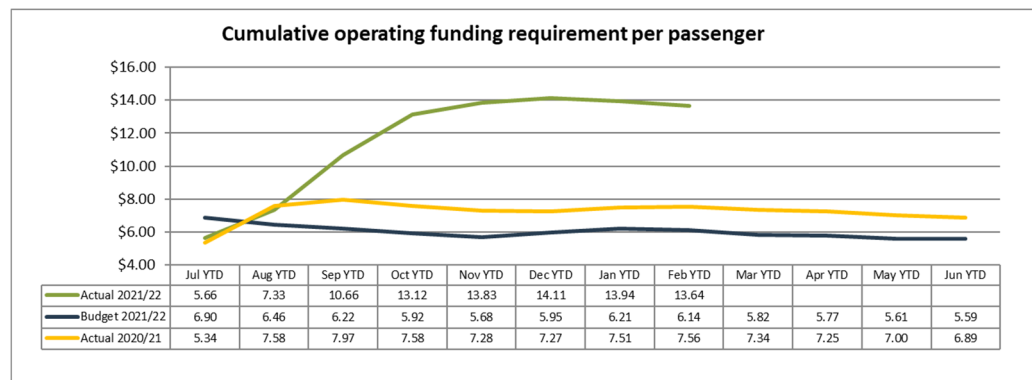
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## Section 2b – Internal Support

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Rental income	775	709	66	5,903	5,669	234	7,390
Other income	731	497	234	4,381	3,131	1,250	4,762
Waka Kotahi NZ Transport Agency operating funding	3,678	3,414	264	23,903	26,536	(2,633)	35,371
<b>Total operating income</b>	<b>5,184</b>	<b>4,620</b>	<b>564</b>	<b>34,187</b>	<b>35,336</b>	<b>(1,149)</b>	<b>47,523</b>
<b>Operating Expenditure</b>							
Personnel costs	8,567	9,300	733	68,470	73,817	5,347	114,622
Capitalised personnel costs	(2,381)	(3,188)	(807)	(19,077)	(24,624)	(5,547)	(37,652)
Public transport contracts	-	(1)	(1)	-	(6)	(6)	(10)
Contractors-maintenance	90	87	(3)	(443)	726	1,169	1,103
Professional services	707	1,154	447	10,749	9,178	(1,571)	14,641
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	2,509	2,862	353	21,166	22,344	1,178	33,990
Directors fees	39	42	3	345	338	(7)	508
Other expenditure	1,810	2,544	734	13,548	16,426	2,878	30,621
Finance costs	4	3	(1)	31	24	(7)	37
<b>Total operating expenditure</b>	<b>11,345</b>	<b>12,803</b>	<b>1,458</b>	<b>94,789</b>	<b>98,223</b>	<b>3,434</b>	<b>157,860</b>
Depreciation and amortisation	2,940	4,082	1,142	23,522	28,827	5,305	46,503
<b>Surplus/(deficit) from Operations</b>	<b>(9,101)</b>	<b>(12,265)</b>	<b>3,164</b>	<b>(84,124)</b>	<b>(91,714)</b>	<b>7,590</b>	<b>(156,840)</b>
Internal support allocated	9,101	12,265	3,164	84,124	91,714	7,590	156,840
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## Section 2c – Operational funding requirement per passenger for the eight months ended 28 February 2022



The operational cost (net of third party revenue) of \$13.64 per passenger on the PT Network is higher than the budget of \$6.14 due to COVID-19 restrictions from 18 August 2021 driving lower than expected patronage and external revenue. This is partly offset by optimising PT operating expenditure where possible whilst accommodating the lower patronage.

	Current month				Year to date				Full year
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %	Budget
<b>Rail, Bus and Ferry operations:</b>									
Operating expenditure \$000	48,205	53,938	5,733	11%	372,373	413,840	41,467	10%	637,519
Less external revenues \$000	7,771	14,990	(7,219)	(48%)	55,357	108,949	(53,592)	(49%)	179,279
<b>Operating funding requirement \$000</b>	<b>40,434</b>	<b>38,948</b>	<b>(1,486)</b>	<b>(4%)</b>	<b>317,016</b>	<b>304,891</b>	<b>(12,125)</b>	<b>(4%)</b>	<b>458,240</b>
Patronage 000's	3,393	6,903	(3,509)	(51%)	23,238	49,692	(26,454)	(53%)	82,000
<b>Operating funding requirement per passenger</b>	<b>\$11.92</b>	<b>\$5.64</b>	<b>(\$6.27)</b>	<b>(111%)</b>	<b>\$13.64</b>	<b>\$6.14</b>	<b>(\$7.51)</b>	<b>(122%)</b>	<b>\$5.59</b>



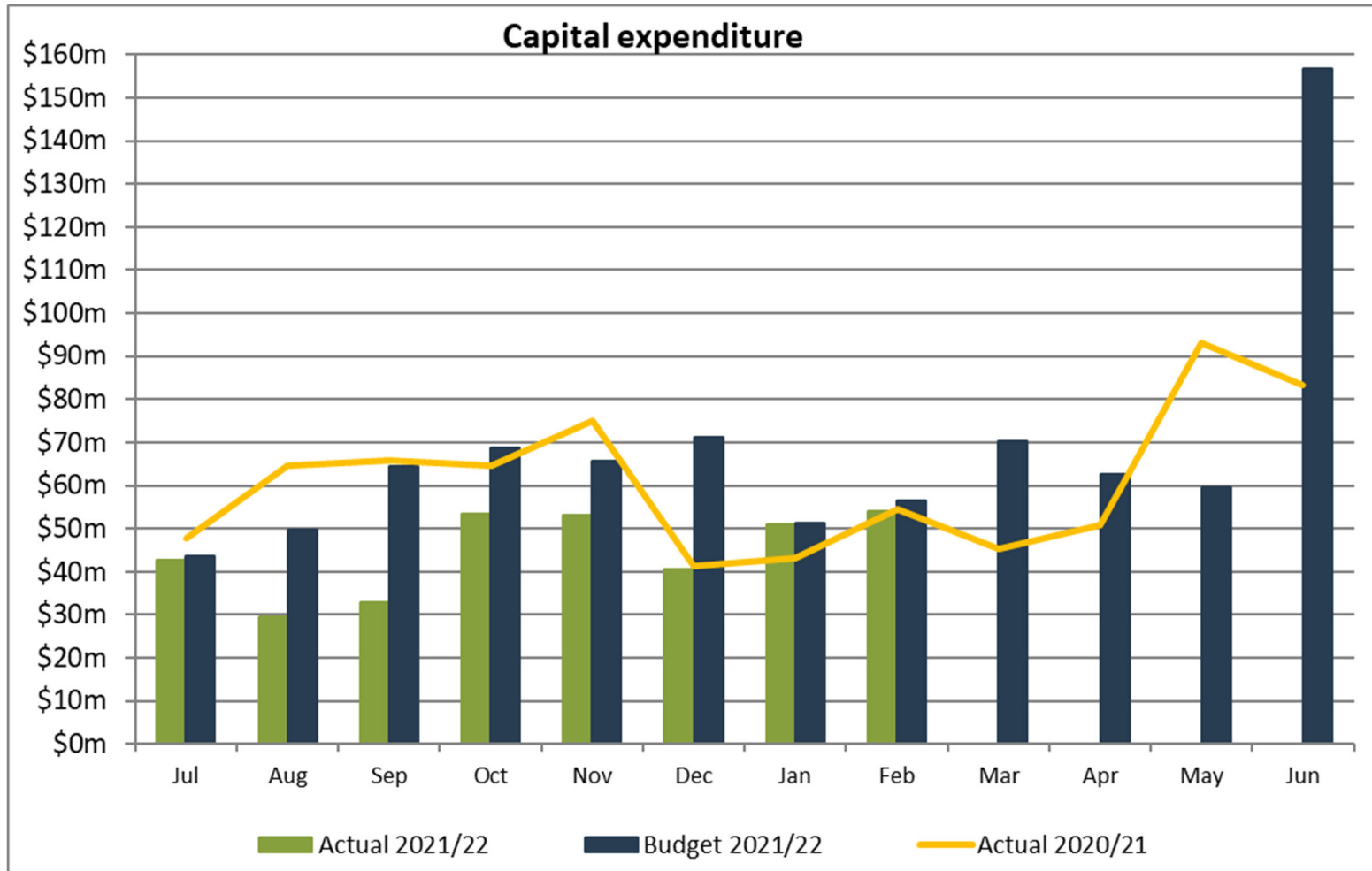
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## Section 3a – Summary of Capital Expenditure

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Regional Land Transport Plan (RLTP) grouping</b>							
Active Modes	3,277	4,457	1,180	34,052	45,500	11,448	72,228
Asset Management	26,453	19,416	(7,037)	139,128	168,375	29,247	252,394
Bus Projects	1,287	3,182	1,895	13,967	22,053	8,086	58,266
Corridor Improvements	1,766	1,639	(127)	5,955	8,561	2,606	27,513
Ferry, Multi-modal, and Park and Ride	1,767	2,788	1,021	11,795	16,626	4,831	33,101
Local Board Priorities	679	865	186	3,788	7,814	4,026	27,799
Network Capacity and Performance	1,049	954	(95)	6,484	9,393	2,909	14,000
Operational Programmes	3,105	3,696	591	23,552	35,605	12,053	49,580
Population Growth	2,605	4,751	2,146	16,605	35,109	18,504	68,941
Rapid Transit: Bus Projects	4,640	4,564	(76)	42,231	53,489	11,258	97,069
Rapid Transit: Rail Projects	888	1,640	752	16,074	10,210	(5,864)	25,151
Safety	6,281	7,912	1,631	42,939	54,192	11,253	86,360
Sustainability Projects that are in addition to travel choice projects	63	597	534	268	3,969	3,701	7,712
Corridor Improvement	20	-	(20)	30	-	(30)	-
<b>Total direct capital</b>	<b>53,880</b>	<b>56,461</b>	<b>2,581</b>	<b>356,868</b>	<b>470,896</b>	<b>114,028</b>	<b>820,114</b>

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### Section 3a – Summary of Capital Expenditure (continued)



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## Section 3b – Capital Expenditure Funding

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Direct capital funding</b>							
Waka Kotahi NZ Transport Agency new capital co-investment	9,870	22,312	(12,442)	99,426	149,839	(50,413)	286,646
Waka Kotahi NZ Transport Agency renewal co-investment	11,514	12,010	(496)	61,548	86,733	(25,185)	119,560
Other capital grants	(6)	1,000	(1,006)	12,044	4,000	8,044	10,000
Auckland Council capital grant	32,503	21,141	11,362	183,851	230,322	(46,471)	403,908
<b>Total direct capital funding</b>	<b>53,881</b>	<b>56,463</b>	<b>(2,582)</b>	<b>356,869</b>	<b>470,894</b>	<b>(114,025)</b>	<b>820,114</b>

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## Section 3c – RFT Capital and Operational Expenditure

### RFT Capital Expenditure

	Year to date			Full year		
	Actual Not RFT Enabled \$000	Actual RFT Enabled \$000	Actual Total \$000	Budget Not RFT Enabled \$000	Budget RFT Enabled \$000	Budget Total \$000
<b>Capital expenditure</b>	<b>264,706</b>	<b>92,163</b>	<b>356,869</b>	<b>558,343</b>	<b>261,771</b>	<b>820,114</b>
<b>Funding</b>						
Waka Kotahi NZ Transport Agency	115,677	45,297	160,974	299,092	107,115	406,206
Others (ACC,Crown, others)	263	11,781	12,044	-	10,000	10,000
Auckland Council	148,766	35,085	183,851	259,251	144,657	403,908
<b>Total funding</b>	<b>264,706</b>	<b>92,163</b>	<b>356,869</b>	<b>558,343</b>	<b>261,771</b>	<b>820,114</b>
<b>Programme of capital projects supported by the RFT scheme</b>						
Project 1: Bus priority improvements		4,655			30,016	
Project 2: City centre bus infrastructure		1,082			3,030	
Project 3: Improving airport access		6,584			11,517	
Project 4: Eastern Busway		25,422			70,799	
Project 5: Park-and-ride facilities		-			101	
Project 6: Electric trains and stabling		9			5,000	
Project 7: Downtown ferry terminal and redevelopment		694			-	
Project 8: Road safety		32,926			71,560	
Project 9: Active transport		8,464			14,680	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		3			-	
Project 12: Road corridor improvements		8,997			37,819	
Project 13: Network capacity and performance improvement		3,320			7,740	
Project 14: Growth-related transport infrastructure		8			9,508	
<b>Total</b>		<b>92,163</b>			<b>261,771</b>	

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## RFT Operating Expenditure

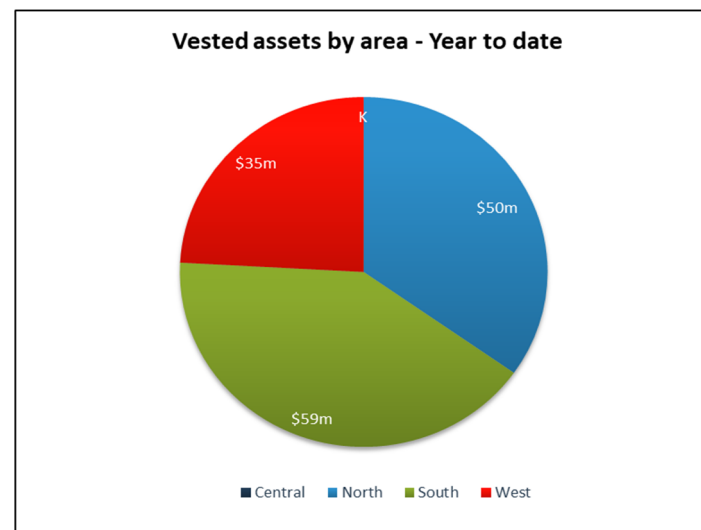
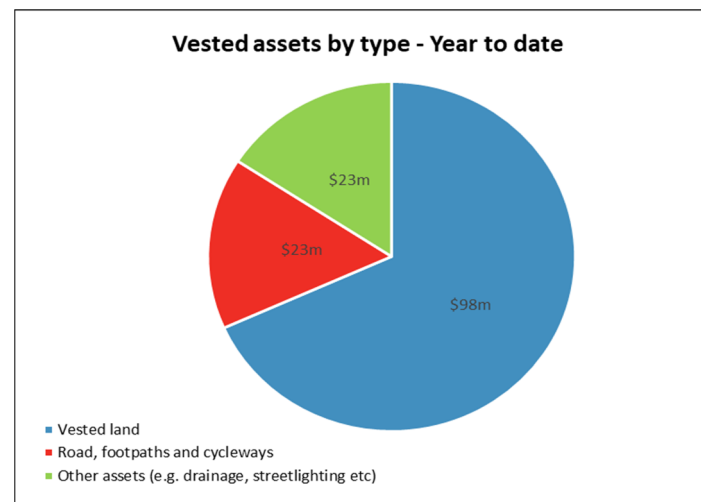
	Year to date			Full year		
	Actual Not RFT Enabled	Actual RFT Enabled	Actual Total	Budget Not RFT Enabled	Budget RFT Enabled	Budget Total
<b>Operating expenditure</b>		821			1,480	
<i>Note: Fully funded by Auckland Council</i>						
<b>Programme of operating projects supported by the Auckland RFT scheme</b>						
Project 8: Road safety		821			1,480	
<b>Total</b>		821			1,480	

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## Section 3d – Vested Assets

As at 28 February 2022

	Current month	Year to date
	Actual \$000	Actual \$000
<b>Vested Assets - Top 10 Suburbs</b>		
Flat Bush	10,471	30,515
Milldale	-	24,967
Hobsonville	6,756	20,673
Pukekohe	-	8,509
Massey	-	8,038
Drury	-	7,252
Warkworth	328	7,165
Matakana	-	5,335
Silverdale	-	5,205
Northcote	-	4,996
Other	3,399	21,222
<b>Total Vested Asset</b>	<b>20,955</b>	<b>143,878</b>



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## Section 4a – Statement of Financial Position

As at 28 February 2022

	Note	Actual 28 February 2022 \$000	Actual 31 January 2022 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	6,305	6,251
Receivables	2	534,880	517,764
Inventories		13,114	13,096
Other assets		11,367	12,550
Derivative financial instruments		-	622
<b>Total current assets</b>		<b>565,666</b>	<b>550,283</b>
<b>Non-current assets</b>			
Property, plant and equipment (PPE)		21,446,761	21,380,781
Intangible assets		134,425	136,841
Work in progress (PPE and intangible assets)	3	842,641	824,503
Derivative financial instruments		-	2,939
<b>Total non-current assets</b>		<b>22,423,827</b>	<b>22,345,064</b>
<b>Total assets</b>		<b>22,989,493</b>	<b>22,895,347</b>

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## Section 4a – Statement of Financial Position (continued)

As at 28 February 2022

	Note	Actual 28 February 2022 \$000	Actual 31 January 2022 \$000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and accruals	4	232,617	219,314
Employee entitlements	5	17,123	16,534
Derivative financial instruments		534	283
Borrowings	6	8,690	8,633
Total current liabilities		258,964	244,764
<b>Non-current liabilities</b>			
Payables and accruals	4	4,588	4,836
Employee entitlements	5	328	328
Derivative financial instruments		2,391	-
Borrowings	6	474,355	475,069
Total non-current liabilities		481,662	480,233
<b>Total liabilities</b>		<b>740,626</b>	<b>724,997</b>
<b>Net assets</b>		<b>22,248,867</b>	<b>22,170,350</b>
<b>Equity</b>			
Contributed capital		13,200,864	13,159,440
Accumulated funds		4,622,789	4,554,042
Other reserves		4,425,214	4,456,868
<b>Total equity</b>		<b>22,248,867</b>	<b>22,170,350</b>



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## Section 4b – Notes to the Financial Statements

As at 28 February 2022

	Actual 28 February 2022 \$000	Actual 31 January 2022 \$000
<b>1 Cash and cash equivalents</b>		
Cash at bank	6,077	6,023
Till floats	228	228
<b>Total cash and cash equivalents</b>	<b>6,305</b>	<b>6,251</b>

The carrying value of cash and cash equivalents approximates their fair value.

<b>2 Receivables</b>		
Trade and other debtors	6,948	6,899
Infringement receivable	43,311	42,609
Amounts due from related parties	440,620	424,446
Accrued revenue	66,195	66,340
	<b>557,074</b>	<b>540,294</b>
Less provision for impairment of receivables	(22,194)	(22,530)
<b>Total current receivables</b>	<b>534,880</b>	<b>517,764</b>

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## Section 4b – Notes to the Financial Statements (continued)

### As at 28 February 2022

The carrying value of debtors and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables as there are a large number of customers.

The maximum exposure to credit risk at reporting date is the carrying value of each class of receivable mentioned above.

The ageing profile of receivables is detailed below:

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Amounts due from related parties	Total
	\$000	\$000	\$000	\$000	\$000
Not past due	3,456	3,297	-	440,570	447,323
Past due 1 - 30 days	2,592	2,169	-	40	4,801
Past due 31 - 60 days	39	978	-	10	1,027
Past due 61 - 90 days	32	721	-	-	753
Past due > 90 days	829	262	35,884	-	36,975
	<b>6,948</b>	<b>7,427</b>	<b>35,884</b>	<b>440,620</b>	<b>490,879</b>
Impairment	(499)	(524)	(21,171)	-	(22,194)
	<b>6,449</b>	<b>6,903</b>	<b>14,713</b>	<b>440,620</b>	<b>468,685</b>

All receivables greater than 30 days in age are considered to be past due.

The provision for impairment of receivables has been calculated on an individual basis. The provision is based on a review of significant debtor balances. Receivables are assessed as impaired due to significant financial difficulties being experienced by the debtor, and AT management concluding that it is remote that the overdue amounts will be recovered.

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## Section 4b – Notes to the Financial Statements (continued)

As at 28 February 2022

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2020	499	1,539	19,511	21,549
Additional/(Reversal) provisions made	-	-	1,660	1,660
Provisions reversed	-	(1,015)	-	(1,015)
Provisions relating to receivables written-off	-	-	-	-
<b>Balance at 28 February 2022</b>	<b>499</b>	<b>524</b>	<b>21,171</b>	<b>22,194</b>

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## Section 4b – Notes to the Financial Statements (continued)

As at 28 February 2022

	Opening balance 1 July 2021 \$000	Acquisition YTD 28 February 2022 \$000	Capitalisation YTD 28 February 2022 \$000	Closing balance 28 February 2022 \$000
<b>3 Work in Progress (WIP)</b>				
<b>WIP by activity</b>				
Roads and footpaths	649,465	166,399	(236,534)	579,330
Public Transport	465,032	50,709	(284,736)	231,005
Parking operations	6,762	1,832	(4,737)	3,857
Internal support	31,106	18,732	(21,387)	28,451
<b>Total WIP</b>	<b>1,152,364</b>	<b>237,673</b>	<b>(547,395)</b>	<b>842,642</b>
<b>WIP by status</b>				
Current WIP (completion in future)				699,319
Due for capitalisation within policy				42,469
Due for capitalisation not within policy				99,432
Forecast completion date not yet provided (new projects)				1,423
<b>Total WIP</b>				<b>842,642</b>

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## Section 4b – Notes to the Financial Statements (continued)

As at 28 February 2022

Top 10 Programmes	WIP Closing balance 28 February 2022 \$000
AMETI	109,066
SGA Network Growth	52,363
New Northern Busway Station & Park&Ride	52,016
New Lynn to Avondale Scheme Cycle Way	43,777
Warkworth Matakana Link (SH1 to Matakana)	34,685
Wolverton Culvert Emergency Work	25,916
Wynyard Quarter Programme	23,751
Integrated Corridor	22,853
Tech-Corporate Programme	21,517
Tamaki Drive (Plumer St to Ngapipi Rd)	21,197
<b>Total</b>	<b>407,140</b>

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## Section 4b – Notes to the Financial Statements (continued)

As at 28 February 2022

	Actual 28 February 2022 \$000	Actual 31 January 2022 \$000
<b>4 Payables and accruals</b>		
<b>Current portion</b>		
Creditors	17,771	23,982
Goods and services tax	2,084	2,240
Accrued expenses	159,538	139,380
Retentions	20,210	20,598
Amounts due to related parties	26,378	25,132
Revenue in advance	6,636	7,982
<b>Total current payables</b>	<b>232,617</b>	<b>219,314</b>
<b>Non-current portion</b>		
Amounts due to related parties	4,588	4,836
<b>Total non-current payables</b>	<b>4,588</b>	<b>4,836</b>

Creditors and other payables are non-interest bearing and are normally settled on 20 day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

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## Section 4b – Notes to the Financial Statements (continued)

As at 28 February 2022

	Actual 28 February 2022 \$000	Actual 31 January 2022 \$000
<b>5 Employee entitlements</b>		
<b>Current portion</b>		
Accrued salaries and wages	4,275	4,174
Accrued leave	12,848	12,360
<b>Total current employee entitlements</b>	<b>17,123</b>	<b>16,534</b>
<b>Non-current portion</b>		
Retirement gratuities	253	253
Long service leave	75	75
<b>Total non-current employee entitlements</b>	<b>328</b>	<b>328</b>

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## Section 4b – Notes to the Financial Statements (continued)

As at 28 February 2022

	Actual 28 February 2022 \$000	Actual 31 January 2022 \$000
<b>6 Borrowings</b>		
<b>Current portion</b>		
Finance lease	1,058	1,057
Loans from Auckland Council	7,632	7,576
<b>Total current borrowings</b>	<b>8,690</b>	<b>8,633</b>
<b>Non-current portion</b>		
Finance lease	3,239	3,328
Loans from Auckland Council	471,116	471,741
<b>Total non-current borrowings</b>	<b>474,355</b>	<b>475,069</b>
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$479 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.



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## Section 5 – Cashflow

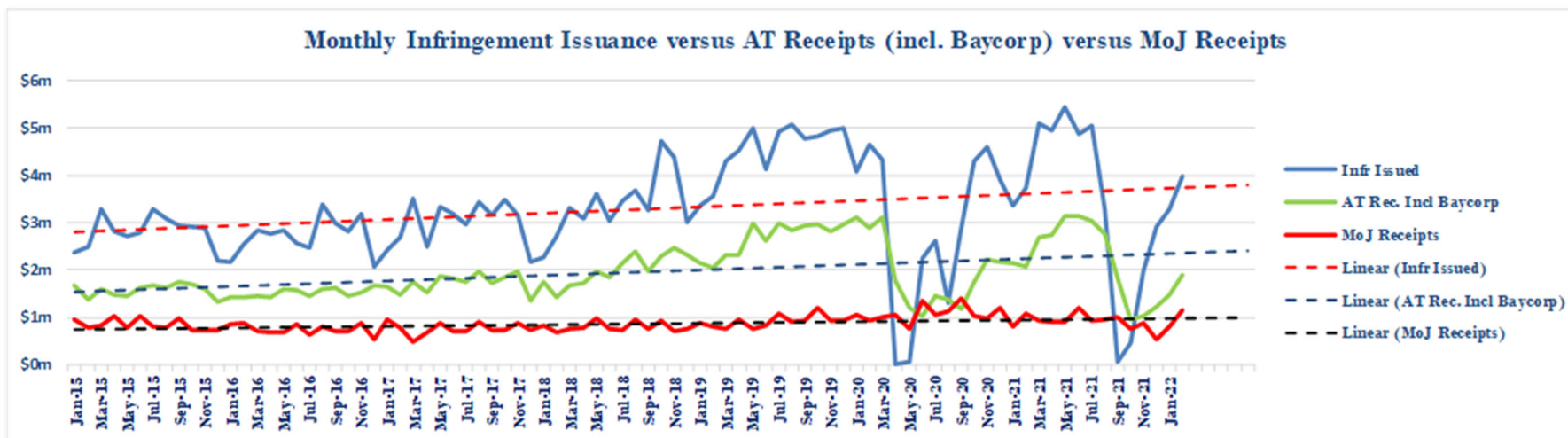
	Year to Date		Full year
	Actual \$000	Budget \$000	Budget \$000
<b>Cash flows from operating activities</b>			
<b>Total cash provided</b>	<b>1,099,238</b>	<b>1,185,917</b>	<b>1,896,483</b>
<b>Cash applied to</b>			
Payments to suppliers and employees	686,577	670,992	1,040,092
Interest paid	17,336	19,325	28,947
Goods and services tax	5,087	-	-
<b>Total cash applied</b>	<b>709,000</b>	<b>690,317</b>	<b>1,069,039</b>
<b>Net cash from operating activities</b>	<b>390,238</b>	<b>495,600</b>	<b>827,444</b>
<b>Cash flows from investing activities</b>			
<b>Cash provided from</b>			
Sale of property, plant and equipment	1,964	-	-
<b>Cash applied to:</b>			
Purchase of property, plant and equipment	386,189	490,895	820,114
<b>Net cash from investing activities</b>	<b>(384,225)</b>	<b>(490,895)</b>	<b>(820,114)</b>
<b>Cash flows from financing activities</b>			
<b>Cash applied to</b>			
Repayments of EMU loan from Auckland Council	4,705	4,705	7,330
Repayments of finance lease principal	700	-	-
<b>Net cash from financing activities</b>	<b>(5,405)</b>	<b>(4,705)</b>	<b>(7,330)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>608</b>	<b>-</b>	<b>-</b>
Opening cash and cash equivalents	5,697	-	-
<b>Closing cash balance</b>	<b>6,305</b>	<b>-</b>	<b>-</b>

<b>Reconciliation of surplus after tax to net cash from operating activities</b>	
	<b>Actual \$000</b>
<b>Surplus after tax</b>	<b>181,264</b>
<b>Add/(less) non-cash items</b>	
Depreciation and amortisation	267,034
Vested asset income	(143,878)
Loss on disposal of property, plant and equipment	32,592
(Gains)/losses on derivatives	2,409
	<b>158,157</b>
<b>Add/(less) movements in balance sheet items</b>	
Receivables	126,267
Inventories	(2,388)
Other assets	(6,875)
Payables and accruals	(66,219)
Employee entitlements	32
	<b>50,817</b>
<b>Net cash from operating activities</b>	<b>390,238</b>


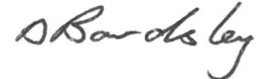
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## Section 6 – Infringement Overview

Over 86 months (January 2015 to February 2022), the trend for both infringements issued and receipted (including Baycorp) is positive and increasing while the trend for receipts by Ministry of Justice has remained relatively static, despite the fact that more matters have been lodged with them.



## Te pou whenua tuhinga / Document ownership

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