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Results for the Four Months Ended 31 October 2021

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 lockdowns mean that achievement of the full year budget is unrealistic in the absence of a central Government top up of public transport (PT) revenues.

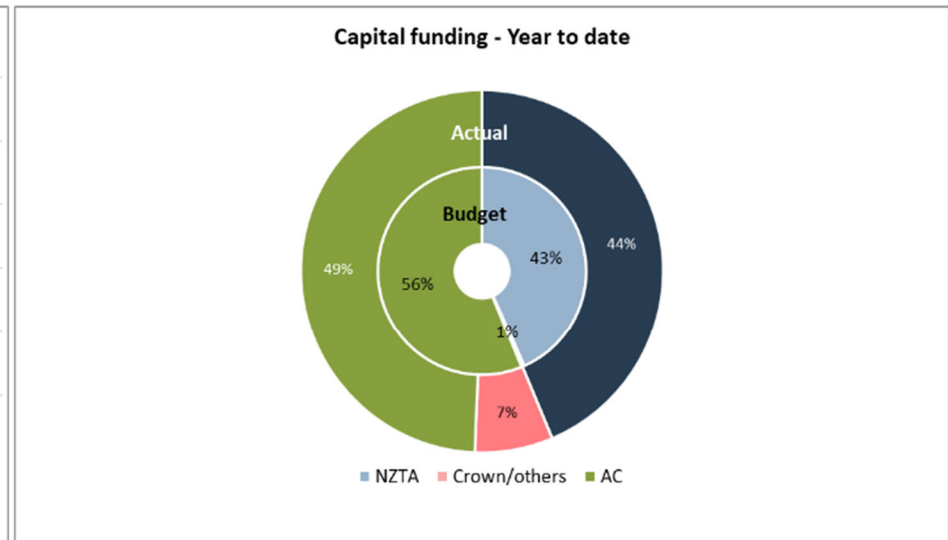
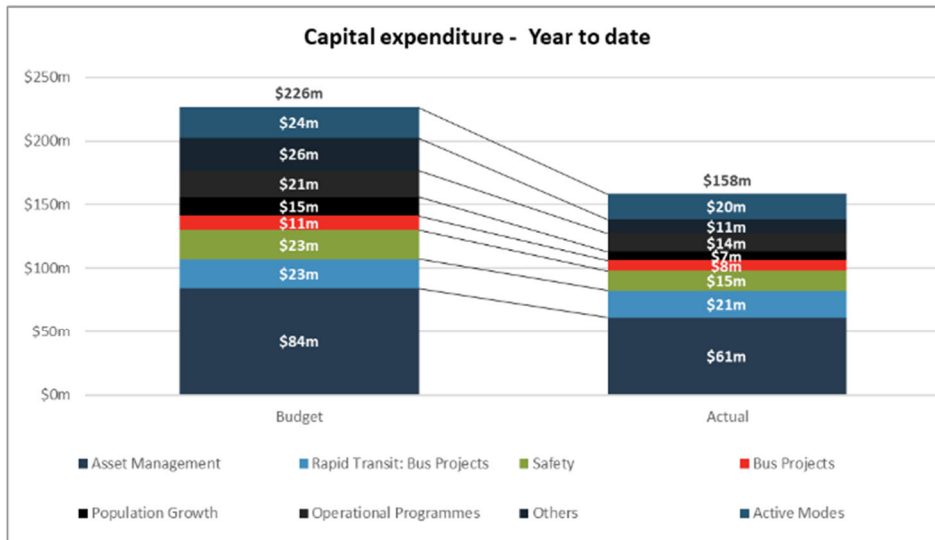
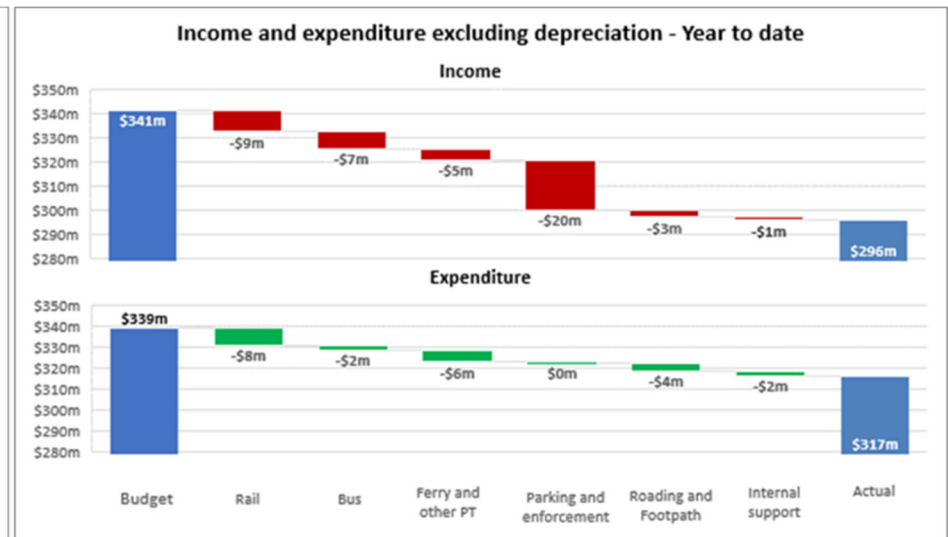
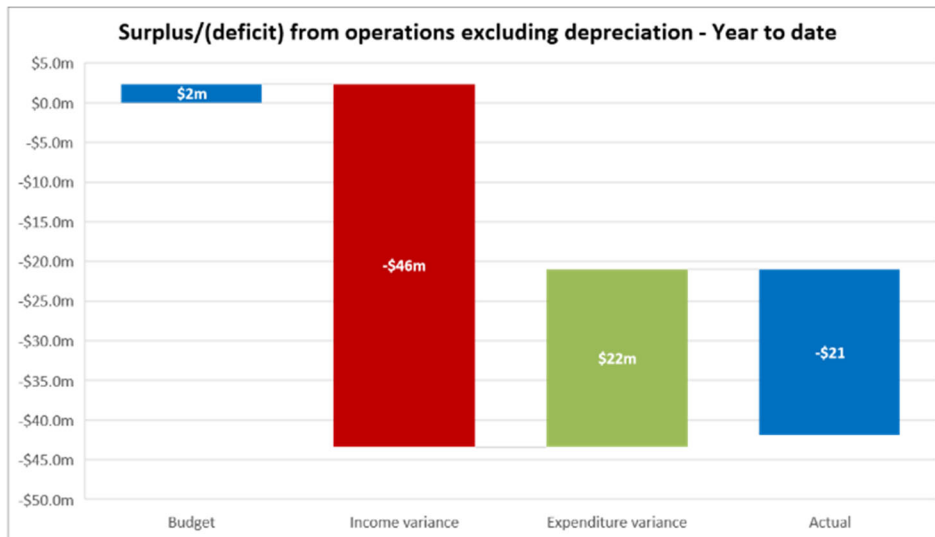
1. **Deficit from operations** is \$10.7 million unfavourable to budget in October and \$25.8 million unfavourable year to date (YTD). The full year result remains sensitive to COVID-19 impacts, PT patronage recovery and Waka Kotahi New Zealand Transport Agency (Waka Kotahi) funding.
2. **YTD deficit from operations excluding depreciation** of \$21 million is \$23.3 million unfavourable to budget mainly due to the impact of the COVID-19 lockdown on revenue. Operating income is down \$45.8 million YTD, approximately half of which is offset by a \$22.4 million reduction in operating expenditure. Items to note:
 - Waka Kotahi funding is on budget with lower capital activity and administration subsidies offset by claims for higher net PT expenditure. Funding for the current fare loss top-ups is constrained by existing Waka Kotahi funding caps on the PT programme, resulting in a risk for the three-year programme unless additional funding is made available to support COVID-19 impacts.
 - Parking and enforcement revenue is unfavourable to budget mainly due to lower parking occupancy and infringement ticket issuances as a result of the COVID-19 lockdown and 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 increased from 7.4% in September to 13% of pre COVID-19 levels in October reflecting a change to COVID-19 Alert Level 3 on 21 September.
 - Other revenue is unfavourable to budget mainly due to lower than expected petrol tax income.
 - 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, but in line with prior year trends.
 - PT contract costs are favourable to budget due to reduced rail operating costs from a favourable prior year cost wash-up, reduced train service kilometres and utilities costs, lower ferry indexation and KPI savings on bus contracts driven by a bus driver shortage. KPIs were suspended after the change to a weekend timetable under Alert Levels 4 and 3.
 - Contractor maintenance is favourable to budget mainly from a reduction in stormwater charges and reduced activity as a result of COVID-19 impacts.

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- Professional fees is favourable to budget mainly due to budget phasing.
 - Other expenditure is favourable to budget primarily due to lower than expected unplanned facilities maintenance (e.g. stations, carparks etc), Auckland Transport (AT) delivered events and training, mobility and public transport concessions and advertising costs.
3. **Loss on disposal of assets** - City Rail Link Limited transferred Britomart Station Works including the Chief Post Office (CPO, C1 SP3) through Auckland Council to AT for \$161.9 million in September. An independent valuation of Britomart including the CPO was obtained resulting in an impairment of \$32.7 million.
 4. **Capital expenditure** of \$158.2 million is \$68.3 million lower than the budget mainly driven by underspend in renewals and growth projects due to the change to Alert Level 4 in August and subsequent move to Alert Level 3.
 5. **Waka Kotahi capital funding YTD** of 44% is higher than the budget of 43% partly due to funding received relating to previous year costs. The budget assumption for the full year is 50%.
 6. **Regional Fuel Tax (RFT) enabled capital spend** is \$16.6 million for October. YTD spend is \$42.7 million, 17% of the full year budget.

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



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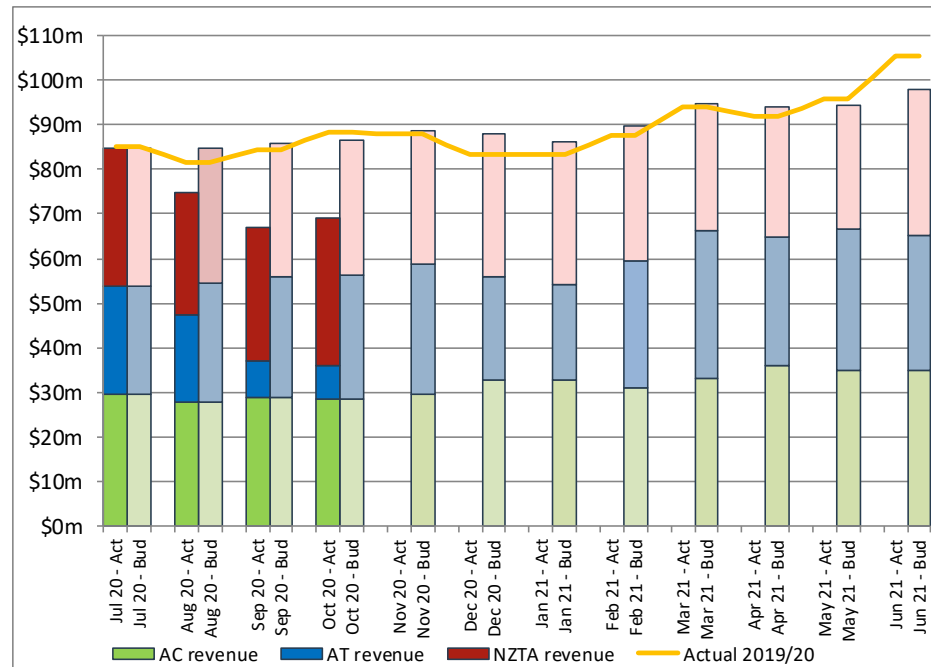
Section 2 – Financial results for the four months ended 31 October 2021

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating income							
Auckland Council funding	28,674	28,674	-	114,664	114,664	-	379,855
Waka Kotahi NZ Transport Agency operating funding	33,229	30,271	2,958	121,209	120,794	415	363,288
Parking and enforcement income	1,536	9,254	(7,718)	16,159	36,592	(20,433)	108,605
Public transport income	3,869	15,634	(11,765)	33,171	57,578	(24,407)	190,896
Other revenue incl. other grants and subsidies	1,765	2,615	(850)	10,396	11,760	(1,364)	31,912
Total operating income	69,073	86,448	(17,375)	295,599	341,388	(45,789)	1,074,556
Operating expenditure							
Salaried staff	15,579	16,019	440	63,540	66,399	2,859	202,541
Contract staff	35	267	232	940	1,131	191	3,081
Other personnel costs	221	279	58	1,086	1,030	(56)	3,087
Personnel costs	15,835	16,565	730	65,566	68,560	2,994	208,709
Capitalised personnel costs	(3,750)	(3,975)	(225)	(14,361)	(17,867)	(3,506)	(51,217)
Public transport contracts	36,652	41,213	4,561	151,878	160,665	8,787	512,588
Contractors-maintenance	7,667	7,607	(60)	27,014	30,637	3,623	93,075
Professional services	2,360	3,532	1,172	9,563	14,251	4,688	42,971
Track and ferry access charges	3,305	3,358	53	12,247	12,500	253	40,014
Other expenditure	13,309	15,047	1,738	54,857	60,472	5,615	192,140
Finance costs	2,467	2,464	(3)	9,807	9,801	(6)	28,946
Total operating expenditure excluding depreciation	77,845	85,811	7,966	316,571	339,019	22,448	1,067,226
Surplus/(deficit) from operations excluding depreciation	(8,772)	637	(9,409)	(20,972)	2,369	(23,341)	7,330
Depreciation and amortisation	35,502	34,181	(1,321)	136,099	133,618	(2,481)	425,920
Surplus/(deficit) from operations	(44,274)	(33,544)	(10,730)	(157,071)	(131,249)	(25,822)	(418,590)
Income for capital projects							
Waka Kotahi NZ Transport Agency capital co-investment	17,072	38,493	(21,421)	69,096	98,263	(29,167)	406,206
Auckland Council capital grant	33,909	30,102	3,807	77,811	127,450	(49,639)	403,908
Other capital grants	2,441	262	2,179	11,297	775	10,522	10,000
Vested asset income	44,803	10,826	33,977	88,248	85,019	3,229	275,000
Total income for capital projects	98,225	79,683	18,542	246,452	311,507	(65,055)	1,095,114
Net surplus/(deficit) before tax and derivatives	53,951	46,139	7,812	89,381	180,258	(90,877)	676,524
Gains/(losses) on derivatives	132	-	132	909	-	909	-
Gain/(loss) on disposal of assets	-	-	-	(32,716)	-	(32,716)	-
Net surplus/(deficit) after tax and derivatives	54,083	46,139	7,944	57,574	180,258	(122,684)	676,524

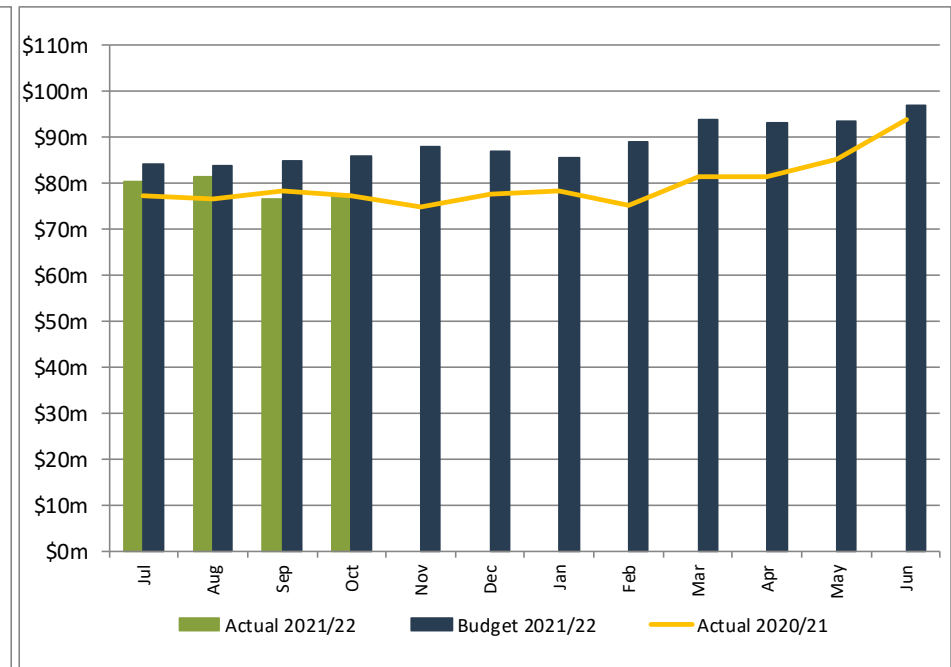
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Section 2 – Financial results for the four months ended 31 October 2021 (continued)

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
Operating Income							
Rail	8,532	12,373	(3,841)	37,341	46,359	(9,018)	145,432
Bus	16,683	20,842	(4,159)	74,145	81,353	(7,208)	256,256
Ferry	1,482	2,601	(1,119)	7,402	10,028	(2,626)	35,694
Other public transport	3,116	2,453	663	8,332	10,341	(2,009)	30,076
Parking	1,029	4,111	(3,082)	8,222	16,413	(8,191)	49,350
Enforcement	507	5,143	(4,636)	7,937	20,179	(12,242)	59,255
Roading and footpaths	5,037	5,722	(685)	21,176	24,388	(3,212)	70,323
Internal support	4,012	4,526	(514)	16,379	17,661	(1,282)	48,313
Auckland Council operating funding	28,674	28,674	-	114,664	114,664	-	379,855
Total operating income	69,072	86,445	(17,373)	295,598	341,386	(45,788)	1,074,554
Operating Expenditure							
Rail	15,918	19,381	3,463	64,009	72,163	8,154	228,574
Bus	29,170	31,248	2,078	122,318	124,571	2,253	389,437
Ferry	2,604	3,519	915	11,910	13,648	1,738	48,418
Other public transport	4,349	5,363	1,014	17,361	21,405	4,044	66,898
Parking	876	1,089	213	4,112	4,471	359	13,244
Enforcement	2,455	2,323	(132)	9,535	9,493	(42)	27,686
Roading and footpaths	11,025	10,931	(94)	40,929	44,667	3,738	133,035
Internal support	11,445	11,959	514	46,396	48,602	2,206	159,933
Depreciation and amortisation	35,502	34,181	(1,321)	136,099	133,618	(2,481)	425,920
Total operating expenditure	113,344	119,994	6,650	452,669	472,638	19,969	1,493,145
Surplus/(deficit) from Operations	(44,272)	(33,549)	(10,723)	(157,071)	(131,252)	(25,819)	(418,591)

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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
Operating Income							
Activity income	597	4,018	(3,421)	6,369	15,163	(8,794)	46,509
Other income	(53)	159	(212)	174	636	(462)	1,908
Waka Kotahi NZ Transport Agency operating funding	7,988	8,196	(208)	30,798	30,560	238	97,015
Total operating income	8,532	12,373	(3,841)	37,341	46,359	(9,018)	145,432
Operating Expenditure							
Personnel costs	499	743	244	2,127	2,944	817	8,834
Capitalised personnel costs	94	(59)	(153)	420	(226)	(646)	(603)
Public transport contracts	7,716	10,387	2,671	31,843	37,607	5,764	121,676
Contractors-maintenance	27	12	(15)	90	50	(40)	150
Professional services	25	1	(24)	29	6	(23)	411
Track access charges	3,273	3,322	49	12,122	12,356	234	39,583
Other expenditure	1,821	2,514	693	7,587	9,637	2,050	29,613
Finance costs	2,463	2,461	(2)	9,791	9,789	(2)	28,910
Total operating expenditure	15,918	19,381	3,463	64,009	72,163	8,154	228,574
Depreciation and amortisation	5,661	4,207	(1,454)	19,402	16,669	(2,733)	51,288
Surplus/(deficit) from Operations	(13,047)	(11,215)	(1,832)	(46,070)	(42,473)	(3,597)	(134,430)
Internal support costs	2,772	2,765	(7)	10,976	11,169	193	39,836
Surplus/(deficit)	(15,819)	(13,980)	(1,839)	(57,046)	(53,642)	(3,404)	(174,266)

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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
Operating Income							
Activity income	2,188	8,732	(6,544)	17,843	30,268	(12,425)	100,745
Other income	307	413	(106)	2,445	2,364	81	8,892
Waka Kotahi NZ Transport Agency operating funding	14,188	11,697	2,491	53,857	48,721	5,136	146,619
Total operating income	16,683	20,842	(4,159)	74,145	81,353	(7,208)	256,256
Operating Expenditure							
Personnel costs	406	492	86	1,807	2,066	259	6,099
Capitalised personnel costs	37	(119)	(156)	366	(551)	(917)	(1,501)
Public transport contracts	26,867	28,102	1,235	110,858	112,563	1,705	352,488
Contractors-maintenance	106	99	(7)	395	397	2	1,190
Professional Services	(138)	231	369	159	556	397	2,269
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	1,892	2,443	551	8,732	9,540	808	28,892
Finance costs	-	-	-	1	-	(1)	-
Total operating expenditure	29,170	31,248	2,078	122,318	124,571	2,253	389,437
Depreciation and amortisation	561	577	16	2,201	2,212	11	7,391
Surplus/(deficit) from Operations	(13,048)	(10,983)	(2,065)	(50,374)	(45,430)	(4,944)	(140,572)
Internal support costs	4,723	4,711	(12)	18,701	19,029	329	67,871
Surplus/(deficit)	(17,771)	(15,694)	(2,077)	(69,075)	(64,459)	(4,615)	(208,443)

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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
Operating Income							
Operator access fees	85	568	(483)	1,587	2,103	(516)	6,935
Activity income	60	684	(624)	1,083	2,614	(1,531)	13,191
Other income	68	91	(23)	339	366	(27)	1,099
Waka Kotahi NZ Transport Agency operating funding	1,269	1,258	11	4,393	4,945	(552)	14,469
Total operating income	1,482	2,601	(1,119)	7,402	10,028	(2,626)	35,694
Operating Expenditure							
Personnel costs	175	160	(15)	700	675	(25)	2,130
Capitalised personnel costs	(81)	28	109	(251)	111	362	334
Public transport contracts	2,069	2,652	583	9,055	10,207	1,152	37,629
Contractors-maintenance	-	-	-	9	-	(9)	-
Professional Services	3	21	18	21	24	3	362
Ferry access charges	31	36	5	125	144	19	431
Other expenditure	407	622	215	2,251	2,487	236	7,532
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	2,604	3,519	915	11,910	13,648	1,738	48,418
Depreciation and amortisation	891	351	(540)	1,949	1,398	(551)	4,241
Surplus/(deficit) from Operations	(2,013)	(1,269)	(744)	(6,457)	(5,018)	(1,439)	(16,965)
Internal support costs	587	586	(1)	2,325	2,366	41	8,438
Surplus/(deficit)	(2,600)	(1,855)	(745)	(8,782)	(7,384)	(1,398)	(25,403)

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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
Operating Income							
Other income	617	968	(351)	3,331	4,063	(732)	11,616
Waka Kotahi NZ Transport Agency operating funding	2,499	1,485	1,014	5,001	6,278	(1,277)	18,460
Total operating income	3,116	2,453	663	8,332	10,341	(2,009)	30,076
Operating Expenditure							
Personnel costs	1,978	1,972	(6)	8,201	8,020	(181)	24,507
Capitalised personnel costs	(3)	249	252	141	361	220	1,314
Public transport contracts	-	73	73	122	292	170	805
Contractors-maintenance	985	901	(84)	4,245	3,874	(371)	13,032
Professional Services	861	786	(75)	2,023	3,222	1,199	8,964
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	74	51	(23)	354	147	(207)	526
Other expenditure	454	1,331	877	2,275	5,489	3,214	17,750
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	4,349	5,363	1,014	17,361	21,405	4,044	66,898
Depreciation and amortisation	604	633	29	2,418	2,483	65	7,597
Surplus/(deficit) from Operations	(1,837)	(3,543)	1,706	(11,447)	(13,547)	2,100	(44,419)
Internal support costs	811	809	(2)	3,212	3,269	56	11,659
Surplus/(deficit)	(2,648)	(4,352)	1,704	(14,659)	(16,816)	2,156	(56,078)

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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
Operating Income							
Parking Fees	922	4,063	(3,141)	7,900	16,220	(8,320)	48,720
Other income	107	48	59	322	193	129	630
Total operating income	1,029	4,111	(3,082)	8,222	16,413	(8,191)	49,350
Operating Expenditure							
Personnel costs	179	226	47	861	933	72	2,782
Capitalised personnel costs	(17)	(22)	(5)	(44)	(97)	(53)	(269)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	69	145	76	358	579	221	1,738
Professional Services	1	11	10	56	43	(13)	129
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	644	729	85	2,881	3,013	132	8,864
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	876	1,089	213	4,112	4,471	359	13,244
Depreciation and amortisation	838	661	(177)	3,323	2,637	(686)	7,961
Surplus/(deficit) from Operations	(685)	2,361	(3,046)	787	9,305	(8,518)	28,145
Internal support costs	161	160	(0)	636	647	11	2,308
Surplus/(deficit)	(846)	2,201	(3,046)	151	8,658	(8,507)	25,837

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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
Operating Income							
Infringement income	507	5,143	(4,636)	7,937	20,179	(12,242)	59,255
Other income	-	-	-	-	-	-	-
Total operating income	507	5,143	(4,636)	7,937	20,179	(12,242)	59,255
Operating Expenditure							
Personnel costs	1,139	999	(140)	4,487	4,150	(337)	12,316
Capitalised personnel costs	3	8	5	(2)	34	36	95
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	105	307	202	505	1,132	627	3,305
Professional Services	16	8	(8)	87	33	(54)	100
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	144	79	(65)	717	318	(399)	953
Movement in doubtful debts	421	196	(225)	983	785	(198)	2,355
Other expenditure	627	726	99	2,758	3,041	283	8,562
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	2,455	2,323	(132)	9,535	9,493	(42)	27,686
Depreciation and amortisation	148	182	34	610	677	67	2,424
Surplus/(deficit) from Operations	(2,096)	2,638	(4,734)	(2,208)	10,009	(12,217)	29,145
Internal support costs	336	335	(1)	1,329	1,353	23	4,825
Surplus/(deficit)	(2,432)	2,303	(4,735)	(3,537)	8,656	(12,194)	24,320

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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
Operating Income							
Petrol tax	(16)	884	(900)	1,787	3,528	(1,741)	10,448
Other income	501	659	(158)	3,266	3,774	(508)	9,312
Waka Kotahi NZ Transport Agency operating funding	4,552	4,179	373	16,123	17,086	(963)	50,563
Total operating income	5,037	5,722	(685)	21,176	24,388	(3,212)	70,323
Operating Expenditure							
Personnel costs	2,909	2,973	64	12,067	12,275	208	36,895
Capitalised personnel costs	(1,267)	(1,035)	232	(4,369)	(4,316)	53	(12,935)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	6,367	6,053	(314)	21,382	24,215	2,833	72,556
Professional Services	511	1,258	747	3,242	5,247	2,005	14,546
Track and ferry access charges	-	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	2,505	1,682	(823)	8,607	7,246	(1,361)	21,973
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	11,025	10,931	(94)	40,929	44,667	3,738	133,035
Depreciation and amortisation	23,228	24,029	801	92,646	94,149	1,503	298,515
Surplus/(deficit) from Operations	(29,216)	(29,238)	22	(112,399)	(114,428)	2,029	(361,227)
Internal support costs	1,613	1,609	(4)	6,388	6,501	112	23,185
Surplus/(deficit)	(30,829)	(30,847)	18	(118,787)	(120,929)	2,141	(384,412)

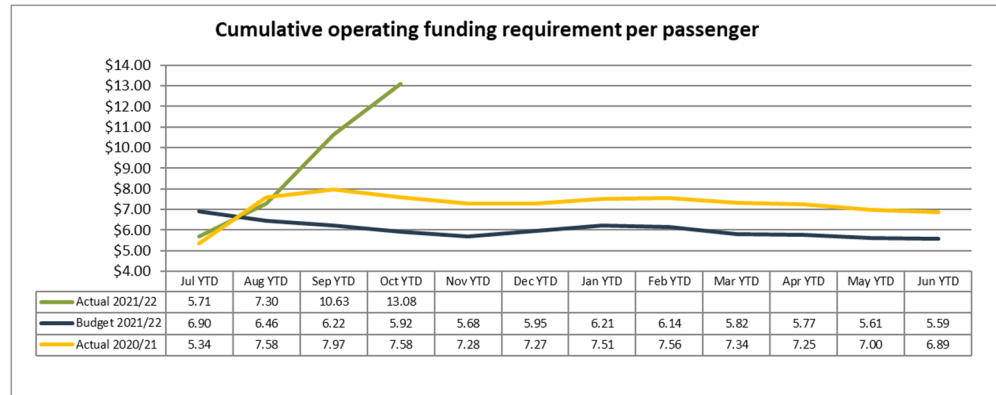
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Section 2b – Internal Support

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Rental income	744	709	35	3,001	2,834	167	7,390
Other income	536	362	174	2,341	1,623	718	4,762
Waka Kotahi NZ Transport Agency operating funding	2,732	3,455	(723)	11,037	13,204	(2,167)	36,161
Total operating income	4,012	4,526	(514)	16,379	17,661	(1,282)	48,313
Operating Expenditure							
Personnel costs	8,549	9,000	451	35,316	37,498	2,182	115,145
Capitalised personnel costs	(2,516)	(3,025)	(509)	(10,622)	(13,183)	(2,561)	(37,652)
Public transport contracts	-	(1)	(1)	-	(3)	(3)	(10)
Contractors-maintenance	7	91	84	30	389	359	1,103
Professional services	1,081	1,217	136	3,946	5,120	1,174	16,191
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	2,438	2,782	344	10,488	11,063	575	33,990
Directors fees	44	42	(2)	175	169	(6)	508
Other expenditure	1,838	1,850	12	7,047	7,537	490	30,621
Finance costs	4	3	(1)	16	12	(4)	37
Total operating expenditure	11,445	11,959	514	46,396	48,602	2,206	159,933
Depreciation and amortisation	3,570	3,542	(28)	13,551	13,393	(158)	46,503
Surplus/(deficit) from Operations	(11,003)	(10,975)	(28)	(43,568)	(44,334)	766	(158,123)
Internal support allocated	11,003	10,975	(28)	43,568	44,334	766	158,123
Surplus/(deficit)	-	-	-	-	-	-	-

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Section 2c – Operational funding requirement per passenger for the four months ended 31 October 2021



The operational cost (net of third party revenue) of \$13.08 per passenger on the PT Network is higher than the budget of \$5.92 due to the COVID-19 lockdown from 18 August 2021 driving lower than expected external revenue and patronage. This is partly offset by lower than budgeted operating expenditure.

	Current month				Year to date				Full year
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %	Budget
Rail, Bus and Ferry operations:									
Operating expenditure \$000	45,229	51,687	6,458	12%	188,446	200,593	12,147	6%	637,519
Less external revenues \$000	3,252	14,665	(11,413)	(78%)	29,840	53,514	(23,674)	(44%)	179,279
Operating funding requirement \$000	41,977	37,022	(4,955)	(13%)	158,606	147,079	(11,527)	(8%)	458,240
Patronage 000's	1,152	7,129	(5,978)	(84%)	12,124	24,824	(12,700)	(51%)	82,000
Operating funding requirement per passenger	\$36.45	\$5.19	(\$31.25)	(602%)	\$13.08	\$5.92	(\$7.16)	(121%)	\$5.59

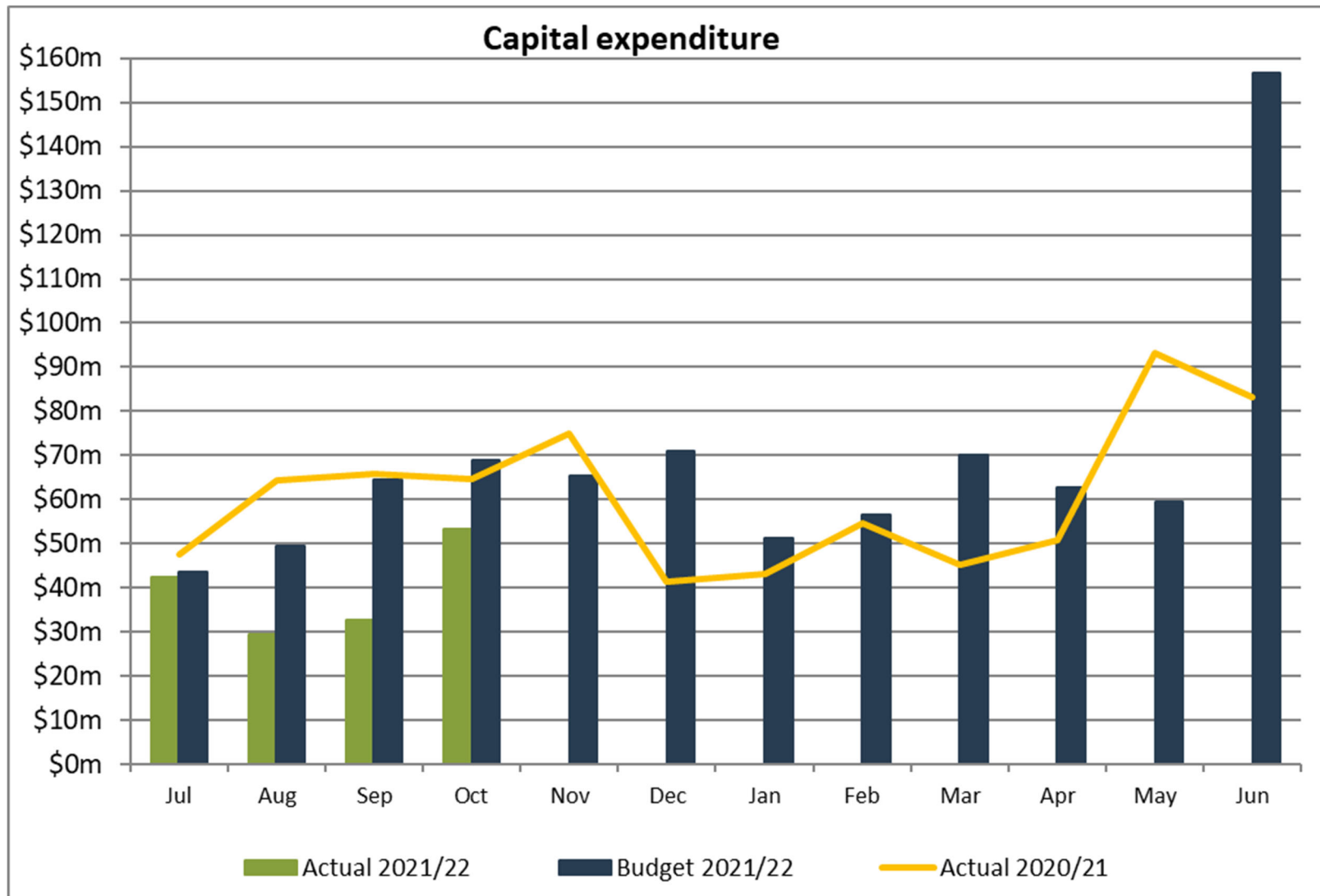
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Section 3a – Summary of Capital Expenditure

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Regional Land Transport Plan (RLTP) grouping							
Active Modes	8,167	7,159	(1,008)	19,719	24,030	4,311	72,228
Asset Management	24,901	22,709	(2,192)	61,193	84,355	23,162	252,394
Bus Projects	1,807	2,184	377	8,355	11,056	2,701	58,266
Corridor Improvements	589	1,211	622	1,875	2,642	767	27,513
Ferry, Multi-modal, and Park and Ride	1,353	2,441	1,088	4,628	8,030	3,402	33,101
Local Board Priorities	646	1,282	636	1,450	3,165	1,715	27,799
Network Capacity and Performance	424	2,181	1,757	2,685	4,742	2,057	14,000
Operational Programmes	3,788	6,309	2,521	14,411	20,802	6,391	49,580
Population Growth	2,342	4,958	2,616	6,682	14,743	8,061	68,941
Rapid Transit: Bus Projects	2,624	5,813	3,189	21,292	23,007	1,715	97,069
Rapid Transit: Rail Projects	58	3,029	2,971	554	5,617	5,063	25,151
Safety	6,714	8,984	2,270	15,370	22,720	7,350	86,360
Sustainability Projects that are in addition to travel choice projects	8	597	589	(12)	1,579	1,591	7,712
Total direct capital	53,421	68,857	15,436	158,202	226,488	68,286	820,114

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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
Direct capital funding							
Waka Kotahi NZ Transport Agency new capital co-investment	8,134	25,875	(17,741)	45,287	60,155	(14,868)	286,646
Waka Kotahi NZ Transport Agency renewal co-investment	8,938	12,618	(3,680)	23,809	38,108	(14,299)	119,560
Other capital grants	2,441	262	2,179	11,297	775	10,522	10,000
Auckland Council capital grant	33,909	30,102	3,807	77,811	127,450	(49,639)	403,908
Total direct capital funding	53,422	68,857	(15,435)	158,204	226,488	(68,284)	820,114

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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
Capital expenditure	115,496	42,708	158,204	571,238	248,875	820,114
Funding						
Waka Kotahi NZ Transport Agency	45,890	23,205	69,096	301,396	104,810	406,206
Others (ACC,Crown, others)	263	11,034	11,297	-	10,000	10,000
Auckland Council	69,343	8,468	77,811	269,842	134,066	403,908
Total funding	115,496	42,708	158,204	571,238	248,875	820,114
Programme of capital projects supported by the RFT scheme						
Project 1: Bus priority improvements		2,661			28,016	
Project 2: City centre bus infrastructure		348			3,030	
Project 3: Improving airport access		6,192			11,517	
Project 4: Eastern Busway		11,350			62,544	
Project 5: Park-and-ride facilities		-			101	
Project 6: Electric trains and stabling		5			5,000	
Project 7: Downtown ferry terminal and redevelopment		40			-	
Project 8: Road safety		12,408			69,041	
Project 9: Active transport		5,455			14,680	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		-			-	
Project 12: Road corridor improvements		3,428			37,698	
Project 13: Network capacity and performance improvement		816			7,740	
Project 14: Growth-related transport infrastructure		6			9,508	
Total		42,708			248,875	

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RFT Operating Expenditure

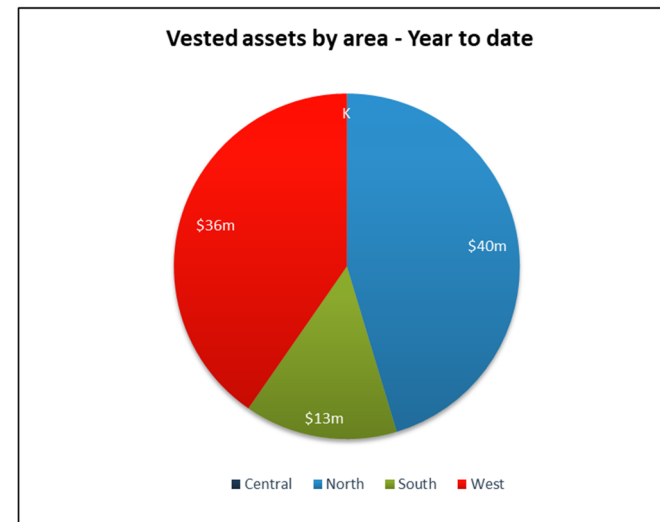
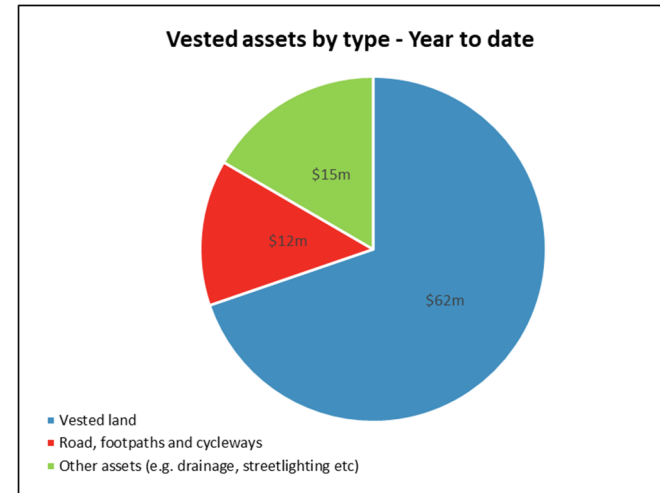
	Year to date			Full year		
	Actual Not RFT Enabled	Actual RFT Enabled	Actual Total	Budget Not RFT Enabled	Budget RFT Enabled	Budget Total
Operating expenditure		575			1,480	
<i>Note: Fully funded by Auckland Council</i>						
Programme of operating projects supported by the Auckland RFT scheme						
Project 8: Road safety		575			1,480	
Total		575			1,480	

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Section 3d – Vested Assets

As at 31 October 2021

	Current month	Year to date
	Actual \$000	Actual \$000
Vested Assets - Top 10 Suburbs		
Milldale	24,017	24,967
Massey	14,483	16,116
Hobsonville	-	13,482
Warkworth	-	6,837
Northcote	-	4,996
Pukekohe	3,829	3,829
Whenuapai	-	2,711
Drury	-	2,640
Flat Bush	-	2,399
Hingaia	2,167	2,167
Other	307	8,105
Total Vested Asset	44,803	88,248



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Section 4a – Statement of Financial Position

As at 31 October 2021

	Note	Actual 31 October 2021 \$000	Actual 30 September 2021 \$000
Assets			
Current assets			
Cash and cash equivalents	1	4,235	3,719
Receivables	2	516,147	519,199
Inventories		11,383	10,850
Other assets		31,916	16,024
Total current assets		563,681	549,792
Non-current assets			
Property, plant and equipment (PPE)		20,892,472	20,844,050
Intangible assets		160,294	156,869
Work in progress (PPE and intangible assets)	3	1,211,314	1,198,244
Total non-current assets		22,264,080	22,199,163
Total assets		22,827,761	22,748,955

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Section 4a – Statement of Financial Position (continued)

As at 31 October 2021

	Note	Actual 31 October 2021 \$000	Actual 30 September 2021 \$000
Liabilities			
Current liabilities			
Payables and accruals	4	224,616	202,461
Employee entitlements	5	22,487	21,252
Derivative financial instruments		700	557
Borrowings	6	8,534	8,496
Total current liabilities		256,337	232,766
Non-current liabilities			
Payables and accruals	4	5,653	5,928
Employee entitlements	5	328	328
Borrowings	6	477,198	477,960
Total non-current liabilities		483,179	484,216
Total liabilities		739,516	716,982
Net assets		22,088,245	22,031,973
Equity			
Contributed capital		13,129,808	13,127,616
Accumulated funds		4,501,569	4,447,489
Other reserves		4,456,868	4,456,868
Total equity		22,088,245	22,031,973

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Section 4b – Notes to the Financial Statements

As at 31 October 2021

	Actual 31 October 2021 \$000	Actual 30 September 2021 \$000
1 Cash and cash equivalents		
Cash at bank	4,007	3,429
Till floats	228	290
Total cash and cash equivalents	4,235	3,719

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

2 Receivables		
Trade and other debtors	4,549	6,228
Infringement receivable	40,934	42,452
Amounts due from related parties	413,962	421,781
Accrued revenue	74,389	70,848
Goods and services tax	4,844	-
	538,678	541,309
Less provision for impairment of receivables	(22,531)	(22,110)
Total current receivables	516,147	519,199

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

As at 31 October 2021

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	2,597	627	-	413,962	417,186
Past due 1 - 30 days	536	15	-	-	551
Past due 31 - 60 days	138	1,183	-	-	1,321
Past due 61 - 90 days	302	1,789	-	-	2,091
Past due > 90 days	976	2,428	34,892	-	38,296
	4,549	6,042	34,892	413,962	459,445
Impairment	(499)	(1,446)	(20,586)	-	(22,531)
	4,050	4,596	14,306	413,962	436,914

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 31 October 2021

	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	-	-	1,075	1,075
Provisions reversed	-	(93)	-	(93)
Provisions relating to receivables written-off	-	-	-	-
Balance at 31 October 2021	499	1,446	20,586	22,531

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

As at 31 October 2021

	Opening balance 1 July 2021 \$000	Acquisition YTD 31 October 2021 \$000	Capitalisation YTD 31 October 2021 \$000	Closing balance 31 October 2021 \$000
3 Work in Progress (WIP)				
WIP by activity				
Roads and footpaths	649,141	77,498	(19,739)	706,899
Public Transport	465,355	22,871	(15,764)	472,463
Parking operations	6,762	1,230	(4,549)	3,443
Internal support	31,106	10,478	(13,075)	28,509
Total WIP	1,152,364	112,077	(53,127)	1,211,314
WIP by status				
Current WIP (completion in future)				1,077,384
Due for capitalisation within policy				38,601
Due for capitalisation not within policy				94,887
Forecast completion date not yet provided (new projects)				442
Total WIP				1,211,314

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

As at 31 October 2021

Top 10 Programmes	WIP Closing balance
	31 October 2021
	\$000
AMETI	254,113
DIDP - Ferry Basin Redevelopment	116,182
DIDP - Quay St Strengthening	71,034
STAAI Puhinui Interchange (Bus-Rail)	68,369
New Northern Busway Station & Park&Ride	56,327
SGA Network Growth	48,677
New Lynn to Avondale Scheme C/Way	39,638
Warkworth Matakana Link (SH1 to Matakana	29,596
Wolverton Culvert Emergency Work	27,841
Tech-Corporate Programme	26,250
Total	738,028

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

As at 31 October 2021

	Actual 31 October 2021 \$000	Actual 30 September 2021 \$000
4 Payables and accruals		
Current portion		
Creditors	35,104	16,458
Goods and services tax	-	4,539
Accrued expenses	129,586	135,805
Retentions	18,711	18,882
Amounts due to related parties	29,701	24,144
Revenue in advance	11,514	2,633
Total current payables	224,616	202,461
Non-current portion		
Amounts due to related parties	5,653	5,928
Total non-current payables	5,653	5,928

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 31 October 2021

	Actual 31 October 2021 \$000	Actual 30 September 2021 \$000
5 Employee entitlements		
Current portion		
Accrued salaries and wages	6,825	6,128
Accrued leave	15,662	15,124
Total current employee entitlements	22,487	21,252
Non-current portion		
Retirement gratuities	253	253
Long service leave	75	75
Total non-current employee entitlements	328	328

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

As at 31 October 2021

	Actual 31 October 2021 \$000	Actual 30 September 2021 \$000
6 Borrowings		
Current portion		
Finance lease	1,055	1,054
Loans from Auckland Council	7,479	7,442
Total current borrowings	8,534	8,496
Non-current portion		
Finance lease	3,593	3,681
Loans from Auckland Council	473,605	474,279
Total non-current borrowings	477,198	477,960
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$481 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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Section 5 – Cashflow

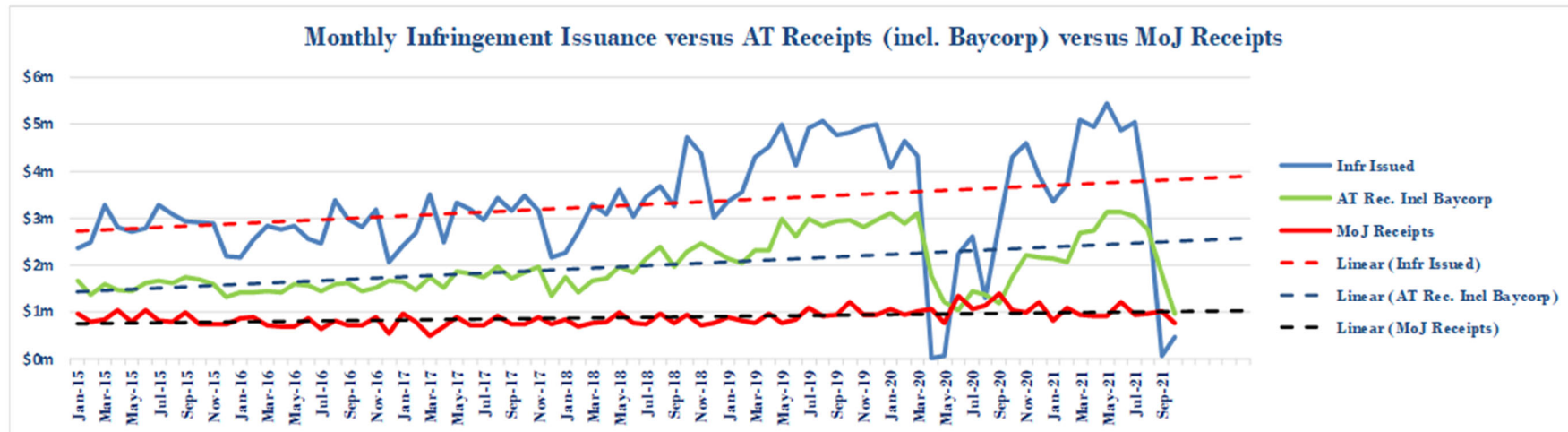
	Year to Date		Full year
	Actual \$000	Budget \$000	Budget \$000
Cash flows from operating activities			
Total cash provided	613,324	588,516	1,896,483
Cash applied to			
Payments to suppliers and employees	405,707	329,858	1,040,092
Interest paid	8,640	9,801	28,947
Goods and services tax	12,015	-	-
Total cash applied	426,362	339,659	1,069,039
Net cash from operating activities	186,962	248,857	827,444
Cash flows from investing activities			
Cash provided from			
Sale of property, plant and equipment	1,300	-	-
Cash applied to:			
Purchase of property, plant and equipment	187,006	246,489	820,114
Net cash from investing activities	(185,706)	(246,489)	(820,114)
Cash flows from financing activities			
Cash applied to			
Repayments of EMU loan from Auckland Council	2,369	2,368	7,330
Repayments of finance lease principal	349	-	-
Net cash from financing activities	(2,718)	(2,368)	(7,330)
Net (decrease)/increase in cash and cash equivalent	(1,462)	-	-
Opening cash and cash equivalents	5,697	-	-
Closing cash balance	4,235	-	-

Reconciliation of surplus after tax to net cash from operating activities	
	Actual \$000
Surplus after tax	57,574
Add/(less) non-cash items	
Depreciation and amortisation	136,099
Vested asset income	(88,248)
Gain on disposal of property, plant and equipment	(1,046)
(Gains)/losses on derivatives	183
Impairment	33,763
	80,751
Add/(less) movements in balance sheet items	
Receivables	145,000
Inventories	(657)
Other assets	(27,424)
Payables and accruals	(73,678)
Employee entitlements	5,396
	48,637
Net cash from operating activities	186,962


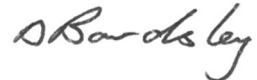
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Section 6 – Infringement Overview

Over 81 months (January 2015 to October 2021), 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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