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Results for the Two Months Ended 31 August 2022

For decision: For noting:

Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

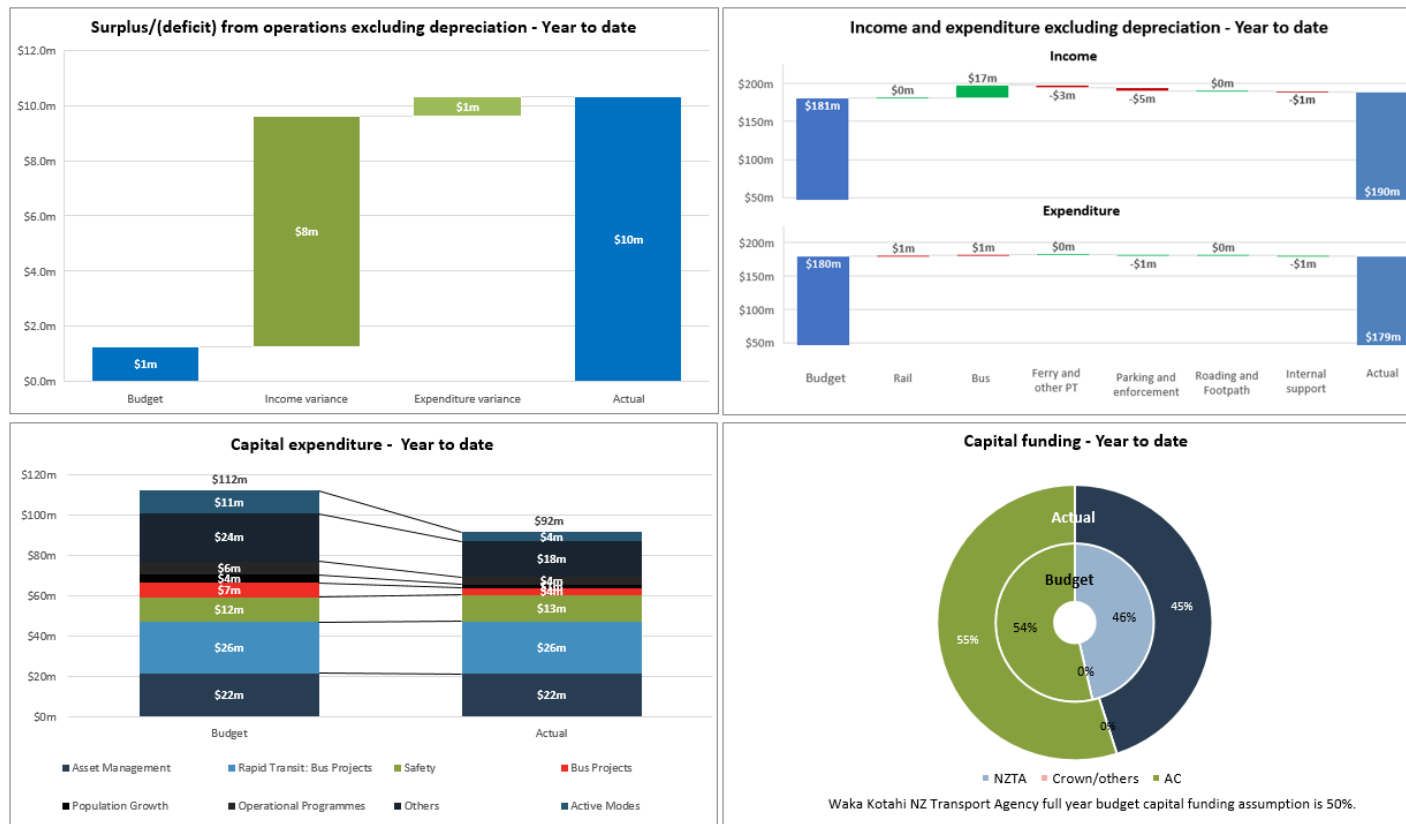
- a) Receives the report.

Section 1 – Te whakarāpopototanga matua / Executive summary

1. **Deficit from operations** is \$5.6 million unfavourable to budget in August 2022 and \$9.2 million unfavourable year to date (YTD). This is mainly due to higher than budgeted depreciation from the June 2022 roading revaluation, partly offset by the unbudgeted public transport (PT) top-up from Waka Kotahi New Zealand Transport Agency (Waka Kotahi) of \$14.4 million relating to the financial year ending June 2022 but only approved in July 2022. The full year impact of the 2022 revaluation on depreciation is estimated to be circa \$100 million.
2. **YTD Surplus from operations excluding depreciation** (\$10.3 million) is \$9.1 million favourable to budget mainly due to the \$14.4 million unbudgeted PT top-up from Waka Kotahi. This is partially offset by lower than budgeted parking and enforcement income. Items to note:
 - Waka Kotahi funding is \$12.9 million favourable to budget mainly due to the \$14.4 million PT top-up.
 - Parking and enforcement revenue is unfavourable due to lower infringement ticket issuances and parking occupancy. Infringement revenue is under budget for all enforcement revenue types due to compliant behaviour of traffic users. New Special Vehicle Lanes have been delayed due to supply chain and technical issues. However, Essential Vehicle Areas are planned to go live soon.
 - PT income is favourable to budget mainly due to higher than expected patronage on rail and bus. Overall, PT patronage for August was 62% of pre COVID-19 levels. It is worth noting that July and August budgeted PT income reflects the 50% discount in fares recovered from passengers, however future months do not reflect the extension of the discount to February 2023.
 - Personnel cost is favourable to budget primarily due to budgeted positions not filled.
 - Capitalised personnel cost is lower than budget mainly due to vacant positions and lower than budgeted capital expenditure for July.
 - PT contract costs are unfavourable due to higher contract indexation and rail leave liability. Indexation is 4.2% for rail and 6.01% for ferry, against budget of 4%. Cost increases have been offset by Key Performance Indicator savings on bus contracts driven by driver shortage.
 - Professional services is favourable to budget primarily within road network management and PT with spend expected to increase as projects in these areas progress.

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- Other expenditure is favourable to budget primarily due to lower than expected Information Technology costs, advertising, bank charges, commissions, court costs, Auckland Transport (AT) delivered events and doubtful debts.
- Capital expenditure** YTD of \$91.8 million is \$20.6 million lower than budget due to a slow start to the financial year, but consistent with performance at the same time last year. The monthly profile of the capital budget has been rephased for renewal seasonality. The full year capital budget remains unchanged.
 - Waka Kotahi and other Crown capital funding** YTD of 45% is lower than the budget of 46%. This reflects the lower National Land Transport Fund funding AT received compared with the 50/50 assumption.
 - Regional Fuel Tax (RFT) enabled capital spend** for August is \$27.2 million and \$44.5 million YTD, versus a full year planned spend of \$317 million which is approximately 14% of the full year RFT enabled capital budget.



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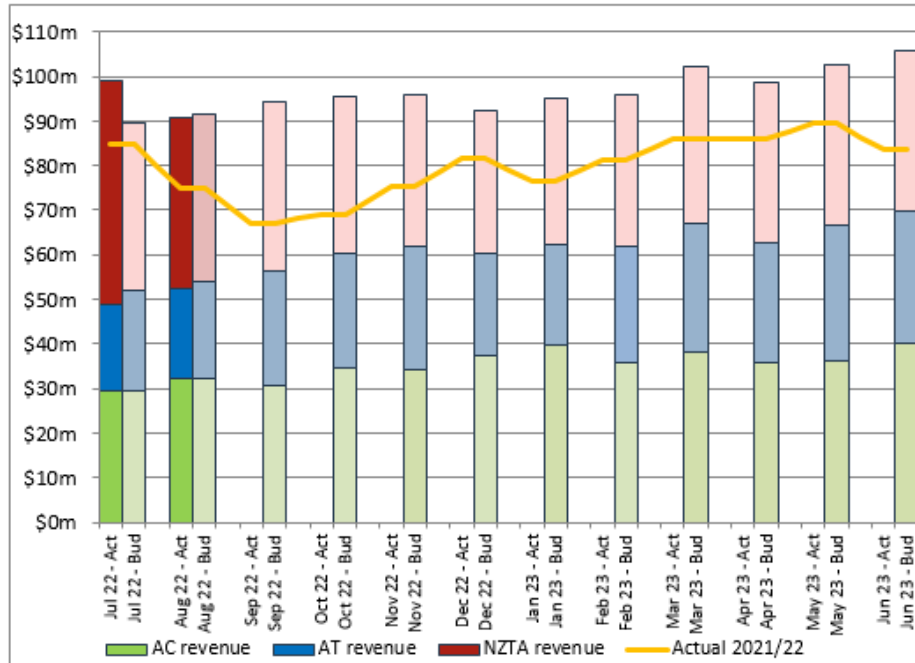
Section 2 – Financial results for the two months ended 31 August 2022

| | 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 | 32,088 | 32,088 | - | 61,744 | 61,744 | - | 424,909 |
| Waka Kotahi NZ Transport Agency operating funding | 38,205 | 37,831 | 374 | 88,302 | 75,393 | 12,909 | 424,286 |
| Parking and enforcement income | 7,210 | 9,797 | (2,587) | 14,475 | 19,360 | (4,885) | 125,980 |
| Public transport income | 9,712 | 8,881 | 831 | 17,927 | 17,536 | 391 | 148,503 |
| Other revenue incl. other grants and subsidies | 3,490 | 3,104 | 386 | 7,096 | 7,122 | (26) | 35,742 |
| Total operating income | 90,705 | 91,701 | (996) | 189,544 | 181,155 | 8,389 | 1,159,420 |
| Operating expenditure | | | | | | | |
| Personnel costs | 18,229 | 18,606 | 377 | 34,752 | 35,423 | 671 | 227,041 |
| Capitalised personnel costs | (4,423) | (5,431) | (1,008) | (7,069) | (10,404) | (3,335) | (55,557) |
| Public transport contracts | 43,830 | 44,752 | 922 | 90,044 | 89,501 | (543) | 575,029 |
| Contractors-maintenance | 10,224 | 9,628 | (596) | 17,439 | 18,318 | 879 | 107,516 |
| Professional services | 2,313 | 2,472 | 159 | 3,536 | 4,810 | 1,274 | 31,261 |
| Track and ferry access charges | 3,436 | 3,100 | (336) | 6,247 | 6,157 | (90) | 42,404 |
| Other expenditure | 15,824 | 15,560 | (264) | 29,403 | 31,234 | 1,831 | 195,446 |
| Finance costs | 2,434 | 2,436 | 2 | 4,872 | 4,873 | 1 | 28,495 |
| Total operating expenditure excluding depreciation | 91,867 | 91,123 | (744) | 179,224 | 179,912 | 688 | 1,151,635 |
| Surplus/(deficit) from operations excluding depreciation | (1,162) | 578 | (1,740) | 10,320 | 1,243 | 9,077 | 7,785 |
| Depreciation and amortisation | 38,279 | 34,417 | (3,862) | 86,439 | 68,211 | (18,228) | 446,714 |
| Surplus/(deficit) from operations | (39,441) | (33,839) | (5,602) | (76,119) | (66,968) | (9,151) | (438,929) |
| Income for capital projects | | | | | | | |
| Waka Kotahi NZ Transport Agency capital co-investment | 27,386 | 24,288 | 3,098 | 41,460 | 52,221 | (10,761) | 434,460 |
| Auckland Council capital grant | 27,955 | 31,309 | (3,354) | 50,338 | 59,687 | (9,349) | 416,043 |
| Other capital grants | - | 251 | (251) | - | 468 | (468) | 6,227 |
| Vested asset income | 29,096 | 27,500 | 1,596 | 29,096 | 27,500 | 1,596 | 275,000 |
| Total income for capital projects | 84,437 | 83,348 | 1,089 | 120,894 | 139,876 | (18,982) | 1,131,730 |
| Net surplus/(deficit) before tax and derivatives | 44,996 | 49,509 | (4,513) | 44,775 | 72,908 | (28,133) | 692,801 |
| Gains/(losses) on derivatives | (220) | - | (220) | (7,729) | - | (7,729) | - |
| Gain/(loss) on disposal of assets | 69 | - | 69 | 62 | - | 62 | - |
| Net surplus/(deficit) after tax and derivatives | 44,845 | 49,509 | (4,664) | 37,108 | 72,908 | (35,800) | 692,801 |

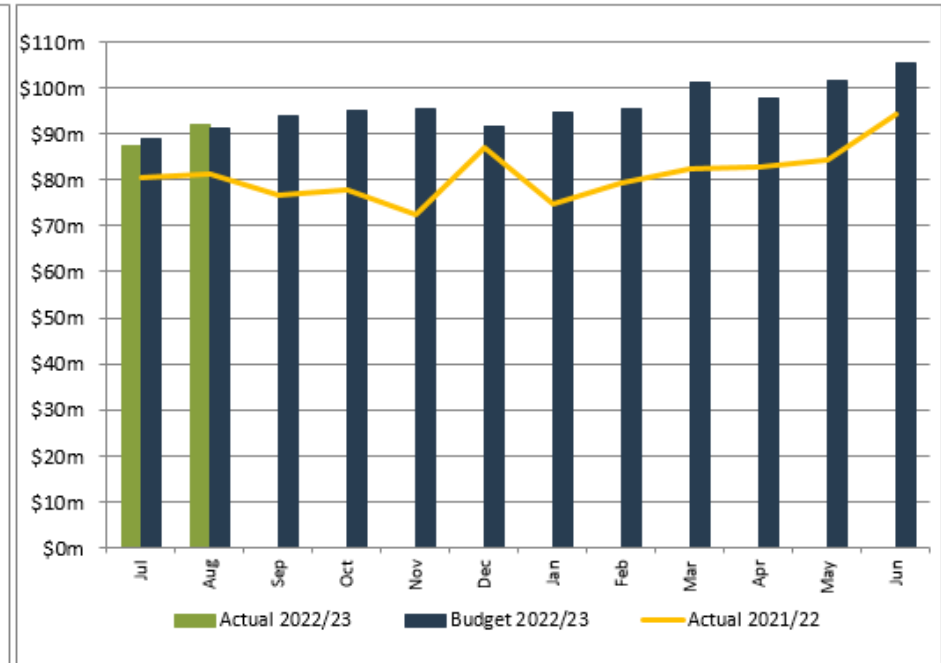
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Section 2 – Financial results for the two months ended 31 August 2022 (continued)

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 |
| Operating Income | | | | | | | |
| Rail | 10,848 | 10,596 | 252 | 21,372 | 21,307 | 65 | 139,674 |
| Bus | 22,807 | 21,626 | 1,181 | 59,660 | 43,098 | 16,562 | 266,598 |
| Ferry | 2,530 | 3,132 | (602) | 4,927 | 6,264 | (1,337) | 39,626 |
| Other public transport | 2,559 | 2,850 | (291) | 4,347 | 5,650 | (1,303) | 30,220 |
| Parking | 3,688 | 3,931 | (243) | 6,758 | 7,874 | (1,116) | 51,496 |
| Enforcement | 3,522 | 5,866 | (2,344) | 7,717 | 11,486 | (3,769) | 74,483 |
| Roading and footpaths | 7,444 | 6,680 | 764 | 13,873 | 13,853 | 20 | 73,198 |
| Internal support | 5,218 | 4,930 | 288 | 9,143 | 9,880 | (737) | 59,214 |
| Auckland Council operating funding | 32,088 | 32,088 | - | 61,744 | 61,744 | - | 424,909 |
| Total operating income | 90,704 | 91,699 | (995) | 189,541 | 181,156 | 8,385 | 1,159,418 |
| Operating Expenditure | | | | | | | |
| Rail | 17,323 | 16,979 | (344) | 34,427 | 33,754 | (673) | 228,228 |
| Bus | 34,536 | 34,250 | (286) | 69,700 | 68,582 | (1,118) | 430,286 |
| Ferry | 4,290 | 4,366 | 76 | 9,027 | 8,721 | (306) | 53,402 |
| Other public transport | 4,782 | 4,851 | 69 | 9,002 | 9,541 | 539 | 65,223 |
| Parking | 1,513 | 1,128 | (385) | 2,261 | 2,138 | (123) | 13,115 |
| Enforcement | 2,109 | 2,612 | 503 | 4,087 | 5,420 | 1,333 | 34,129 |
| Roading and footpaths | 13,483 | 12,926 | (557) | 24,159 | 24,473 | 314 | 146,007 |
| Internal support | 13,831 | 14,009 | 178 | 26,561 | 27,283 | 722 | 181,245 |
| Depreciation and amortisation | 38,279 | 34,417 | (3,862) | 86,439 | 68,211 | (18,228) | 446,714 |
| Total operating expenditure | 130,146 | 125,538 | (4,608) | 265,663 | 248,123 | (17,540) | 1,598,349 |
| Surplus/(deficit) from Operations | (39,442) | (33,839) | (5,603) | (76,122) | (66,967) | (9,155) | (438,931) |

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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 | 1,645 | 1,524 | 121 | 3,095 | 2,874 | 221 | 33,119 |
| Other income | 117 | 125 | (8) | 265 | 251 | 14 | 1,684 |
| Waka Kotahi NZ Transport Agency operating funding | 9,086 | 8,947 | 139 | 18,012 | 18,182 | (170) | 104,871 |
| Total operating income | 10,848 | 10,596 | 252 | 21,372 | 21,307 | 65 | 139,674 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 516 | 653 | 137 | 941 | 1,245 | 304 | 7,760 |
| Capitalised personnel costs | 38 | (35) | (73) | 82 | (58) | (140) | (83) |
| Public transport contracts | 9,518 | 9,755 | 237 | 19,951 | 19,403 | (548) | 139,106 |
| Contractors-maintenance | - | - | - | - | - | - | - |
| Professional services | 291 | 7 | (284) | 281 | 14 | (267) | 425 |
| Track access charges | 3,418 | 3,065 | (353) | 6,192 | 6,080 | (112) | 41,942 |
| Other expenditure | 1,111 | 1,102 | (9) | 2,114 | 2,204 | 90 | 10,624 |
| Finance costs | 2,431 | 2,432 | 1 | 4,866 | 4,866 | - | 28,454 |
| Total operating expenditure | 17,323 | 16,979 | (344) | 34,427 | 33,754 | (673) | 228,228 |
| Depreciation and amortisation | 3,992 | 3,739 | (253) | 7,809 | 7,470 | (339) | 45,339 |
| Surplus/(deficit) from Operations | (10,467) | (10,122) | (345) | (20,864) | (19,917) | (947) | (133,893) |
| Internal support costs | 2,677 | 2,733 | 56 | 5,389 | 5,264 | (125) | 37,156 |
| Surplus/(deficit) | (13,144) | (12,855) | (289) | (26,253) | (25,181) | (1,072) | (171,049) |

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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 | 5,018 | 4,056 | 962 | 9,230 | 8,060 | 1,170 | 70,935 |
| Other income | 656 | 658 | (2) | 1,427 | 1,293 | 134 | 11,149 |
| Waka Kotahi NZ Transport Agency operating funding | 17,133 | 16,912 | 221 | 49,003 | 33,745 | 15,258 | 184,514 |
| Total operating income | 22,807 | 21,626 | 1,181 | 59,660 | 43,098 | 16,562 | 266,598 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 225 | 350 | 125 | 417 | 658 | 241 | 4,276 |
| Capitalised personnel costs | 242 | (228) | (470) | 358 | (446) | (804) | (1,660) |
| Public transport contracts | 30,776 | 31,356 | 580 | 62,573 | 62,828 | 255 | 391,917 |
| Contractors-maintenance | 102 | 110 | 8 | 178 | 221 | 43 | 1,450 |
| Professional Services | 106 | 104 | (2) | 190 | 186 | (4) | 2,128 |
| Track and ferry access charges | - | - | - | - | - | - | - |
| Other expenditure | 3,085 | 2,558 | (527) | 5,984 | 5,135 | (849) | 32,175 |
| Finance costs | - | - | - | - | - | - | - |
| Total operating expenditure | 34,536 | 34,250 | (286) | 69,700 | 68,582 | (1,118) | 430,286 |
| Depreciation and amortisation | 581 | 580 | (1) | 1,164 | 1,149 | (15) | 7,575 |
| Surplus/(deficit) from Operations | (12,310) | (13,204) | 894 | (11,204) | (26,633) | 15,429 | (171,263) |
| Internal support costs | 5,047 | 5,152 | 106 | 10,160 | 9,925 | (235) | 70,052 |
| Surplus/(deficit) | (17,357) | (18,356) | 1,000 | (21,364) | (36,558) | 15,194 | (241,315) |

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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 | 469 | 525 | (56) | 988 | 1,023 | (35) | 7,371 |
| Activity income | 600 | 707 | (107) | 954 | 1,500 | (546) | 14,130 |
| Other income | 99 | 93 | 6 | 218 | 186 | 32 | 1,119 |
| Waka Kotahi NZ Transport Agency operating funding | 1,362 | 1,807 | (445) | 2,767 | 3,555 | (788) | 17,006 |
| Total operating income | 2,530 | 3,132 | (602) | 4,927 | 6,264 | (1,337) | 39,626 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 102 | 121 | 19 | 182 | 230 | 48 | 1,420 |
| Capitalised personnel costs | (22) | (56) | (34) | (58) | (106) | (48) | (552) |
| Public transport contracts | 3,518 | 3,642 | 124 | 7,503 | 7,272 | (231) | 44,017 |
| Contractors-maintenance | 1 | - | (1) | 1 | - | (1) | - |
| Professional Services | (1) | - | 1 | - | - | - | - |
| Ferry access charges | 18 | 35 | 17 | 55 | 77 | 22 | 462 |
| Other expenditure | 674 | 624 | (50) | 1,344 | 1,248 | (96) | 8,055 |
| Finance costs | - | - | - | - | - | - | - |
| Total operating expenditure | 4,290 | 4,366 | 76 | 9,027 | 8,721 | (306) | 53,402 |
| Depreciation and amortisation | 477 | 467 | (10) | 944 | 932 | (12) | 5,719 |
| Surplus/(deficit) from Operations | (2,237) | (1,701) | (536) | (5,044) | (3,389) | (1,655) | (19,495) |
| Internal support costs | 626 | 639 | 13 | 1,261 | 1,232 | (29) | 8,694 |
| Surplus/(deficit) | (2,863) | (2,340) | (523) | (6,305) | (4,621) | (1,684) | (28,189) |

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Section 2b – Other PT 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 | 1,108 | 1,192 | (84) | 1,749 | 2,349 | (600) | 8,995 |
| Waka Kotahi NZ Transport Agency operating funding | 1,451 | 1,658 | (207) | 2,598 | 3,301 | (703) | 21,225 |
| Total operating income | 2,559 | 2,850 | (291) | 4,347 | 5,650 | (1,303) | 30,220 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 2,604 | 2,436 | (168) | 5,085 | 4,657 | (428) | 30,456 |
| Capitalised personnel costs | (197) | (396) | (199) | (284) | (680) | (396) | (2,308) |
| Public transport contracts | 17 | - | (17) | 17 | - | (17) | - |
| Contractors-maintenance | 965 | 931 | (34) | 1,863 | 1,861 | (2) | 12,968 |
| Professional Services | 312 | 619 | 307 | 483 | 1,208 | 725 | 5,581 |
| Track and ferry access charges | - | - | - | - | - | - | - |
| IT costs | 10 | 52 | 42 | 59 | 103 | 44 | 622 |
| Other expenditure | 1,071 | 1,209 | 138 | 1,779 | 2,392 | 613 | 17,904 |
| Finance costs | - | - | - | - | - | - | - |
| Total operating expenditure | 4,782 | 4,851 | 69 | 9,002 | 9,541 | 539 | 65,223 |
| Depreciation and amortisation | 437 | 471 | 34 | 890 | 938 | 48 | 5,847 |
| Surplus/(deficit) from Operations | (2,660) | (2,472) | (188) | (5,545) | (4,829) | (716) | (40,850) |
| Internal support costs | 765 | 781 | 16 | 1,540 | 1,504 | (36) | 10,618 |
| Surplus/(deficit) | (3,425) | (3,253) | (172) | (7,085) | (6,333) | (752) | (51,468) |

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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 | 3,593 | 3,895 | (302) | 6,521 | 7,781 | (1,260) | 50,906 |
| Other income | 95 | 36 | 59 | 237 | 93 | 144 | 590 |
| Total operating income | 3,688 | 3,931 | (243) | 6,758 | 7,874 | (1,116) | 51,496 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 253 | 264 | 11 | 485 | 504 | 19 | 3,120 |
| Capitalised personnel costs | (26) | (32) | (6) | (41) | (60) | (19) | (312) |
| Public transport contracts | - | - | - | - | - | - | - |
| Contractors-maintenance | 127 | 136 | 9 | 257 | 271 | 14 | 1,796 |
| Professional Services | 20 | 8 | (12) | 28 | 20 | (8) | 130 |
| Track and ferry access charges | - | - | - | - | - | - | - |
| Other expenditure | 1,139 | 752 | (387) | 1,532 | 1,403 | (129) | 8,381 |
| Finance costs | - | - | - | - | - | - | - |
| Total operating expenditure | 1,513 | 1,128 | (385) | 2,261 | 2,138 | (123) | 13,115 |
| Depreciation and amortisation | 1,093 | 804 | (289) | 1,811 | 1,606 | (205) | 9,753 |
| Surplus/(deficit) from Operations | 1,082 | 1,999 | (917) | 2,686 | 4,130 | (1,444) | 28,628 |
| Internal support costs | 154 | 157 | 3 | 310 | 302 | (7) | 2,135 |
| Surplus/(deficit) | 928 | 1,842 | (914) | 2,376 | 3,828 | (1,451) | 26,493 |

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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 | 3,516 | 5,866 | (2,350) | 7,706 | 11,486 | (3,780) | 74,483 |
| Other income | 6 | - | 6 | 11 | - | 11 | - |
| Total operating income | 3,522 | 5,866 | (2,344) | 7,717 | 11,486 | (3,769) | 74,483 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 1,131 | 1,104 | (27) | 2,151 | 2,092 | (59) | 13,249 |
| Capitalised personnel costs | 29 | 14 | (15) | 30 | 26 | (4) | 137 |
| Public transport contracts | - | - | - | - | - | - | - |
| Contractors-maintenance | 223 | 262 | 39 | 405 | 524 | 119 | 3,143 |
| Professional Services | 6 | 11 | 5 | 12 | 19 | 7 | 100 |
| Track access charges | - | - | - | - | - | - | - |
| Debt forgiven/written off by MOJ | 85 | 76 | (9) | 190 | 151 | (39) | 969 |
| Movement in doubtful debts | (168) | 401 | 569 | (101) | 791 | 892 | 5,133 |
| Other expenditure | 803 | 744 | (59) | 1,400 | 1,817 | 417 | 11,398 |
| Finance costs | - | - | - | - | - | - | - |
| Total operating expenditure | 2,109 | 2,612 | 503 | 4,087 | 5,420 | 1,333 | 34,129 |
| Depreciation and amortisation | 93 | 94 | 1 | 186 | 187 | 1 | 1,257 |
| Surplus/(deficit) from Operations | 1,320 | 3,160 | (1,840) | 3,444 | 5,879 | (2,435) | 39,097 |
| Internal support costs | 400 | 409 | 8 | 806 | 787 | (19) | 5,556 |
| Surplus/(deficit) | 920 | 2,751 | (1,832) | 2,638 | 5,092 | (2,454) | 33,541 |

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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 | 1,168 | 1,027 | 141 | 1,562 | 1,965 | (403) | 10,848 |
| Other income | 711 | 799 | (88) | 2,682 | 2,669 | 13 | 10,418 |
| Waka Kotahi NZ Transport Agency operating funding | 5,565 | 4,854 | 711 | 9,629 | 9,219 | 410 | 51,932 |
| Total operating income | 7,444 | 6,680 | 764 | 13,873 | 13,853 | 20 | 73,198 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 3,554 | 3,564 | 10 | 6,729 | 6,711 | (18) | 42,257 |
| Capitalised personnel costs | (1,324) | (1,262) | 62 | (2,146) | (2,478) | (332) | (14,457) |
| Public transport contracts | - | - | - | - | - | - | - |
| Contractors-maintenance | 8,763 | 8,079 | (684) | 14,615 | 15,221 | 606 | 86,052 |
| Professional Services | 443 | 649 | 206 | 773 | 1,223 | 450 | 7,752 |
| Track and ferry access charges | - | - | - | - | - | - | - |
| Utilities and facilities costs | - | - | - | - | - | - | - |
| Other expenditure | 2,047 | 1,896 | (151) | 4,188 | 3,796 | (392) | 24,403 |
| Finance costs | - | - | - | - | - | - | - |
| Total operating expenditure | 13,483 | 12,926 | (557) | 24,159 | 24,473 | 314 | 146,007 |
| Depreciation and amortisation | 28,837 | 25,722 | (3,115) | 68,139 | 50,951 | (17,188) | 335,274 |
| Surplus/(deficit) from Operations | (34,876) | (31,968) | (2,908) | (78,425) | (61,571) | (16,854) | (408,083) |
| Internal support costs | 1,712 | 1,748 | 36 | 3,448 | 3,368 | (80) | 23,770 |
| Surplus/(deficit) | (36,588) | (33,716) | (2,872) | (81,873) | (64,939) | (16,934) | (431,853) |

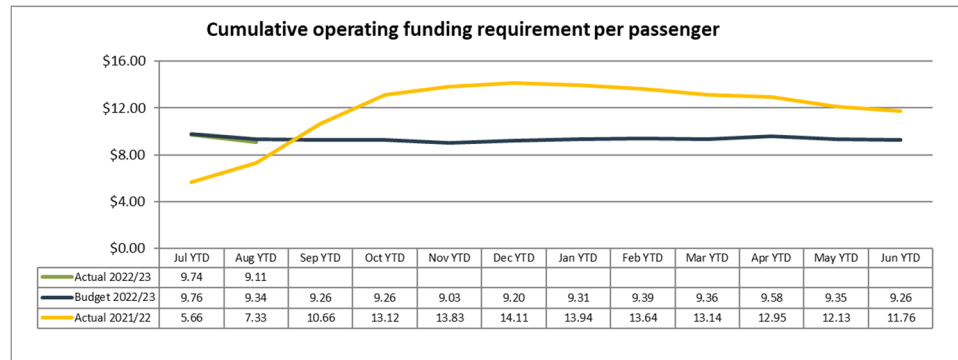
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Section 2b – Internal Support

| | 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 | 720 | 777 | (57) | 1,367 | 1,489 | (122) | 8,242 |
| Other income | 891 | 500 | 391 | 1,484 | 999 | 485 | 6,234 |
| Waka Kotahi NZ Transport Agency operating funding | 3,607 | 3,653 | (46) | 6,292 | 7,392 | (1,100) | 44,738 |
| Total operating income | 5,218 | 4,930 | 288 | 9,143 | 9,880 | (737) | 59,214 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 9,844 | 10,113 | 269 | 18,763 | 19,326 | 563 | 124,503 |
| Capitalised personnel costs | (3,163) | (3,437) | (274) | (5,011) | (6,602) | (1,591) | (36,323) |
| Public transport contracts | - | (1) | (1) | - | (2) | (2) | (10) |
| Contractors-maintenance | 44 | 110 | 66 | 120 | 220 | 100 | 2,107 |
| Professional services | 1,135 | 1,074 | (61) | 1,769 | 2,140 | 371 | 15,145 |
| Track and ferry access charges | - | - | - | - | - | - | - |
| IT costs | 2,975 | 3,814 | 839 | 6,101 | 7,642 | 1,541 | 46,714 |
| Directors fees | 39 | 43 | 4 | 92 | 86 | (6) | 515 |
| Other expenditure | 2,954 | 2,290 | (664) | 4,721 | 4,466 | (255) | 28,553 |
| Finance costs | 3 | 3 | - | 6 | 7 | 1 | 41 |
| Total operating expenditure | 13,831 | 14,009 | 178 | 26,561 | 27,283 | 722 | 181,245 |
| Depreciation and amortisation | 2,768 | 2,540 | (228) | 5,495 | 4,979 | (516) | 35,951 |
| Surplus/(deficit) from Operations | (11,381) | (11,619) | 238 | (22,913) | (22,382) | (531) | (157,982) |
| Internal support allocated | 11,381 | 11,619 | 238 | 22,913 | 22,382 | (531) | 157,982 |
| Surplus/(deficit) | - | - | - | - | - | - | - |

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Section 2c – Operational funding requirement per passenger for the two months ended 31 August 2022



The operational cost (net of third party revenue) of \$9.11 per passenger on the PT Network is lower than the budget of \$9.34 mainly due to higher than expected patronage. It is important to recognise that the July and August external revenues reflect the 50% discount in fares recovered from passengers.

| | Current month | | | | Year to date | | | | Full year |
|--|---------------|---------------|---------------|------------|---------------|---------------|----------------|-------------|----------------|
| | Actual | Budget | Variance | Variance % | Actual | Budget | Variance | Variance % | Budget |
| Rail, Bus and Ferry operations: | | | | | | | | | |
| Operating expenditure \$000 | 53,718 | 53,163 | (555) | (1%) | 108,288 | 106,191 | (2,097) | (2%) | 683,462 |
| Less external revenues \$000 | 8,604 | 7,688 | 916 | 12% | 16,177 | 15,187 | 990 | 7% | 139,507 |
| Operating funding requirement \$000 | 45,114 | 45,475 | 361 | 1% | 92,111 | 91,004 | (1,107) | (1%) | 543,955 |
| Patronage 000's | 5,290 | 5,077 | 214 | 4% | 10,117 | 9,742 | 375 | 4% | 58,765 |
| Operating funding requirement per passenger | \$8.53 | \$8.96 | \$0.43 | 5% | \$9.11 | \$9.34 | \$0.23 | 2% | \$9.26 |

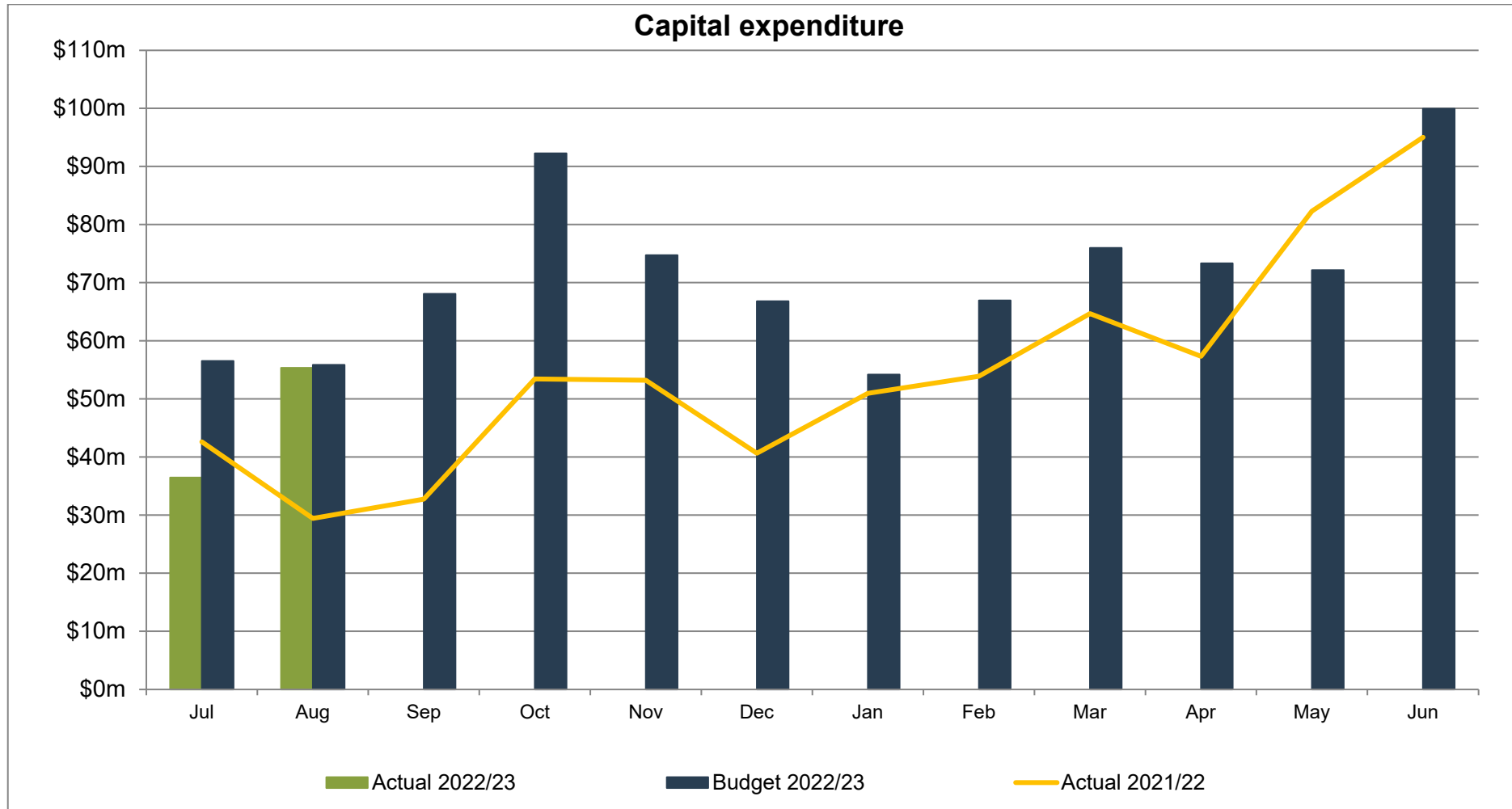
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Section 3a – Summary of Capital Expenditure

| | 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 | 2,846 | 5,873 | 3,027 | 4,484 | 11,283 | 6,799 | 91,053 |
| Asset Management | 13,422 | 12,007 | (1,415) | 21,663 | 21,705 | 42 | 219,734 |
| Bus Projects | 1,673 | 3,856 | 2,183 | 3,502 | 7,215 | 3,713 | 42,111 |
| Corridor Improvements | 1,558 | 2,406 | 848 | 2,829 | 5,880 | 3,051 | 32,009 |
| Ferry, Multi-modal, and Park and Ride | 6,439 | 2,258 | (4,181) | 7,714 | 4,588 | (3,126) | 44,458 |
| Local Board Priorities | 1,836 | 1,091 | (745) | 2,761 | 2,167 | (594) | 17,205 |
| Network Capacity and Performance | 914 | 2,392 | 1,478 | 2,178 | 4,481 | 2,303 | 9,302 |
| Operational Programmes | 3,123 | 3,423 | 300 | 3,733 | 6,487 | 2,754 | 29,195 |
| Population Growth | 1,281 | 2,224 | 943 | 1,495 | 4,005 | 2,510 | 44,577 |
| Rapid Transit: Bus Projects | 15,649 | 13,091 | (2,558) | 25,864 | 25,543 | (321) | 180,803 |
| Rapid Transit: Rail Projects | 383 | 606 | 223 | 1,881 | 6,015 | 4,134 | 58,602 |
| Safety | 5,735 | 6,205 | 470 | 13,129 | 12,210 | (919) | 68,241 |
| Sustainability Projects that are in addition to travel choice projects | 482 | 416 | (66) | 564 | 797 | 233 | 4,676 |
| Cimate Action Targeted Rate | - | - | - | - | - | - | 14,765 |
| Total direct capital | 55,341 | 55,848 | 507 | 91,797 | 112,376 | 20,579 | 856,731 |

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Section 3a – Summary of Capital Expenditure (continued)



Rephased the monthly profile of the capital budget for renewal seasonality. The full year capital budget remains unchanged.

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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 | 22,108 | 18,663 | 3,445 | 32,343 | 42,164 | (9,821) | 329,125 |
| Waka Kotahi NZ Transport Agency renewal co-investment | 5,278 | 5,625 | (347) | 9,117 | 10,056 | (939) | 105,335 |
| Other capital grants | - | 251 | (251) | - | 468 | (468) | 6,227 |
| Auckland Council capital grant | 27,955 | 31,309 | (3,354) | 50,338 | 59,687 | (9,349) | 416,043 |
| Total direct capital funding | 55,341 | 55,848 | (507) | 91,798 | 112,375 | (20,577) | 856,730 |

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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 | 47,260 | 44,538 | 91,798 | 539,348 | 317,382 | 856,730 |
| Funding | | | | | | |
| Waka Kotahi NZ Transport Agency | 18,966 | 22,494 | 41,460 | 289,042 | 145,418 | 434,460 |
| Others (ACC,Crown, others) | - | - | - | 6,227 | - | 6,227 |
| Auckland Council | 28,294 | 22,044 | 50,338 | 244,079 | 171,964 | 416,043 |
| Total funding | 47,260 | 44,538 | 91,798 | 539,348 | 317,382 | 856,730 |
| Programme of capital projects supported by the RFT scheme | | | | | | |
| Project 1: Bus priority improvements | | 936 | | | 23,314 | |
| Project 2: City centre bus infrastructure | | 1,494 | | | 3,200 | |
| Project 3: Improving airport access | | 1,385 | | | 8,379 | |
| Project 4: Eastern Busway | | 22,387 | | | 133,665 | |
| Project 5: Park-and-ride facilities | | 23 | | | - | |
| Project 6: Electric trains and stabling | | 336 | | | 2,901 | |
| Project 7: Downtown ferry terminal and redevelopment | | 3,904 | | | 30,430 | |
| Project 8: Road safety | | 10,427 | | | 54,710 | |
| Project 9: Active transport | | 1,002 | | | 22,061 | |
| Project 10: Penlink | | - | | | - | |
| Project 11: Mill Road corridor | | - | | | - | |
| Project 12: Road corridor improvements | | 747 | | | 21,028 | |
| Project 13: Network capacity and performance improvement | | 1,682 | | | 6,347 | |
| Project 14: Growth-related transport infrastructure | | 214 | | | 11,347 | |
| Total | | 44,538 | | | 317,382 | |

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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 | | 160 | | | 1,515 | |
| <i>Note: Fully funded by Auckland Council</i> | | | | | | |
| Programme of operating projects supported by the Auckland RFT scheme | | | | | | |
| Project 8: Road safety | | 160 | | | 1,515 | |
| Total | | 160 | | | 1,515 | |

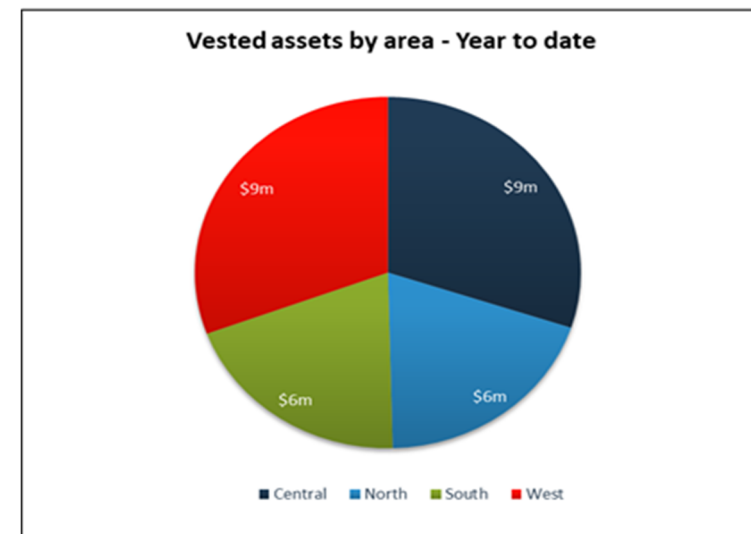
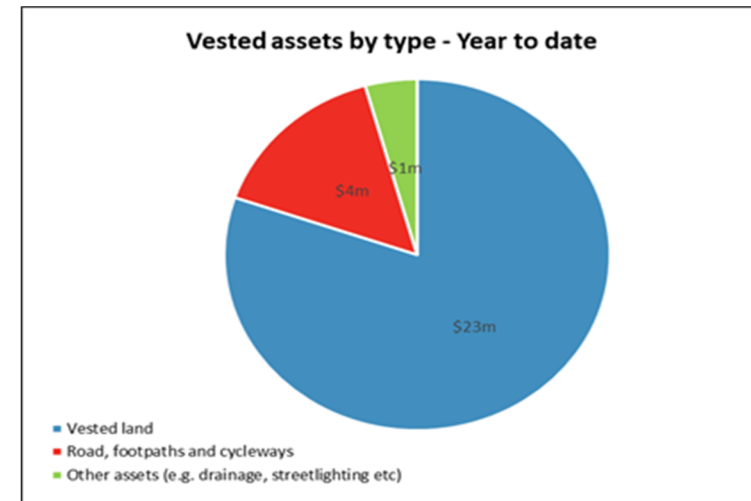
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Section 3d – Vested Assets

As at 31 August 2022

| | Current month | Year to date |
|---------------------------------------|---------------|---------------|
| | Actual \$000 | Actual \$000 |
| Vested Assets - Top 10 Suburbs | | |
| Mount Roskill | 8,756 | 8,756 |
| Hobsonville | 7,393 | 7,393 |
| Northcote | 5,530 | 5,530 |
| Drury | 3,596 | 3,596 |
| Hingaia | 2,090 | 2,090 |
| Swanson | 921 | 921 |
| Massey | 603 | 603 |
| Silverdale | 138 | 138 |
| Takanini | 45 | 45 |
| Karaka | 7 | 7 |
| Other | 19 | 19 |
| Total Vested Asset | 29,096 | 29,096 |

No vested assets were processed in July 2022 due to financial year end reporting.



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Section 4a – Statement of Financial Position

As at 31 August 2022

| | Note | Actual 31 August 2022 \$000 | Actual 31 July 2022 \$000 |
|--|------|-----------------------------------|---------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 1 | 6,190 | 5,418 |
| Receivables | 2 | 566,738 | 544,029 |
| Inventories | | 13,314 | 13,193 |
| Other assets | | 26,112 | 14,954 |
| Non-current assets held for sale | | 157 | 157 |
| Total current assets | | 612,511 | 577,751 |
| Non-current assets | | | |
| Property, plant and equipment (PPE) | | 25,504,370 | 25,487,616 |
| Intangible assets | | 124,499 | 122,387 |
| Work in progress (PPE and intangible assets) | 3 | 840,139 | 811,085 |
| Total non-current assets | | 26,469,008 | 26,421,088 |
| Total assets | | 27,081,519 | 26,998,839 |

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Section 4a – Statement of Financial Position (continued)

As at 31 August 2022

| | Note | Actual 31 August 2022 \$000 | Actual 31 July 2022 \$000 |
|----------------------------------|------|-----------------------------------|---------------------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Payables and accruals | 4 | 266,928 | 233,142 |
| Employee entitlements | 5 | 21,034 | 18,407 |
| Derivative financial instruments | | 1,160 | 1,363 |
| Borrowings | 6 | 9,025 | 8,886 |
| Total current liabilities | | 298,147 | 261,798 |
| Non-current liabilities | | | |
| Payables and accruals | 4 | 2,954 | 3,229 |
| Employee entitlements | 5 | 289 | 289 |
| Derivative financial instruments | | 9,563 | 8,864 |
| Borrowings | 6 | 469,624 | 470,431 |
| Total non-current liabilities | | 482,430 | 482,813 |
| Total liabilities | | 780,577 | 744,611 |
| Net assets | | 26,300,942 | 26,254,228 |
| Equity | | | |
| Contributed capital | | 13,222,390 | 13,220,520 |
| Accumulated funds | | 4,873,288 | 4,828,444 |
| Other reserves | | 8,205,264 | 8,205,264 |
| Total equity | | 26,300,942 | 26,254,228 |

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Section 4b – Notes to the Financial Statements

As at 31 August 2022

| | Actual 31 August 2022 \$000 | Actual 31 July 2022 \$000 |
|--|-----------------------------------|---------------------------------|
| 1 Cash and cash equivalents | | |
| Cash at bank | 5,957 | 5,185 |
| Till floats | 233 | 233 |
| Total cash and cash equivalents | 6,190 | 5,418 |

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

| | | |
|--|----------------|----------------|
| 2 Receivables | | |
| Trade and other debtors | 7,020 | 11,346 |
| Infringement receivable | 46,350 | 45,910 |
| Amounts due from related parties | 457,928 | 430,395 |
| Accrued revenue | 77,182 | 77,250 |
| Goods and services tax | - | 1,039 |
| | 588,480 | 565,940 |
| Less provision for impairment of receivables | (21,742) | (21,911) |
| Total current receivables | 566,738 | 544,029 |

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

As at 31 August 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 | 3,353 | 3,453 | - | 456,410 | 463,216 |
| Past due 1 - 30 days | 1,340 | 2,345 | - | 408 | 4,093 |
| Past due 31 - 60 days | 1,438 | 1,737 | - | 390 | 3,565 |
| Past due 61 - 90 days | 68 | 1,873 | - | 378 | 2,319 |
| Past due > 90 days | 821 | 2,417 | 34,525 | 342 | 38,105 |
| | 7,020 | 11,825 | 34,525 | 457,928 | 511,298 |
| Impairment | (381) | (992) | (20,369) | - | (21,742) |
| | 6,639 | 10,833 | 14,156 | 457,928 | 489,556 |

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 August 2022

| | Trade and other debtors | Infringements receivables | Infringements receivables MOJ debtor | Total |
|--|----------------------------|------------------------------|--|---------------|
| | \$000 | \$000 | \$000 | \$000 |
| Balance at 30 June 2022 | 381 | 1,426 | 20,036 | 21,843 |
| Additional/(Reversal) provisions made | - | - | 333 | 333 |
| Provisions reversed | - | (434) | - | (434) |
| Provisions relating to receivables written-off | - | - | - | - |
| Balance at 31 August 2022 | 381 | 992 | 20,369 | 21,742 |

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

As at 31 August 2022

| | Opening balance 1 July 2022 \$000 | Acquisition YTD 31 August 2022 \$000 | Capitalisation YTD 31 August 2022 \$000 | Closing balance 31 August 2022 \$000 |
|--|---|--|---|--|
| 3 Work in Progress (WIP) | | | | |
| WIP by activity | | | | |
| Roads and footpaths | 495,346 | 37,102 | -11,692 | 520,756 |
| Public Transport | 289,255 | 37,097 | -6,969 | 319,383 |
| Total WIP | 784,601 | 74,199 | -18,660 | 840,139 |
| WIP by status | | | | |
| Current WIP (completion in future) | | | | 599,055 |
| Due for capitalisation within policy | | | | 151,410 |
| Due for capitalisation not within policy | | | | 88,851 |
| Forecast completion date not yet provided (new projects) | | | | 823 |
| Total WIP | | | | 840,139 |

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

As at 31 August 2022

| Top 10 Programmes | WIP Closing balance 31 August 2022 |
|---|---------------------------------------|
| Eastern Busway | 122,471 |
| Safety Programme | 60,605 |
| Supporting Growth projects | 58,441 |
| Rosedale and Constellation Bus Stations | 45,248 |
| Matakana Link Road | 39,632 |
| Connected Communities | 35,242 |
| Urban Cycleways Programme | 33,328 |
| Wolverton Culverts | 33,029 |
| Public Transport Safety, Security and Amenity | 27,639 |
| Customer and Business Technology | 25,616 |
| Total | 481,252 |

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

As at 31 August 2022

| | Actual 31 August 2022 \$000 | Actual 31 July 2022 \$000 |
|-----------------------------------|-----------------------------------|---------------------------------|
| 4 Payables and accruals | | |
| Current portion | | |
| Creditors | 33,533 | 14,553 |
| Goods and services tax | 3,980 | - |
| Accrued expenses | 169,215 | 169,100 |
| Retentions | 22,437 | 21,883 |
| Amounts due to related parties | 34,962 | 24,457 |
| Revenue in advance | 2,801 | 3,149 |
| Total current payables | 266,928 | 233,142 |
| Non-current portion | | |
| Amounts due to related parties | 2,954 | 3,229 |
| Total non-current payables | 2,954 | 3,229 |

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 August 2022

| | Actual 31 August 2022 \$000 | Actual 31 July 2022 \$000 |
|--|-----------------------------------|---------------------------------|
| 5 Employee entitlements | | |
| Current portion | | |
| Accrued salaries and wages | 5,782 | 3,571 |
| Accrued leave | 15,252 | 14,836 |
| Total current employee entitlements | 21,034 | 18,407 |
| Non-current portion | | |
| Retirement gratuities | 253 | 253 |
| Long service leave | 36 | 36 |
| Total non-current employee entitlements | 289 | 289 |

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

As at 31 August 2022

| | Actual 31 August 2022 \$000 | Actual 31 July 2022 \$000 |
|--|-----------------------------------|---------------------------------|
| 6 Borrowings | | |
| Current portion | | |
| Finance lease | 1,153 | 1,063 |
| Loans from Auckland Council | 7,872 | 7,823 |
| Total current borrowings | 9,025 | 8,886 |
| Non-current portion | | |
| Finance lease | 2,617 | 2,795 |
| Loans from Auckland Council | 467,007 | 467,636 |
| Total non-current borrowings | 469,624 | 470,431 |
| Weighted average cost of funds on total borrowings | 6.02% | 6.02% |

AT's loan debt of \$475 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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Section 5 – Cashflow

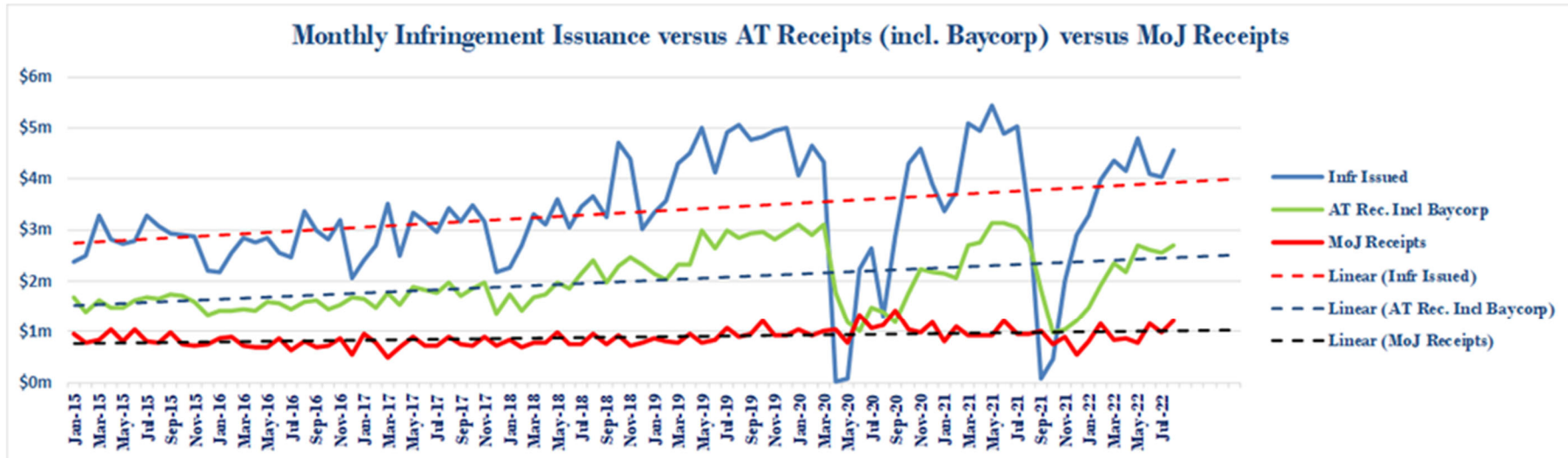
| | Year to date | | Full year |
|---|------------------|------------------|------------------|
| | Actual \$000 | Budget \$000 | Budget \$000 |
| Cash flows from operating activities | | | |
| Total cash provided | 305,203 | 313,973 | 2,018,764 |
| Cash applied to | | | |
| Payments to suppliers and employees | 158,217 | 175,482 | 1,125,754 |
| Interest paid | 4,254 | 4,873 | 28,495 |
| Total cash applied | 162,471 | 180,355 | 1,154,249 |
| Net cash from operating activities | 142,732 | 133,618 | 864,515 |
| Cash flows from investing activities | | | |
| Cash provided from | | | |
| Sale of property, plant and equipment | 177 | - | - |
| Cash applied to: | | | |
| Purchase of property, plant and equipment | 139,689 | 132,375 | 856,730 |
| Net cash from investing activities | (139,512) | (132,375) | (856,730) |
| Cash flows from financing activities | | | |
| Cash applied to | | | |
| Repayments of EMU loan from Auckland Council | 1,244 | 1,243 | 7,785 |
| Repayments of finance lease principal | 176 | - | - |
| Net cash from financing activities | (1,420) | (1,243) | (7,785) |
| Net (decrease)/increase in cash and cash equivalents | 1,800 | - | - |
| Opening cash and cash equivalents | 4,390 | - | - |
| Closing cash balance | 6,190 | - | - |

| Reconciliation of surplus after tax to net cash from operating activities | |
|--|-------------------------|
| | Actual \$000 |
| Surplus after tax | 37,108 |
| Add/(less) non-cash items | |
| Depreciation and amortisation | 86,439 |
| Vested asset income | (29,096) |
| Gain on disposal of property, plant and equipment | (69) |
| (Gains)/losses on derivatives | 8,279 |
| | 65,553 |
| Add/(less) movements in balance sheet items | |
| Receivables | 19,615 |
| Inventories | 42 |
| Other assets | (15,836) |
| Payables and accruals | 32,703 |
| Employee entitlements | 3,547 |
| | 40,071 |
| Net cash from operating activities | 142,732 |


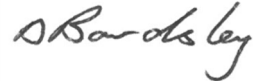

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Section 6 – Infringement Overview

Over 92 months (January 2015 to August 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

| | | |
|--------------------------------|--|---|
| Submitted by | Sam Ho Financial Reporting Manager |  |
| Recommended by | David Bardsley Group Manager Finance |  |
| Approved for submission | Mark Laing Executive General Manager Finance |  |