

Financial Results for the Month Ended 31 July 2017

Recommendation

That the Board:

- i. Receives the report.

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Section 1 – Overview

With only one month of the year gone, it is too early to discern trends from the results. However the financial results achieved are consistent with the plan and no new financial or delivery risks are discernible.

The capital result is ahead of budget by \$1 million, largely due to land purchases. While the budget and phasing is consistent with the larger programme this year, close attention to delivery will need to be paid to ensure delivery remains on track and last year's "hockey stick" is avoided.

Revenue is subject to:

- Lower ferry revenue from west harbour
- Two incidents impacted rail revenue in July
- Recharges to CRLI have had a positive impact.

Expenses are in line with budget however Roading expenses have been impacted by ongoing work related to previous weather events.

Section 2a – Executive Summary

Financial results for the month ended 31 July 2017:

	Year to date variance to budget	Year to date results	Year to date Actual	Year to date budget
	\$m		\$m	\$m
Total operating income	(0.3)	↔ ●	66.4	66.6
Total operating expenditure	0.1	↓ ●	90.7	90.8
Surplus/(deficit) from operations	(0.1)	↔ ●	(24.4)	(24.2)
Income for capital projects	1.1	↑ ●	34.2	33.2
Net surplus/(deficit) before tax	0.9	↑ ●	9.9	8.9
Total direct capital	(1.1)	↔ ●	34.2	33.2

Key to symbols used:

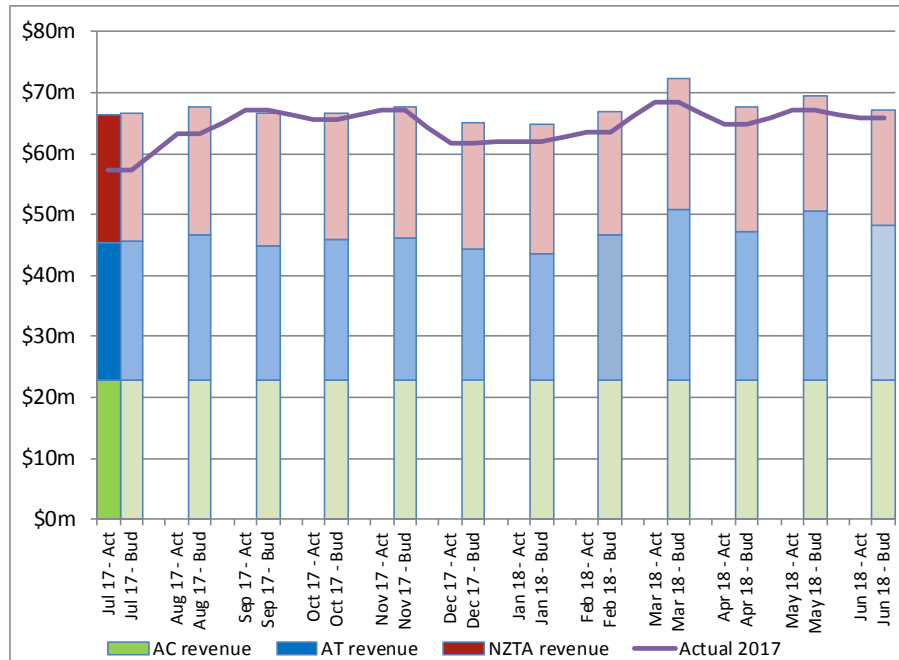
↔	: Within tolerable range	↑	: Above budget, favourable variance.
↓	: Below budget, unfavourable variance.	●	: Largely on track
↓	: Below budget, favourable variance.	●	: Monitoring, some action taken
↑	: Above budget, unfavourable variance.	●	: Action required

Section 2b – Financial results for the month ended 31 July 2017

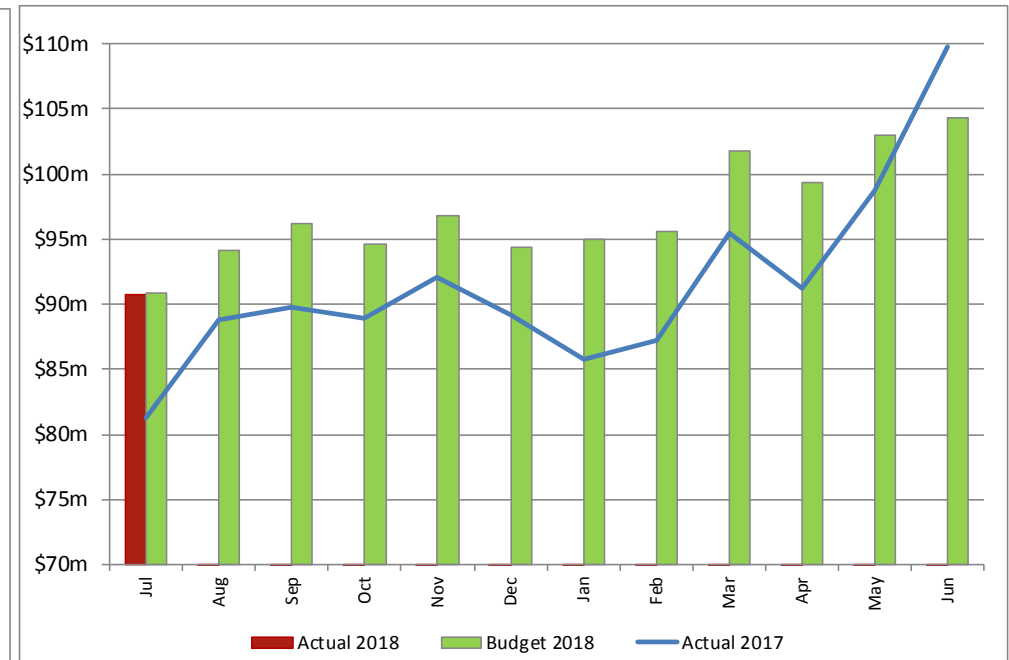
	Year to date				Full year
	Actual \$000	Budget \$000	Variance \$000	Results achieved	Budget \$000
Income					
<u>Operating income</u>					
Auckland Council funding	22,924	22,924	-	●	275,083
NZ Transport Agency operating funding	21,079	21,017	62	●	248,061
Parking and enforcement income	6,402	6,752	(350)	●	82,210
AT Metro income	13,231	13,473	(242)	●	183,174
Other revenue incl. other grants and subsidies	2,716	2,441	275	●	20,111
Total operating income	66,352	66,607	(255)	●	808,639
Expenditure					
Personnel costs	12,236	12,747	511	●	159,238
Capitalised personnel costs	(1,798)	(3,469)	(1,671)	●	(42,324)
Depreciation and amortisation	25,985	27,715	1,730	●	362,975
Other expenditure	51,678	51,238	(440)	●	655,510
Finance costs (Electric Trains)	2,602	2,602	-	●	30,452
Total operating expenditure	90,703	90,833	130	●	1,165,851
Surplus/(deficit) from operations	(24,351)	(24,226)	(125)	●	(357,212)
<u>Income for capital projects</u>					
NZ Transport Agency capital co-investment	8,705	10,082	(1,377)	●	174,008
Auckland Council capital grant	25,519	23,079	2,440	●	591,888
Other Capital Grants	(7)	-	(7)	●	-
Vested asset income	-	-	-	●	103,023
Total income for capital projects	34,217	33,161	1,056	●	868,919
Net surplus/(deficit) before tax and derivatives	9,866	8,935	931	●	511,707
Gains/(losses) on derivatives	275	-	275		-
Gain/(loss) on disposal of assets	(117)	-	(117)		-
Income tax benefit/(expense)	-	-	-		-
Net surplus/(deficit) after tax and derivatives	10,024	8,935	1,089	●	511,707

Section 2b – Financial results for the month ended 31 July 2017 (continued)

Operating revenue



Operating expenditure (excl. disposals and derivatives)



Section 2c – Summary of financial results by activity

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Rail	9,741	9,735	6	121,008
Bus	15,905	15,852	53	202,138
Ferry	1,005	1,314	(309)	17,267
Other public transport	2,040	2,566	(526)	32,118
Parking	3,719	4,102	(383)	50,575
Enforcement	2,684	2,650	34	31,635
Roading and footpaths	5,750	5,410	340	56,121
Internal support	2,585	2,052	533	22,694
Auckland Council operating funding	22,924	22,924	-	275,083
Total operating income	66,353	66,605	(252)	808,639
Operating Expenditure				
Rail	13,848	13,682	(166)	171,111
Bus	23,188	22,810	(378)	282,115
Ferry	1,484	1,732	248	21,945
Other public transport	2,965	3,624	659	46,653
Parking	918	1,055	137	12,334
Enforcement	1,675	1,632	(43)	20,547
Roading and footpaths	11,797	9,633	(2,164)	134,594
Internal support	8,843	8,950	107	113,575
Depreciation and amortisation	25,985	27,715	1,730	362,975
Total operating expenditure	90,703	90,833	130	1,165,849
Surplus/(deficit) from Operations	(24,350)	(24,228)	(122)	(357,210)

Section 2d – Rail operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Activity Income	4,179	4,280	(101)	55,041
Other income	82	75	7	1,437
NZ Transport Agency operating funding	3,805	3,705	100	44,973
NZ Transport Agency operating funding - Electric Trains	1,675	1,675	-	19,557
Total operating income	9,741	9,735	6	121,008
Operating Expenditure				
Personnel costs	207	217	10	5,346
Capitalised personnel costs	5	-	(5)	-
Service delivery costs and professional services	7,955	7,703	(252)	95,859
Occupancy costs	264	274	10	3,363
Track access charges	2,222	2,246	24	27,686
Other expenditure	593	640	47	8,405
Finance costs (Electric Trains)	2,602	2,602	-	30,452
Total operating expenditure	13,848	13,682	(166)	171,111
Depreciation	3,461	3,203	(258)	40,163
Surplus/(deficit) from Operations	(7,568)	(7,150)	(418)	(90,266)
Internal support costs	1,967	2,140	173	31,163
Surplus/(deficit)	(9,535)	(9,290)	(245)	(121,429)

Section 2d – Bus operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Activity Income	7,246	7,226	20	103,429
Other income	474	456	18	5,388
NZ Transport Agency operating funding	8,185	8,170	15	93,321
Total operating income	15,905	15,852	53	202,138
Operating Expenditure				
Personnel costs	337	255	(82)	4,310
Capitalised personnel costs	(35)	(31)	4	(250)
Service delivery costs and professional services	22,676	22,363	(313)	275,660
Occupancy costs	87	91	4	1,118
Other expenditure	123	132	9	1,277
Total operating expenditure	23,188	22,810	(378)	282,115
Depreciation	261	313	52	3,907
Surplus/(deficit) from Operations	(7,544)	(7,271)	(273)	(83,884)
Internal support costs	3,243	3,528	285	51,380
Surplus/(deficit)	(10,787)	(10,799)	12	(135,264)

Section 2d – Ferry operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Operator access fees	255	412	(157)	5,819
Activity Income	150	214	(64)	3,004
Other income	71	88	(17)	1,037
NZ Transport Agency operating funding	529	600	(71)	7,407
Total operating income	1,005	1,314	(309)	17,267
Operating Expenditure				
Personnel costs	97	101	4	1,268
Capitalised personnel costs	(6)	(21)	(15)	(262)
Service delivery costs and professional services	1,223	1,392	169	17,800
Occupancy costs	12	83	71	973
Other expenditure	158	177	19	2,166
Total operating expenditure	1,484	1,732	248	21,945
Depreciation	326	255	(71)	3,150
Surplus/(deficit) from Operations	(805)	(673)	(132)	(7,828)
Internal support costs	252	274	22	3,997
Surplus/(deficit)	(1,057)	(947)	(110)	(11,825)

Section 2d – Other public transport operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Other income	774	722	52	8,019
NZ Transport Agency operating funding	1,266	1,844	(578)	24,099
Total operating income	2,040	2,566	(526)	32,118
Operating Expenditure				
Personnel costs	1,259	1,461	202	18,408
Capitalised personnel costs	(19)	(24)	(5)	(892)
Service delivery costs and professional services	801	1,201	400	16,458
IT costs	84	179	95	2,300
Other expenditure	840	807	(33)	10,379
Total operating expenditure	2,965	3,624	659	46,653
Depreciation	1,395	1,362	(33)	16,835
Surplus/(deficit) from Operations	(2,320)	(2,420)	100	(31,370)
Internal support costs	536	583	47	8,497
Surplus/(deficit)	(2,856)	(3,003)	147	(39,867)

Section 2d – Parking operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Other income	136	109	27	1,412
Parking Fees	3,583	3,993	(410)	49,163
Total operating income	3,719	4,102	(383)	50,575
Operating Expenditure				
Personnel costs	247	248	1	3,071
Capitalised personnel costs	-	(14)	(14)	(173)
Service delivery costs and professional services	262	337	75	3,637
Occupancy Costs	378	397	19	4,768
Other expenditure	31	87	56	1,031
Total operating expenditure	918	1,055	137	12,334
Depreciation	640	641	1	7,809
Surplus/(deficit) from Operations	2,161	2,406	(245)	30,432
Internal support costs	142	154	12	2,246
Surplus/(deficit)	2,019	2,252	(233)	28,186

Section 2d – Enforcement operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Other income	-	-	-	-
Infringement income	2,684	2,650	34	31,635
Total operating income	2,684	2,650	34	31,635
Operating Expenditure				
Personnel costs	876	848	(28)	10,486
Capitalised personnel costs	(19)	7	26	87
Service delivery costs and professional services	177	160	(17)	1,924
Occupancy Costs	-	-	-	-
Other expenditure	641	617	(24)	8,050
Total operating expenditure	1,675	1,632	(43)	20,547
Depreciation	23	21	(2)	363
Surplus/(deficit) from Operations	986	997	(11)	10,725
Internal support costs	236	257	21	3,742
Surplus/(deficit)	750	740	10	6,983

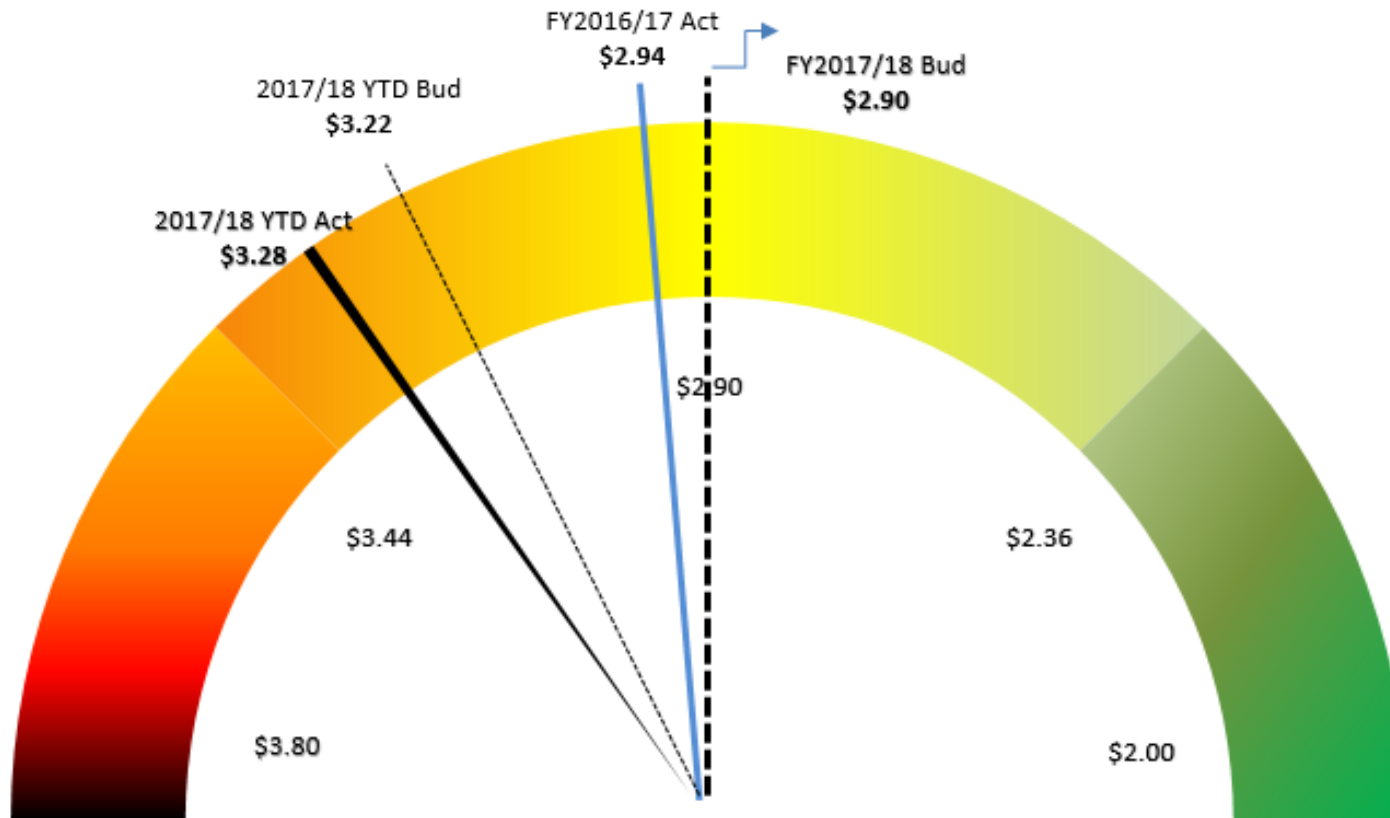
Section 2d – Roading and footpaths operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Petrol tax	798	743	55	8,919
Other income	997	1,239	(242)	6,361
NZ Transport Agency operating funding	3,955	3,428	527	40,841
Total operating income	5,750	5,410	340	56,121
Operating Expenditure				
Personnel costs	2,480	2,613	133	33,074
Capitalised personnel costs	(330)	(856)	(526)	(10,011)
Service delivery costs and professional services	7,758	5,700	(2,058)	87,422
Occupancy Costs	1,399	1,503	104	15,286
IT Costs	40	8	(32)	300
Other expenditure	450	665	215	8,523
Total operating expenditure	11,797	9,633	(2,164)	134,594
Depreciation	18,212	20,196	1,984	256,092
Surplus/(deficit) from Operations	(24,259)	(24,419)	160	(334,565)
Internal support costs	1,547	1,683	136	24,513
Surplus/(deficit)	(25,806)	(26,102)	296	(359,078)

Section 2d – Internal support

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Rental income	519	379	140	3,879
Other income	402	79	323	952
NZ Transport Agency operating funding	1,664	1,594	70	17,863
Total operating income	2,585	2,052	533	22,694
Operating Expenditure				
Personnel costs	6,733	7,004	271	83,275
Capitalised personnel costs	(1,394)	(2,529)	(1,135)	(30,824)
Directors Fees	38	42	4	510
Service delivery costs and professional services	1,865	2,718	853	35,495
Other expenditure	1,601	1,715	114	25,119
Total operating expenditure	8,843	8,950	107	113,575
Depreciation	1,666	1,722	56	34,656
Surplus/(deficit) from Operations	(7,924)	(8,620)	696	(125,537)
Internal support allocated	7,924	8,620	696	125,537
Surplus/(deficit)	-	-	-	-

Section 2e – Operational funding requirement per passenger for the month ended 31 July 2017



The actual operational funding requirement per passenger is expected to reduce over time as patronage rises throughout the coming year.

Section 3a – Summary of Capital Expenditure

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Land				
Mass Transit	-	-	-	33,823
AMETI	3,809	1,835	(1,974)	27,874
Mill Road improvements	686	725	39	40,830
Growth Infrastructure Fund	31	-	(31)	15,260
Drury South	-	-	-	14,000
Special Housing Areas (SHAs)	-	-	-	19,500
Other	1,966	1,464	(502)	24,178
Total land	6,492	4,024	(2,468)	175,465
Major new capital projects				
Mass Transit	-	-	-	10,500
Manukau Bus Interchange	3,368	2,568	(800)	16,108
AMETI	274	717	443	6,727
NorthWest Transformation	18	87	69	8,974
Dominion Road bus lane improvements	179	191	12	13,907
Franklin Road enhancements	296	269	(27)	6,200
Murphys Road upgrade	92	20	(72)	9,840
Total major new capital projects	4,227	3,852	(375)	72,256
Other ring-fenced projects				
EMU	184	-	(184)	-
Local Board initiatives	514	73	(441)	13,942
Special Housing Areas (SHAs)	223	280	57	19,651
Other	445	256	(189)	7,364
Total other ring-fenced projects	1,366	609	(757)	40,957
Other				
Roads and footpaths	6,704	7,420	716	139,545
AT Metro	4,136	7,356	3,220	96,503
Parking operations	203	151	(52)	3,520
Internal support - BT	672	1,008	336	700
Internal support - Accomodation	188	121	(67)	7,000
Internal support - Other	539	(863)	(1,402)	250
Total other	12,442	15,193	2,751	247,518
Renewals	9,689	9,483	(206)	229,700
Total direct capital	34,216	33,161	(1,055)	765,896

Section 3b – Capital Expenditure Funding

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Direct capital funding				
NZ Transport Agency new capital co-investment	5,268	6,943	(1,675)	108,759
NZ Transport Agency renewal co-investment	3,436	3,138	298	65,249
Other Capital grants	(7)	-	(7)	-
Auckland Council capital grant	25,519	23,079	2,440	591,888
Total direct capital funding	34,216	33,160	1,056	765,896

Section 4a – Statement of Financial Position

As at 31 July 2017

	Note	Actual 31 July 2017 \$000	Actual 30 June 2017 \$000
Assets			
Current assets			
Cash and cash equivalents	1	9,995	5,692
Trade and other receivables	2	241,730	321,953
Inventories		11,293	11,443
Other assets		17,987	3,368
Non-current asset held for sale		5,500	439,964
Total current assets		286,505	782,420
Non-current assets			
Trade and other receivables		1,801	1,801
Property, plant and equipment (PPE)		18,065,757	18,080,308
Intangible assets		101,255	103,176
Work in progress (PPE and intangible assets)	3	456,738	432,211
Total non-current assets		18,625,551	18,617,496
Total assets		18,912,056	19,399,916

Section 4a – Statement of Financial Position (continued)

As at 31 July 2017

	Note	Actual 31 July 2017 \$000	Actual 30 June 2017 \$000
Liabilities			
Current liabilities			
Trade and other payables	4	161,786	224,460
Employee benefit liabilities	5	15,212	15,180
Borrowings	6	5,776	5,764
Total current liabilities		182,774	245,404
Non-current liabilities			
Trade and other payables	4	19,442	19,717
Employee benefit liabilities	5	574	574
Borrowings	6	502,385	502,899
Deferred tax liability	7	11,667	11,667
Total non-current liabilities		534,068	534,857
Total liabilities		716,842	780,261
Net assets		18,195,214	18,619,655
Equity			
Contributed capital		13,001,954	13,436,418
Accumulated surplus/(deficit)		1,633,193	1,623,170
Other reserves		3,560,067	3,560,067
Total equity		18,195,214	18,619,655

Section 4b – Notes to the Financial Statements

As at 31 July 2017

	Actual 31 July 2017 \$000	Actual 30 June 2017 \$000
1 Cash and cash equivalents		
Cash at bank - Trading	9,684	5,381
Till floats	311	311
Total cash and cash equivalents	9,995	5,692
The carrying value of cash and cash equivalents approximates their fair value.		
2 Trade and other receivables		
Trade debtors	4,060	3,260
Finance lease receivable	178	156
Infringements receivable	34,761	34,562
Amounts due from related parties	170,478	236,766
Accrued income	35,421	55,893
Goods and services tax	11,892	6,332
	256,790	336,969
Less provision for impairment of receivables	(15,060)	(15,016)
Total trade and other receivables	241,730	321,953

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

As at 31 July 2017

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 at 31 July 2017 is detailed below:

	Gross	Impaired	Net
	\$000	\$000	\$000
Not past due	223,804	-	223,804
Past due 1 - 30 days	1,772	-	1,772
Past due 31 - 60 days	1,651	-	1,651
Past due 61 - 90 days	955	-	955
Past due > 90 days	28,608	(15,060)	13,548
	256,790	(15,060)	241,730

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 Auckland Transport management concluding that it is remote that the overdue amounts will be recovered.

Movements in the provision for impairment of receivables are as follows:

	Actual
	\$000
At 1 July 2017	15,016
Additional provisions made	44
Provisions reversed	-
Receivables written-off	-
At 31 July 2017	15,060

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

As at 31 July 2017

	Opening balance 1 July 2017 \$000	Acquisition YTD 31 July 2017 \$000	Capitalisation YTD 31 July 2017 \$000	Closing balance 31 July 2017 \$000
3 Work in Progress (WIP)				
WIP by activity				
Roads and footpaths	270,924	15,253	-	286,177
AT Metro	123,628	7,664	-	131,292
Parking operations	7,209	203	-	7,412
Internal support	30,450	1,407	-	31,857
Total WIP	432,211	24,527	-	456,738
WIP by status				
Current WIP (completion in future)				307,616
Forecast completed - awaiting confirmation for capitalisation / writeoff / new forecast finish date				124,925
Forecast completion date not yet provided (new projects)				24,197
Total WIP				456,738
Top 10 Programmes				WIP Closing balance 31 July 2017 \$000
AMETI				42,314
Waterview W/C connection				27,908
Te Atatu Road - Corridor Improvements				24,543
Manukau Bus Interchange (Lot 59)				22,015
SMART				20,248
Minor Safety				17,637
Bus Infrastructure Improvement Programme				14,938
Local Board Initiatives				13,952
Networks Ops/ITS				13,784
Double decker network mitigation works				13,708
Total				211,047

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

As at 31 July 2017

	Actual 31 July 2017 \$000	Actual 30 June 2017 \$000
4 Trade and other payables		
Current portion		
Creditors	34,271	72,585
Accrued expenses	108,641	131,598
Retentions	11,765	11,458
Amounts due to related parties	5,865	6,856
Income in advance	1,244	1,963
Total current trade and other payables	161,786	224,460
Non-current portion		
Amounts due to related parties	19,442	19,717
Total non-current trade and other payables	19,442	19,717

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.

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

As at 31 July 2017

	Actual 31 July 2017 \$000	Actual 30 June 2017 \$000
5 Employee benefit liabilities		
Current portion		
Accrued salaries and wages	5,611	5,288
Accrued leave	9,601	9,892
Current employee benefit liabilities	15,212	15,180
Non-current portion		
Retirement gratuities	383	383
Long service leave	191	191
Non-current employee benefit liabilities	574	574

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

As at 31 July 2017

	Actual 31 July 2017 \$000	Actual 30 June 2017 \$000
6 Borrowings		
Current portion		
Loans from Auckland Council	5,776	5,764
Current borrowings	5,776	5,764
Non-current portion		
Loans from Auckland Council	502,385	502,899
Non-current borrowings	502,385	502,899
Weighted average cost of funds on total borrowings	6.02%	6.02%

Auckland Transport's loan debt of \$509 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

7 Deferred tax liability

	Property, Plant and Equipment \$000	Other Provisions \$000	Tax Losses \$000	Actual 31 July 2017 Total \$000
Deferred tax liability				
Balance at 1 July 2017	(11,667)	-	-	(11,667)
Charged to profit and loss	-	-	-	-
Charged to equity	-	-	-	-
Balance at 31 July 2017	(11,667)	-	-	(11,667)

Section 5 – Cash Flow

	Year to date		Full year
	Actual \$000	Budget \$000	Budget \$000
Cash flows from operating activities			
Total cash provided	186,293	169,768	1,574,535
Cash applied to:			
Payments to suppliers, employees and directors	69,784	63,504	772,278
Interest paid	2,245	2,602	30,597
Goods and services tax (net)	5,560	-	-
Total cash applied	77,589	66,106	802,875
Net cash from operating activities	108,704	103,662	771,660
Cash flows from investing activities			
Cash provided from:			
Sale of property, plant and equipment	174	-	-
Total cash provided	174	-	-
Cash applied to:			
Capital expenditure projects	104,075	103,161	765,896
Total cash applied	104,075	103,161	765,896
Net cash from investing activities	(103,901)	(103,161)	(765,896)
Cash flows from financing activities			
Total cash provided	-	-	-
Cash applied to:			
Repayments of EMU loan from Auckland Council	501	501	5,764
Total cash applied	501	501	5,764
Net cash from financing activities	(501)	(501)	(5,764)
Net (decrease)/increase in cash and cash equivalents	4,302	-	-
Opening cash balance	5,693	-	-
Closing cash balance	9,995	-	-

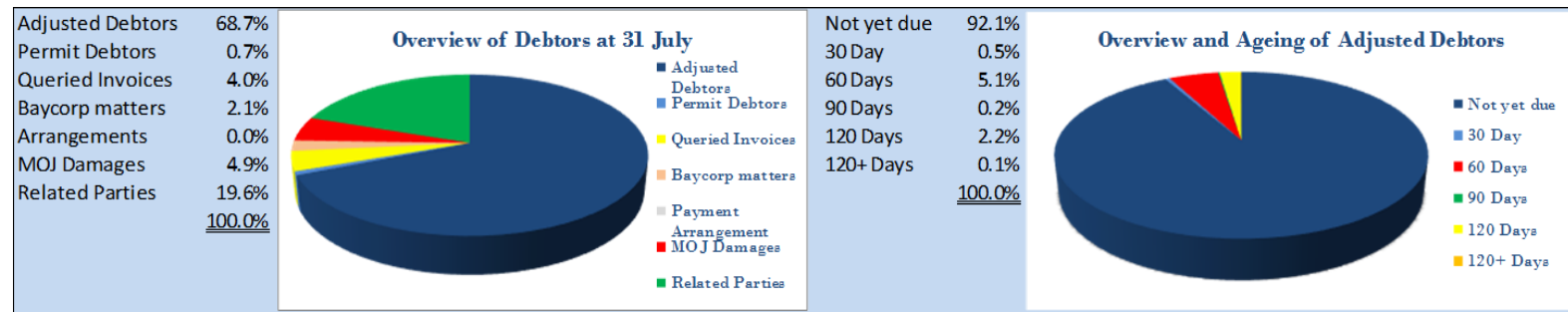
Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
	Actual \$000
Surplus/(deficit) after tax	10,024
Add/(less) non cash items	
Depreciation and amortisation	25,985
	25,985
Add/(less) movements in working capital	
Decrease/(Increase) in debtors and other receivables	82,529
Decrease/(Increase) in inventories	150
(Decrease)/Increase in creditors and other payables	4,601
(Decrease)/Increase in employee benefits payable	33
(Decrease)/Increase in other assets	(14,618)
	72,695
Net cash flow from operating activities	108,704

Section 6 – Accounts Receivable Report

Accounts Receivable

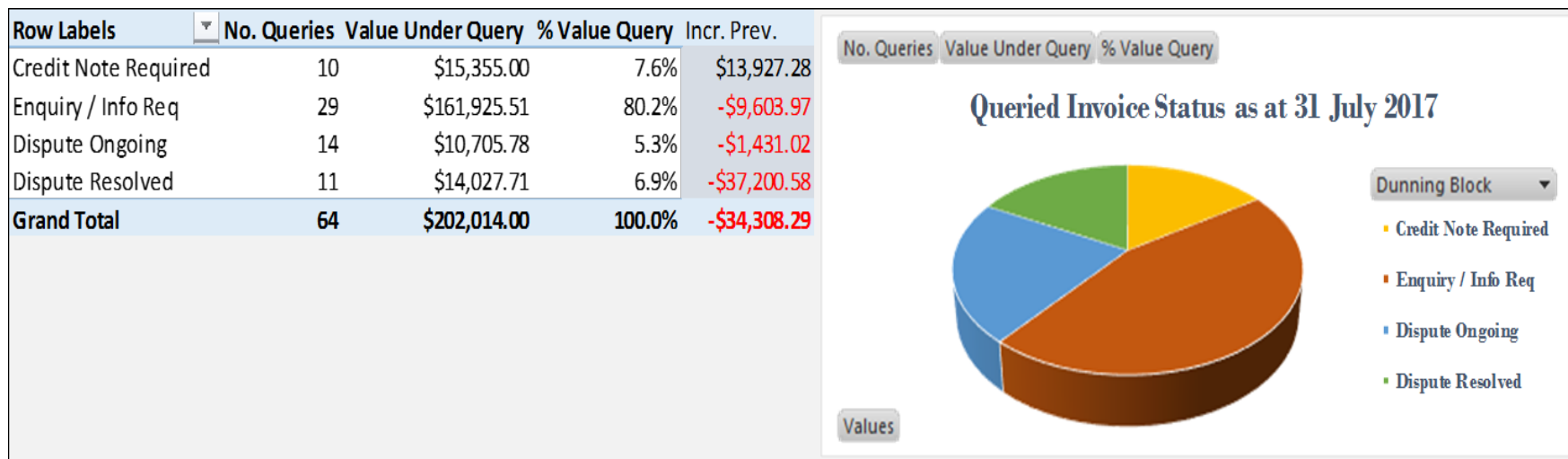
An overview of the Debtors as at 31 July has 97.7% (95.5% June) of adjusted Debtors in 30 and 60 days, or not yet due.

<u>Debtors Ageing Analysis as at 31 July 2017</u>									
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>Not Yet Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
Debtors Ageing 31 July	108	5,011,329	4,193,917	50,059	198,215	13,238	91,138	464,763	1
Parking Permit Debtors	16	37,630	29,160	3,810	440	240	3,980	0	2
Total Debtors		5,048,959	4,223,077	53,869	198,655	13,478	95,118	464,763	
		100.0%	83.6%	1.1%	3.9%	0.3%	1.9%	9.2%	
O/s Related Parties	11	997,917	973,950	0	11,623	2,719	9,625	0	3
Trade Debtors	97	4,051,043	3,249,127	53,869	187,031	10,760	85,493	464,763	
		100.0%	80.2%	1.3%	4.6%	0.3%	2.1%	11.5%	
Queried Invoices	134	202,014	4,752	37,674	4,805	5,087	9,234	140,464	4
To Baycorp (Collection)	526	105,376	2,445	86	0	263	480	102,101	5
Payment Arrangement	212	1,438	0	0	0	0	0	1,438	6
Lodged Courts (Damages)	466	247,785	24,946	0	3,863	0	0	218,976	7
Adjusted Debtors		3,494,430	3,216,984	16,110	178,364	5,410	75,778	1,784	
		100.0%	92.1%	0.5%	5.1%	0.2%	2.2%	0.1%	



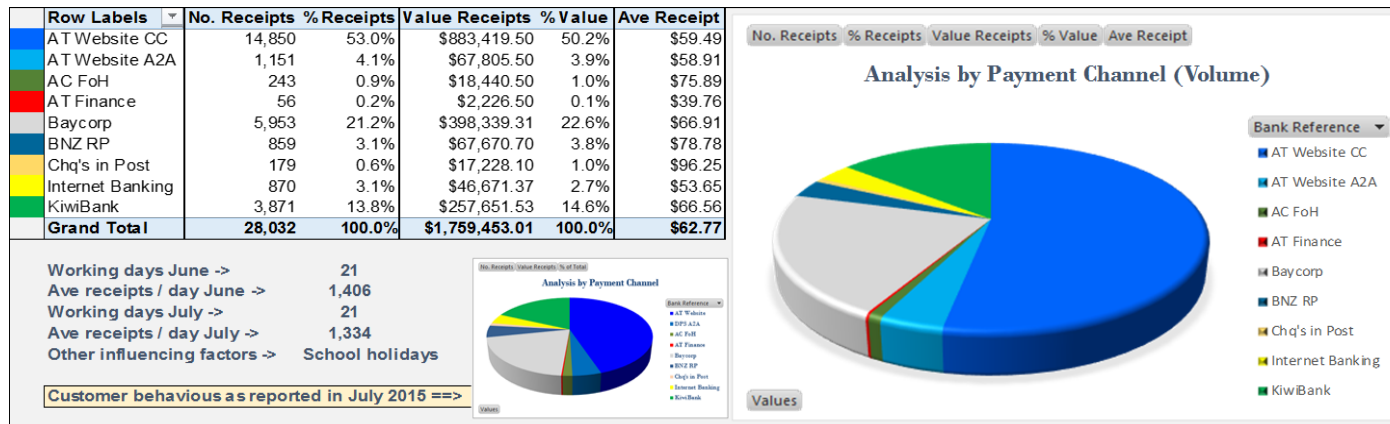
Notes relating to the Debtors Ageing Analysis:

- 1 - Sundry Debtors administered in the SAP system.
- 2 - Parking Permit Debtors administered in the Pathway system. These invoices are for on street permits issued. Amounts not collected within 60 days are lodged with Baycorp for collection. Accounts not paying on time are blocked for further permits.
- 3 - Inter-Council Group debts.
- 4 - Relates to invoices which have been queried or disputed by customers. The \$76,000 matter mentioned in earlier reports has been referred to Legal who are working on the matter. The matter with the Investigation and Design Team totalling \$86,000 has been resolved and a final payment of \$10,000 remains unpaid pending sign off. The dispute of \$49,000 passed across to Property for investigation has not yet been resolved.
- 5 - Relates to accounts lodged with Baycorp for collection. All these amounts have been impaired in full and some may be written off in the future. All amounts written off are approved by the CFO in accordance with policy. A number of Harbourmaster infringements, administered in SAP have now been lodged with Baycorp for collection.
- 6 - Relates to customers where an arrangement to pay has been agreed to. These are monitored until full payment has been received.
- 7 - Relates to matters where AT is recovering damages from road accidents investigated by the Police. Many of the matters are being paid off at a nominal amount per week as instructed by the Courts.

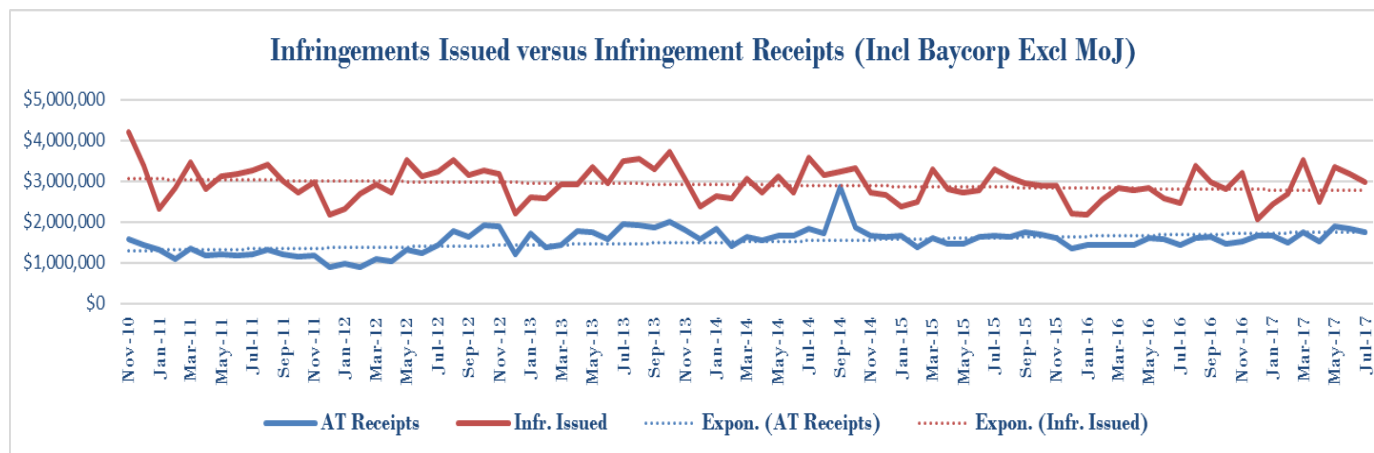


Infringement Overview:

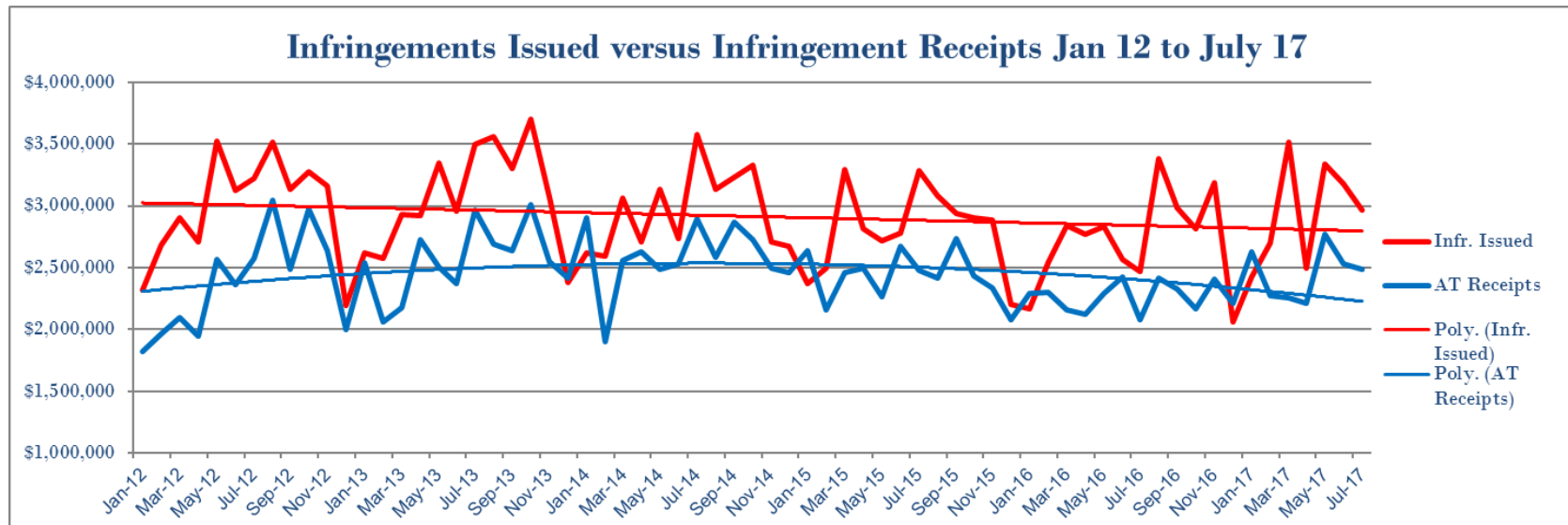
July's Infringement receipts by volume are down 5.1% on June (21 working days in both months but July with school holidays). Of the customers not paying in response to a Baycorp demand, 76.4% are making use of electronic payment methods (75.3% in June). The AT website recorded 57.1% of all receipts (53.9% in June). The inset graph compares customer behaviour as reported in July 2015.



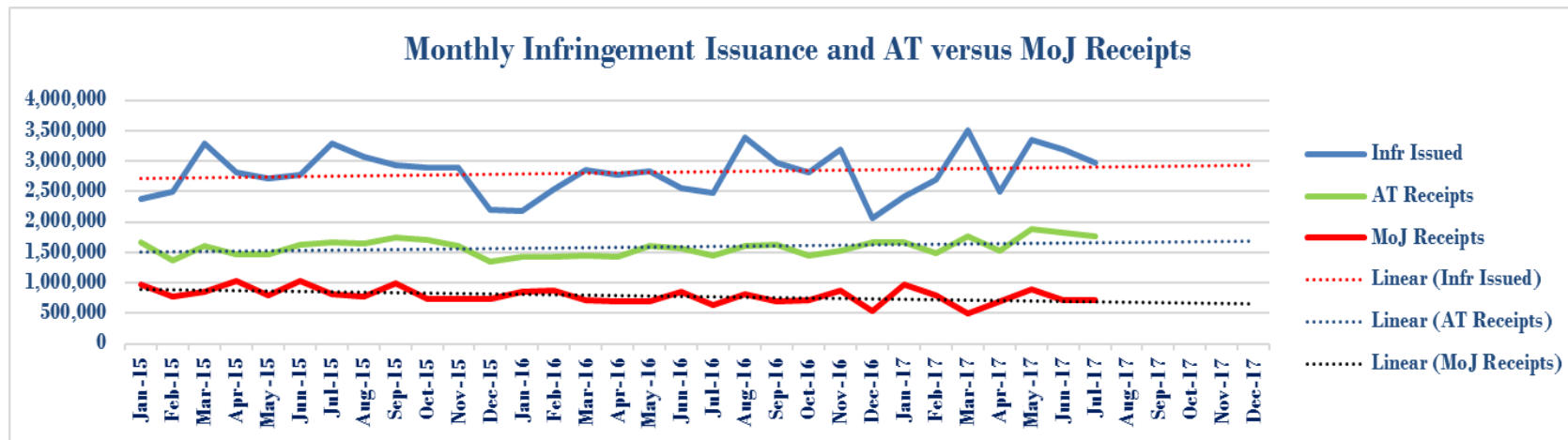
When comparing infringements issued against AT receipts (including Baycorp but excluding MoJ) over a 6 year period, the issued trend line is decreasing while the receipt trend line continues to increase.



The following graph compares infringements issued against all receipts by AT (including both Baycorp and MoJ receipts).

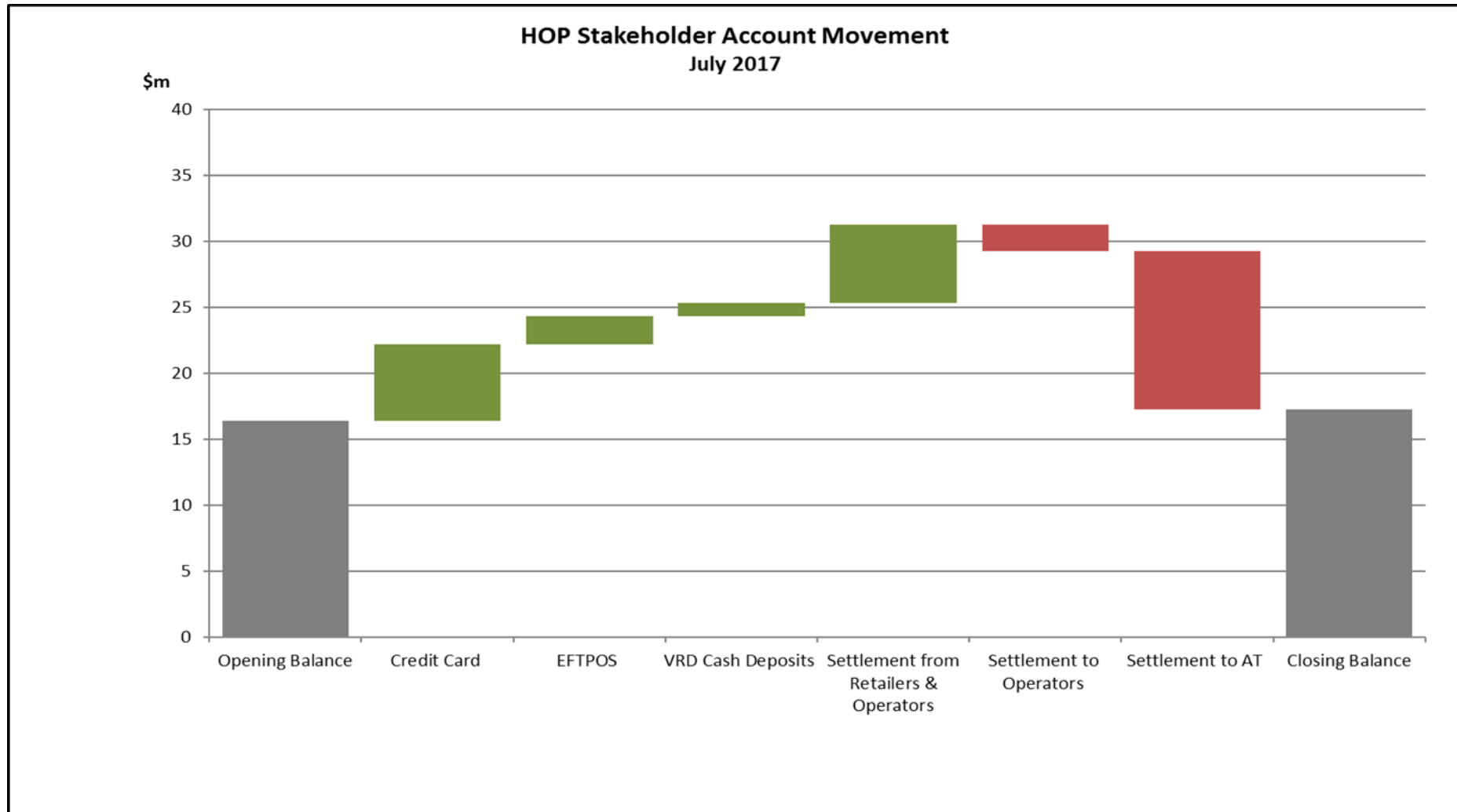


The following analysis compares infringements issued over a 31 month period (Jan 15 to Jul 17) and further compares receipts by AT (Incl. Baycorp) against receipts by MoJ. The trend lines within the analysis for the period clearly shows an increase in both issuance and AT receipts while MoJ continues to drop.

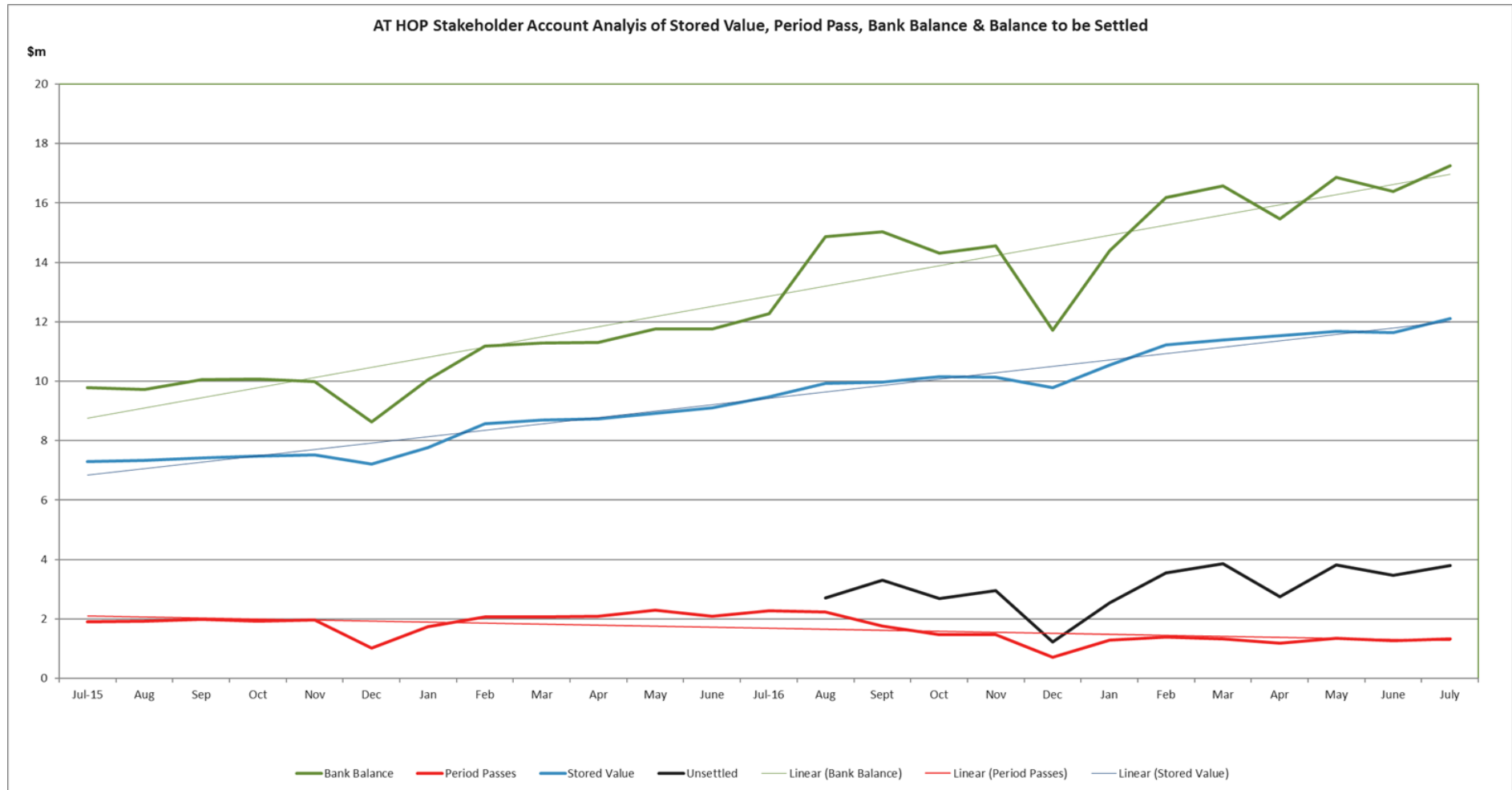


Section 7 – AT HOP Stakeholder Monthly Report



The AT HOP Stakeholder bank account as of July 2017 increased by 5.28% from the previous month, i.e., \$17.2 million from \$16.3 million.



The following graph provides an overview of monthly balances for Stored Value, Period Passes, the AT HOP Stakeholder Account and the amount yet to be settled to operators and AT. The unsettled HOP money reflects the seven-day delay with the introduction of Simpler Fares.



Document ownership

Submitted by	Edmond Wong Financial Reporting Manager	
Recommended by	Julian Michael Group Manager, Finance	
Approved for submission	Richard Morris Chief Financial Officer	