

Financial Results for the Seven Months Ended 31 January 2018

Recommendation

That the Board:

- i. Receives the report.

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Section 1 – Overview

This report is prepared referencing the budget reforecast which was completed in October 2017 and approved at the 1 February 2018 Board meeting.

Deficit from operations year to date is \$177.8 million, which is \$1.7 million favourable to budget. Continuing pressure on the public transport average yield presents a risk to achievement of the full year budgeted operating result.

- Total operating income year to date is higher than budget but at risk from lower public transport yields. Items to note are:
 - NZ Transport Agency operating funding is higher than budget mainly due to earlier utilisation of the administration subsidy than planned. Overall, full year funding is expected to be on budget.
 - Enforcement revenue is higher than budget mainly due to an increase in enforcement tickets issued and reduction of exemptions in traffic infringements as a result of system enhancement. Full year enforcement revenue is forecast to be on budget but represents an opportunity against budget.
 - Public transport fare income is lower than budget. The target full year patronage of 93 million is expected to be achieved. The average yield has declined due to a number of factors, most notably the impact of continued customer migration from cash to lower HOP fares and the success of the new network in migrating customers onto feeder services.
 - Other revenue exceeds budget due to higher than expected rental income on properties acquired for roading projects of \$2.6 million, miscellaneous income (e.g. permit fee, application fee, reimbursements) of \$0.3 million and petrol tax income of \$0.2 million. The rental income trend is not expected to continue for the full year as projects progress to the construction phase, particularly AMETI.
- Total operating expenditure excluding depreciation and amortisation year to date is \$4.6 million or 1% higher than budget mainly due to a delay in the recovery of current and prior year costs associated with rental properties of \$2.8 million, lower capitalised personnel costs and an expected Penlink property acquisition legal settlement of \$1.2 million recognised in December. This is offset primarily by an underspend against budget in personnel costs and service delivery and professional services costs. Full year operating expenditure is being monitored to mitigate ongoing risks.

The overall capital programme year to date is lower than budget by \$8.8 million or 3% mainly driven by delays in land acquisition and lower than budgeted renewal spend. Full year spend forecast remains at \$729 million, however, there is a growing risk this will not be achieved. Some activities, such as completion of the \$200 million Walking & Cycling programme are expected to accelerate in the next few months. Carry-forward of any unspent funding is being sought. No projects are being delayed due to uncertainty over the future programme.

Vested assets amounting to \$5.6 million were received in January, taking the total year to date to \$98.9 million. This is mainly from property development in Albany, Silverdale and Totara Heights.

Section 2a – Executive Summary

Financial results for the seven months ended 31 January 2018:

| | Current month variance to revised budget \$m | Year to date variance to revised budget \$m | Year to date results | Year to date Actual \$m | Year to date revised budget \$m | Full year revised budget \$m |
|-----------------------------------|--|--|----------------------------|--------------------------------------|---|--|
| Total operating income | 0.5 | 5.6 | ● | 476.1 | 470.5 | 817.3 |
| Total operating expenditure | (2.3) | (3.9) | ● | 653.8 | 650.0 | 1,135.6 |
| Surplus/(deficit) from operations | (1.8) | 1.7 | ● | (177.8) | (179.5) | (318.3) |
| Income for capital projects | (6.5) | (13.9) | ● | 434.0 | 447.9 | 880.3 |
| Net surplus/(deficit) before tax | (8.3) | (12.2) | ● | 256.3 | 268.4 | 562.0 |
| Total direct capital | 3.8 | 8.8 | ● | 335.1 | 344.0 | 729.3 |

Key to symbols used

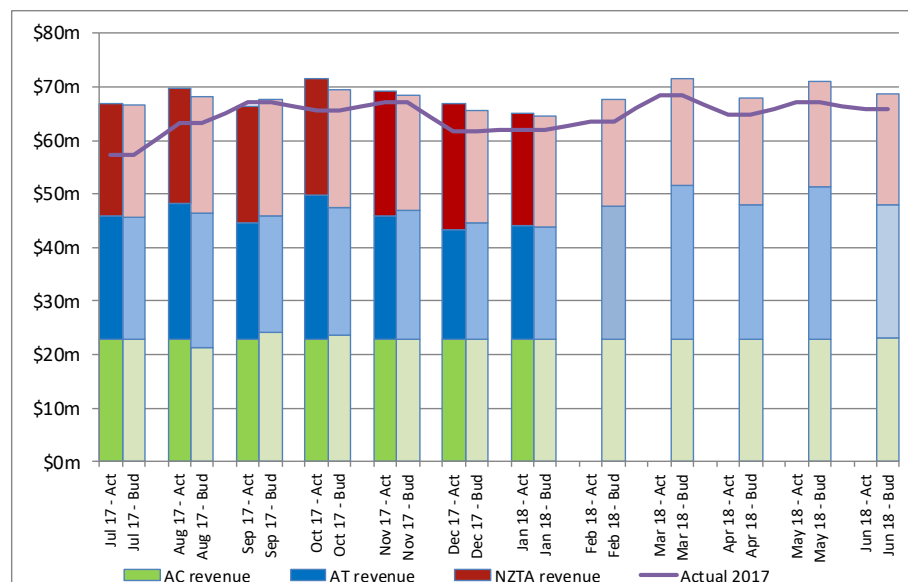
| | |
|---|--|
| ● | : Favourable budget variance |
| ● | : Unfavourable budget variance less than 5% |
| ● | : Unfavourable budget variance greater than 5% |

Section 2b – Financial results for the seven months ended 31 January 2017

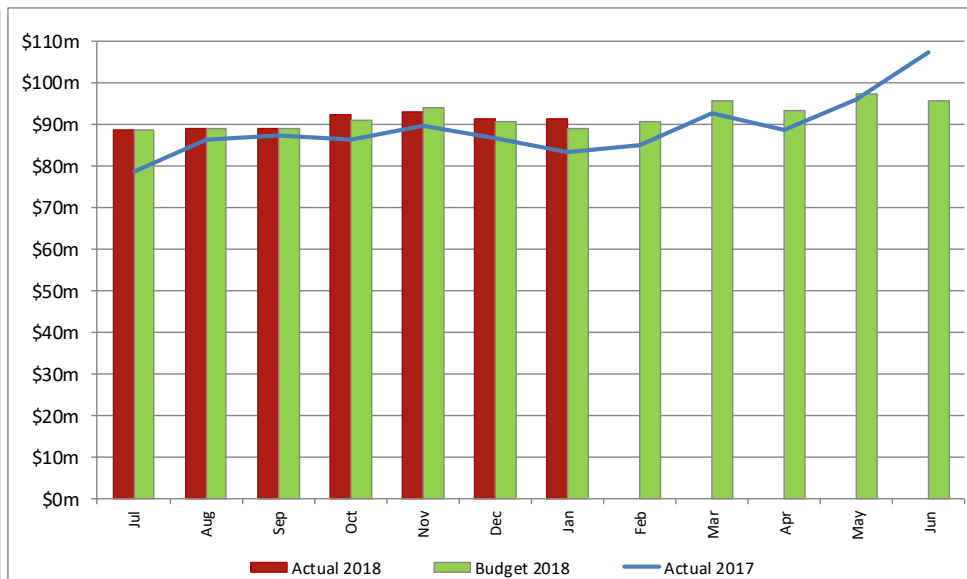
| | Current month | | | Year to date | | | | Full year |
|---|-----------------|----------------------------|-------------------|------------------|----------------------------|-------------------|---------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Results achieved | Revised Budget \$000 |
| Income | | | | | | | | |
| <u>Operating income</u> | | | | | | | | |
| Auckland Council funding | 22,924 | 22,924 | - | 160,465 | 160,465 | - | ● | 275,179 |
| NZ Transport Agency operating funding | 21,109 | 20,829 | 280 | 154,200 | 149,456 | 4,744 | ● | 249,869 |
| Parking and enforcement income | 6,193 | 5,908 | 285 | 46,906 | 46,611 | 295 | ● | 83,450 |
| Public transport income | 11,766 | 12,598 | (832) | 94,486 | 97,164 | (2,678) | ● | 180,187 |
| Other revenue incl. other grants and subsidies | 3,137 | 2,368 | 769 | 20,009 | 16,782 | 3,227 | ● | 28,578 |
| Total operating income | 65,129 | 64,627 | 502 | 476,066 | 470,478 | 5,588 | ● | 817,263 |
| Expenditure | | | | | | | | |
| Personnel costs | 12,957 | 13,926 | 969 | 91,971 | 93,224 | 1,253 | ● | 162,211 |
| Capitalised personnel costs | (1,834) | (3,526) | (1,692) | (18,425) | (20,805) | (2,380) | ● | (37,972) |
| Depreciation and amortisation | 27,756 | 27,076 | (680) | 185,878 | 186,628 | 750 | ● | 324,081 |
| Other expenditure | 52,475 | 51,555 | (920) | 375,798 | 372,910 | (2,888) | ● | 656,807 |
| Finance costs | 2,587 | 2,587 | - | 18,619 | 17,994 | (625) | ● | 30,452 |
| Total operating expenditure | 93,941 | 91,618 | (2,323) | 653,841 | 649,951 | (3,890) | ● | 1,135,579 |
| Surplus/(deficit) from operations | (28,812) | (26,991) | (1,821) | (177,775) | (179,473) | 1,698 | ● | (318,316) |
| <u>Income for capital projects</u> | | | | | | | | |
| NZ Transport Agency capital co-investment | 15,714 | 16,372 | (658) | 106,787 | 105,979 | 808 | ● | 190,360 |
| Auckland Council capital grant | 23,873 | 25,917 | (2,044) | 228,073 | 236,952 | (8,879) | ● | 538,175 |
| Other capital grants | 12 | - | 12 | 287 | 783 | (496) | ● | 783 |
| Vested asset income | 5,606 | 9,366 | (3,760) | 98,879 | 104,168 | (5,289) | ● | 150,996 |
| Total income for capital projects | 45,205 | 51,655 | (6,450) | 434,026 | 447,882 | (13,856) | ● | 880,314 |
| Net surplus/(deficit) before tax and derivatives | 16,393 | 24,664 | (8,271) | 256,251 | 268,409 | (12,158) | ● | 561,998 |
| Gains/(losses) on derivatives | (70) | - | (70) | (1,659) | 817 | (2,476) | | 817 |
| Gain/(loss) on disposal of assets | (82) | - | (82) | (935) | (396) | (539) | | (396) |
| Income tax benefit/(expense) | - | - | - | 257 | - | 257 | | - |
| Net surplus/(deficit) after tax and derivatives | 16,241 | 24,664 | (8,423) | 253,914 | 268,830 | (14,916) | ● | 562,419 |

Section 2b – Financial results for the seven months ended 31 January 2018 (continued)

Operating revenue



Operating expenditure (excl. disposals and derivatives)



Note: Operating revenue and expenditure reflect the phased introduction of the new bus network and Public Transport Operating Model (PTOM) contracts between October 2016 and September 2018.

Section 2c – Summary of financial results by activity

| | Current month | | | Year to date | | | Full year |
|--|-----------------|----------------------------|-------------------|------------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Operating Income | | | | | | | |
| Rail | 8,920 | 9,128 | (208) | 67,936 | 68,139 | (203) | 118,473 |
| Bus | 15,679 | 16,020 | (341) | 114,320 | 115,336 | (1,016) | 205,607 |
| Ferry | 1,342 | 1,436 | (94) | 8,697 | 9,157 | (460) | 16,663 |
| Other public transport | 2,359 | 2,564 | (205) | 17,174 | 17,978 | (804) | 32,261 |
| Parking | 4,111 | 3,976 | 135 | 28,349 | 28,452 | (103) | 50,701 |
| Enforcement | 2,082 | 1,932 | 150 | 18,556 | 18,158 | 398 | 32,749 |
| Roading and footpaths | 4,699 | 5,030 | (331) | 38,517 | 37,302 | 1,215 | 60,563 |
| Internal support | 3,012 | 1,617 | 1,395 | 22,052 | 15,490 | 6,562 | 25,067 |
| Auckland Council operating funding | 22,924 | 22,924 | - | 160,465 | 160,465 | - | 275,179 |
| Total operating income | 65,128 | 64,627 | 501 | 476,066 | 470,477 | 5,589 | 817,263 |
| Operating Expenditure | | | | | | | |
| Rail | 13,564 | 13,643 | 79 | 97,448 | 97,705 | 257 | 168,187 |
| Bus | 22,906 | 23,103 | 197 | 165,076 | 164,488 | (588) | 287,212 |
| Ferry | 1,759 | 1,810 | 51 | 11,395 | 11,737 | 342 | 20,947 |
| Other public transport | 3,394 | 3,539 | 145 | 23,747 | 25,382 | 1,635 | 45,564 |
| Parking | 1,170 | 975 | (195) | 7,304 | 7,499 | 195 | 12,489 |
| Enforcement | 1,586 | 1,818 | 232 | 12,201 | 12,071 | (130) | 21,152 |
| Roading and footpaths | 11,239 | 11,258 | 19 | 82,003 | 81,597 | (406) | 144,121 |
| Internal support | 10,568 | 8,396 | (2,172) | 68,789 | 62,844 | (5,945) | 111,826 |
| Depreciation and amortisation | 27,756 | 27,076 | (680) | 185,878 | 186,628 | 750 | 324,081 |
| Total operating expenditure | 93,942 | 91,618 | (2,324) | 653,841 | 649,951 | (3,890) | 1,135,579 |
| Surplus/(deficit) from Operations | (28,814) | (26,991) | (1,823) | (177,775) | (179,474) | 1,699 | (318,316) |

Section 2d – Rail Operations

| | Current month | | | Year to date | | | Full year |
|---|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Operating Income | | | | | | | |
| Activity income | 2,939 | 3,302 | (363) | 27,575 | 28,131 | (556) | 51,957 |
| Other income | 30 | 65 | (35) | 899 | 898 | 1 | 1,787 |
| NZ Transport Agency operating funding | 4,325 | 4,135 | 190 | 28,006 | 27,654 | 352 | 45,172 |
| NZ Transport Agency operating funding - Electric Trains | 1,626 | 1,626 | - | 11,456 | 11,456 | - | 19,557 |
| Total operating income | 8,920 | 9,128 | (208) | 67,936 | 68,139 | (203) | 118,473 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 308 | 421 | 113 | 2,006 | 2,045 | 39 | 4,691 |
| Capitalised personnel costs | 77 | - | (77) | 14 | 58 | 44 | 58 |
| Service delivery costs and professional services | 7,418 | 7,397 | (21) | 55,286 | 55,355 | 69 | 94,025 |
| Occupancy costs | 266 | 285 | 19 | 2,004 | 1,991 | (13) | 3,422 |
| Track access charges | 2,207 | 2,259 | 52 | 15,424 | 15,518 | 94 | 27,549 |
| Other expenditure | 701 | 694 | (7) | 4,720 | 4,744 | 24 | 7,990 |
| Finance costs | 2,587 | 2,587 | - | 17,994 | 17,994 | - | 30,452 |
| Total operating expenditure | 13,564 | 13,643 | 79 | 97,448 | 97,705 | 257 | 168,187 |
| Depreciation | 3,480 | 3,484 | 4 | 24,272 | 24,334 | 62 | 41,793 |
| Surplus/(deficit) from Operations | (8,124) | (7,999) | (125) | (53,784) | (53,900) | 116 | (91,507) |
| Internal support costs | 2,481 | 2,120 | (361) | 14,379 | 14,525 | 147 | 26,657 |
| Surplus/(deficit) | (10,605) | (10,119) | (486) | (68,163) | (68,425) | 263 | (118,164) |

Section 2d – Bus Operations

| | Current month | | | Year to date | | | Full year |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Operating Income | | | | | | | |
| Activity income | 6,848 | 7,376 | (528) | 52,966 | 54,936 | (1,970) | 103,429 |
| Other income | 477 | 405 | 72 | 2,902 | 3,063 | (161) | 5,082 |
| NZ Transport Agency operating funding | 8,354 | 8,239 | 115 | 58,452 | 57,337 | 1,115 | 97,096 |
| Total operating income | 15,679 | 16,020 | (341) | 114,320 | 115,336 | (1,016) | 205,607 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 361 | 457 | 96 | 2,501 | 2,656 | 155 | 4,755 |
| Capitalised personnel costs | (64) | (78) | (14) | (222) | (427) | (205) | (816) |
| Service delivery costs and professional services | 22,441 | 22,540 | 99 | 161,526 | 160,994 | (532) | 281,081 |
| Occupancy costs | 56 | 87 | 31 | 516 | 527 | 11 | 987 |
| Other expenditure | 112 | 97 | (15) | 755 | 738 | (17) | 1,205 |
| Total operating expenditure | 22,906 | 23,103 | 197 | 165,076 | 164,488 | (588) | 287,212 |
| Depreciation | 293 | 308 | 15 | 2,006 | 2,019 | 13 | 3,661 |
| Surplus/(deficit) from Operations | (7,520) | (7,391) | (129) | (52,762) | (51,171) | (1,591) | (85,266) |
| Internal support costs | 4,236 | 3,620 | (616) | 24,554 | 24,805 | 250 | 45,523 |
| Surplus/(deficit) | (11,756) | (11,011) | (745) | (77,316) | (75,976) | (1,341) | (130,789) |

Section 2d – Ferry Operations

| | Current month | | | Year to date | | | Full year |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Operating Income | | | | | | | |
| Operator access fees | 587 | 508 | 79 | 3,355 | 3,342 | 13 | 5,873 |
| Activity income | 105 | 186 | (81) | 1,322 | 1,337 | (15) | 2,680 |
| Other income | 47 | 76 | (29) | 453 | 513 | (60) | 886 |
| NZ Transport Agency operating funding | 603 | 666 | (63) | 3,567 | 3,965 | (398) | 7,224 |
| Total operating income | 1,342 | 1,436 | (94) | 8,697 | 9,157 | (460) | 16,663 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 114 | 123 | 9 | 848 | 842 | (6) | 1,443 |
| Capitalised personnel costs | (49) | (42) | 7 | (212) | (222) | (10) | (428) |
| Service delivery costs and professional services | 1,387 | 1,469 | 82 | 9,052 | 9,555 | 503 | 17,035 |
| Occupancy costs | 106 | 76 | (30) | 725 | 572 | (153) | 922 |
| Other expenditure | 201 | 184 | (17) | 982 | 990 | 8 | 1,975 |
| Total operating expenditure | 1,759 | 1,810 | 51 | 11,395 | 11,737 | 342 | 20,947 |
| Depreciation | 329 | 327 | (2) | 2,286 | 2,287 | 1 | 3,925 |
| Surplus/(deficit) from Operations | (746) | (701) | (45) | (4,984) | (4,867) | (117) | (8,209) |
| Internal support costs | 309 | 264 | (45) | 1,791 | 1,809 | 18 | 3,320 |
| Surplus/(deficit) | (1,055) | (965) | (90) | (6,775) | (6,676) | (99) | (11,529) |

Section 2d – Other Public Transport Operations

| | Current month | | | Year to date | | | Full year |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Operating Income | | | | | | | |
| Other income | 732 | 680 | 52 | 5,014 | 4,944 | 70 | 8,492 |
| NZ Transport Agency operating funding | 1,627 | 1,884 | (257) | 12,160 | 13,034 | (874) | 23,769 |
| Total operating income | 2,359 | 2,564 | (205) | 17,174 | 17,978 | (804) | 32,261 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 1,459 | 1,553 | 94 | 9,815 | 10,141 | 326 | 17,601 |
| Capitalised personnel costs | (26) | (102) | (76) | (658) | (682) | (24) | (996) |
| Service delivery costs and professional services | 1,143 | 1,221 | 78 | 7,337 | 8,237 | 900 | 15,712 |
| IT costs | 321 | 181 | (140) | 1,340 | 1,261 | (79) | 2,218 |
| Other expenditure | 497 | 686 | 189 | 5,913 | 6,425 | 512 | 11,029 |
| Total operating expenditure | 3,394 | 3,539 | 145 | 23,747 | 25,382 | 1,635 | 45,564 |
| Depreciation | 1,395 | 1,402 | 7 | 9,756 | 9,783 | 27 | 16,815 |
| Surplus/(deficit) from Operations | (2,430) | (2,377) | (53) | (16,329) | (17,187) | 858 | (30,118) |
| Internal support costs | 672 | 574 | (98) | 3,895 | 3,935 | 40 | 7,222 |
| Surplus/(deficit) | (3,102) | (2,951) | (151) | (20,224) | (21,122) | 898 | (37,340) |

Section 2d – Parking Operations

| | Current month | | | Year to date | | | Full year |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Operating Income | | | | | | | |
| Other income | 101 | 103 | (2) | 925 | 863 | 62 | 1,478 |
| Parking Fees | 4,010 | 3,873 | 137 | 27,424 | 27,589 | (165) | 49,223 |
| Total operating income | 4,111 | 3,976 | 135 | 28,349 | 28,452 | (103) | 50,701 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 295 | 291 | (4) | 1,865 | 1,896 | 31 | 3,267 |
| Capitalised personnel costs | 5 | (4) | (9) | 29 | (20) | (49) | (40) |
| Service delivery costs and professional services | 453 | 235 | (218) | 2,336 | 2,420 | 84 | 3,796 |
| Occupancy Costs | 325 | 403 | 78 | 2,695 | 2,879 | 184 | 4,894 |
| Other expenditure | 92 | 50 | (42) | 379 | 324 | (55) | 572 |
| Total operating expenditure | 1,170 | 975 | (195) | 7,304 | 7,499 | 195 | 12,489 |
| Depreciation | 642 | 638 | (4) | 4,488 | 4,465 | (23) | 7,654 |
| Surplus/(deficit) from Operations | 2,299 | 2,363 | (64) | 16,557 | 16,488 | 69 | 30,558 |
| Internal support costs | 184 | 157 | (27) | 1,068 | 1,079 | 11 | 1,979 |
| Surplus/(deficit) | 2,115 | 2,206 | (91) | 15,489 | 15,409 | 80 | 28,579 |

Section 2d – Enforcement Operations

| | Current month | | | Year to date | | | Full year |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Operating Income | | | | | | | |
| Other income | - | - | - | (1) | (1) | - | (38) |
| Infringement income | 2,082 | 1,932 | 150 | 18,557 | 18,159 | 398 | 32,787 |
| Total operating income | 2,082 | 1,932 | 150 | 18,556 | 18,158 | 398 | 32,749 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 749 | 940 | 191 | 6,075 | 6,245 | 170 | 11,058 |
| Capitalised personnel costs | 26 | 7 | (19) | 72 | 19 | (53) | 155 |
| Service delivery costs and professional services | 198 | 150 | (48) | 1,274 | 1,156 | (118) | 1,909 |
| Occupancy Costs | - | - | - | - | - | - | - |
| Other expenditure | 613 | 721 | 108 | 4,780 | 4,651 | (129) | 8,030 |
| Total operating expenditure | 1,586 | 1,818 | 232 | 12,201 | 12,071 | (130) | 21,152 |
| Surplus/(deficit) from Operations | 432 | 64 | 368 | 6,010 | 5,741 | 269 | 11,002 |
| Internal support costs | 312 | 267 | (45) | 1,808 | 1,827 | 18 | 3,353 |
| Surplus/(deficit) | 120 | (203) | 323 | 4,202 | 3,914 | 287 | 7,649 |

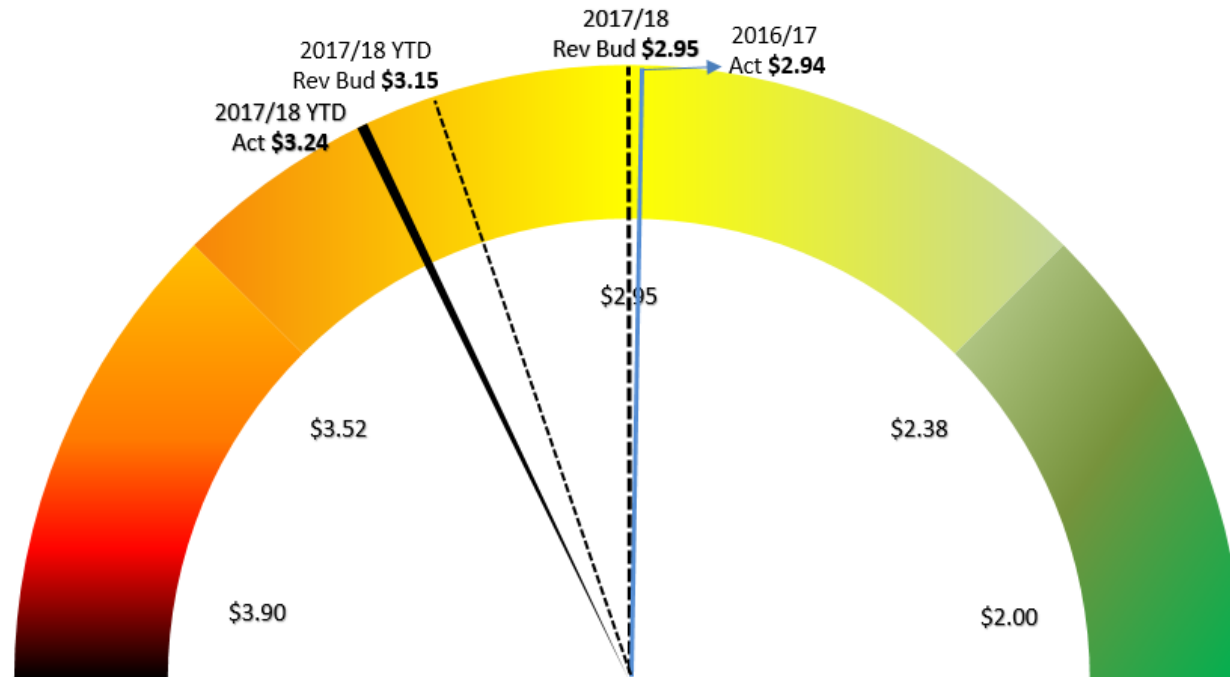
Section 2d – Roading and Footpaths Operations

| | Current month | | | Year to date | | | Full year |
|--|-----------------|----------------------------|-------------------|------------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Operating Income | | | | | | | |
| Petrol tax | 865 | 793 | 72 | 5,560 | 5,357 | 203 | 9,219 |
| Other income | 782 | 424 | 358 | 4,863 | 4,148 | 715 | 6,446 |
| NZ Transport Agency operating funding | 3,052 | 3,813 | (761) | 28,094 | 27,797 | 297 | 44,898 |
| Total operating income | 4,699 | 5,030 | (331) | 38,517 | 37,302 | 1,215 | 60,563 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 3,009 | 3,165 | 156 | 20,421 | 21,229 | 808 | 36,754 |
| Capitalised personnel costs | (332) | (984) | (652) | (4,369) | (5,459) | (1,090) | (10,237) |
| Service delivery costs and professional services | 7,021 | 7,436 | 415 | 52,481 | 52,729 | 248 | 93,918 |
| Occupancy Costs | 1,102 | 1,107 | 5 | 8,968 | 8,722 | (246) | 15,356 |
| IT Costs | 88 | 17 | (71) | 205 | 159 | (46) | 306 |
| Other expenditure | 351 | 517 | 166 | 4,297 | 4,217 | (80) | 8,024 |
| Total operating expenditure | 11,239 | 11,258 | 19 | 82,003 | 81,597 | (406) | 144,121 |
| Surplus/(deficit) from Operations | (25,329) | (25,054) | (275) | (173,132) | (174,617) | 1,485 | (309,058) |
| Internal support costs | 2,126 | 1,817 | (309) | 12,321 | 12,447 | 126 | 22,843 |
| Surplus/(deficit) | (27,455) | (26,871) | (584) | (185,453) | (187,064) | 1,611 | (331,901) |

Section 2d – Internal Support

| | Current month | | | Year to date | | | Full year |
|--|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Operating Income | | | | | | | |
| Rental income | 1,413 | 898 | 515 | 7,536 | 4,900 | 2,636 | 9,252 |
| Other income | 78 | 253 | (175) | 2,050 | 2,377 | (327) | 3,661 |
| NZ Transport Agency operating funding | 1,521 | 466 | 1,055 | 12,466 | 8,213 | 4,253 | 12,154 |
| Total operating income | 3,012 | 1,617 | 1,395 | 22,052 | 15,490 | 6,562 | 25,067 |
| Operating Expenditure | | | | | | | |
| Personnel costs | 6,662 | 6,975 | 313 | 48,439 | 48,170 | (269) | 82,642 |
| Capitalised personnel costs | (1,470) | (2,323) | (853) | (13,079) | (14,072) | (993) | (25,667) |
| Directors Fees | 43 | 42 | (1) | 298 | 297 | (1) | 510 |
| Service delivery costs and professional services | 1,914 | 1,205 | (709) | 12,915 | 13,284 | 369 | 27,210 |
| Other expenditure | 3,419 | 2,497 | (922) | 19,591 | 15,165 | (4,426) | 27,131 |
| Finance costs | - | - | - | 625 | - | (625) | - |
| Total operating expenditure | 10,568 | 8,396 | (2,172) | 68,789 | 62,844 | (5,945) | 111,826 |
| Surplus/(deficit) from Operations | (10,320) | (8,819) | (1,501) | (59,816) | (60,426) | 610 | (110,897) |
| Internal support allocated | 10,320 | 8,819 | (1,501) | 59,816 | 60,426 | 610 | 110,897 |
| Surplus/(deficit) | - | - | - | - | - | - | - |

Section 2e – Operational funding requirement per passenger for the seven months ended 31 January 2018



The operational cost (net of third party revenue) of \$3.24 per passenger on the Public Transport Network is higher than the budget of \$3.15 and prior year of \$2.94 per passenger. With annual patronage now at 90 million, each one cent change in operational cost per passenger represents up to \$900,000 operational cost impact to Auckland Transport.

Section 3a – Summary of Capital Expenditure

| | Current month | | | Year to date | | | Results achieved | Full year |
|-------------------------------------|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | | Revised Budget \$000 |
| Land | | | | | | | | |
| Mass Transit | - | - | - | 21 | - | (21) | ● | 17,300 |
| AMETI | 236 | 1,030 | 794 | 9,998 | 9,380 | (618) | ● | 11,514 |
| Mill Road improvements | 1,150 | - | (1,150) | 20,052 | 22,492 | 2,440 | ● | 33,897 |
| Growth Infrastructure Fund | 8 | - | (8) | 140 | 774 | 634 | ● | 2,212 |
| Drury South | 1 | - | (1) | 3 | 16 | 13 | ● | 16 |
| Special Housing Areas (SHAs) | 4 | - | (4) | 12 | 7 | (5) | ● | 6,007 |
| Other | (416) | 149 | 565 | 8,248 | 9,707 | 1,459 | ● | 31,275 |
| Total land | 983 | 1,179 | 196 | 38,474 | 42,376 | 3,902 | ● | 102,221 |
| Major new capital projects | | | | | | | | |
| AMETI | 890 | 1,423 | 533 | 5,239 | 6,904 | 1,665 | ● | 18,061 |
| Manukau Bus Interchange | 150 | 1,680 | 1,530 | 17,395 | 16,520 | (875) | ● | 20,188 |
| EMU | 167 | 526 | 359 | 7,196 | 8,344 | 1,148 | ● | 28,091 |
| NorthWest Transformation | 8 | 56 | 48 | 192 | 273 | 81 | ● | 882 |
| Dominion Road bus lane improvements | 9 | 103 | 94 | 874 | 1,066 | 192 | ● | 3,080 |
| Franklin Road enhancements | 515 | 425 | (90) | 1,680 | 1,969 | 289 | ● | 5,572 |
| Murphys Road upgrade | 768 | 69 | (699) | 2,316 | 1,126 | (1,190) | ● | 2,967 |
| Total major new capital projects | 2,507 | 4,282 | 1,775 | 34,892 | 36,202 | 1,310 | ● | 78,841 |
| Other ring-fenced projects | | | | | | | | |
| Local Board initiatives | 275 | 474 | 199 | 2,642 | 2,946 | 304 | ● | 9,134 |
| Special Housing Areas (SHAs) | 621 | 324 | (297) | 3,163 | 2,276 | (887) | ● | 5,427 |
| Other | 1,132 | 963 | (169) | 3,059 | 2,955 | (104) | ● | 8,473 |
| Total other ring-fenced projects | 2,028 | 1,761 | (267) | 8,864 | 8,177 | (687) | ● | 23,034 |
| Other | | | | | | | | |
| Roads and footpaths | 11,427 | 7,604 | (3,823) | 62,437 | 62,206 | (231) | ● | 139,911 |
| Public transport | 6,344 | 7,856 | 1,512 | 47,852 | 51,454 | 3,602 | ● | 132,740 |
| Parking operations | 482 | 114 | (368) | 2,118 | 1,878 | (240) | ● | 3,545 |
| Internal support - BT | 937 | 205 | (732) | 6,854 | 4,386 | (2,468) | ● | 5,847 |
| Internal support - Accommodation | 22 | 255 | 233 | 4,207 | 4,175 | (32) | ● | 4,553 |
| Internal support - Other | 643 | 329 | (314) | 3,862 | 3,446 | (416) | ● | 8,927 |
| Total other | 19,855 | 16,363 | (3,492) | 127,330 | 127,545 | 215 | ● | 295,523 |
| Renewals | 14,227 | 19,830 | 5,603 | 125,587 | 129,662 | 4,075 | ● | 229,700 |
| Total direct capital | 39,600 | 43,415 | 3,815 | 335,147 | 343,962 | 8,815 | ● | 729,319 |

Section 3b – Capital Expenditure Funding

| | Current month | | | Year to date | | | Full year |
|---|-----------------|----------------------------|-------------------|-----------------|----------------------------|-------------------|----------------------------|
| | Actual \$000 | Revised Budget \$000 | Variance \$000 | Actual \$000 | Revised Budget \$000 | Variance \$000 | Revised Budget \$000 |
| Direct capital funding | | | | | | | |
| NZ Transport Agency new capital co-investment | 9,299 | 8,519 | 780 | 56,292 | 54,487 | 1,805 | 120,264 |
| NZ Transport Agency renewal co-investment | 6,414 | 7,852 | (1,438) | 50,495 | 51,492 | (997) | 70,096 |
| Other capital grants | 12 | - | 12 | 287 | 783 | (496) | 783 |
| Auckland Council capital grant | 23,873 | 25,917 | (2,044) | 228,073 | 236,952 | (8,879) | 538,175 |
| Total direct capital funding | 39,598 | 42,288 | (2,690) | 335,147 | 343,714 | (8,567) | 729,318 |

Section 3c – Major capital projects whole of life forecast

| Project description | Notes | What we have spent so far | | | What we expect to spend in total | | Approved funding | | |
|---|-------|----------------------------------|------------------------|---------------|----------------------------------|------------------------------------|---------------------|--------------------|--------------------|
| | | from Nov 2010 to June 2017 | YTD January 2018 | Total to date | Forecast remaining | Estimate at completion (EAC) | Approved funding | % spend to date | Variance to EAC |
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | | \$000 |
| Manukau Station | | 18,647 | 17,395 | 36,042 | 3,635 | 39,677 | 41,316 | 87% | (1,639) |
| Pukekohe Station | | 5,955 | 5,286 | 11,241 | 5,280 | 16,521 | 14,150 | 79% | 2,371 |
| East West (FN32 Bus, Cycle, Truck Imps) | 1 | 8,277 | 2,307 | 10,584 | 34,430 | 45,014 | 54,000 | 20% | (8,986) |
| Mill Road Improvements | 2 | 26,587 | 20,320 | 46,907 | 211,440 | 258,348 | 144,440 | 32% | 113,908 |
| Lincoln Road - Corridor Improvements | 3 | 8,355 | 4,300 | 12,656 | 76,172 | 88,828 | 56,590 | 22% | 32,238 |
| Murphys Rd Upgrade Bridge Imp (PC20) | | 2,176 | 2,323 | 4,500 | 19,862 | 24,361 | 20,700 | 22% | 3,662 |
| Tamaki Ngapipi Intersection Safety Imp | | 2,654 | 3,718 | 6,372 | 8,169 | 14,541 | 14,581 | 44% | (40) |
| Franklin Road Enhancements | | 1,273 | 1,680 | 2,953 | 11,843 | 14,797 | 16,266 | 18% | (1,469) |
| EMU (Rolling stock Tranche 2017) | | | 6,638 | 6,638 | 125,853 | 132,491 | 133,000 | 5% | (509) |
| Northcote safe route C/Way | | 2,180 | 3,684 | 5,864 | 12,502 | 18,366 | 17,751 | 33% | 615 |
| Nelson Str Downtown C/way | | 3,686 | 2,506 | 6,192 | 202 | 6,394 | 6,965 | 89% | (571) |

Notes

1. East West Link was originally planned as a single initiative covering roading and PT elements at an estimated cost of \$135 million. Subsequently this was split into two projects and \$54 million was allocated to the FN32 project as a planned spend.

2. Mill road was budgeted at \$144 million in the last LTP to deliver the Northern section of Mill road improvements. The current forecast reflects latest cost estimates which are higher and the project is currently being included in the reprioritisation of the latest LTP/RLTP and approvals to the cost variation will be managed within the planning process.

3. Post public consultation Lincoln road project foot print has changed compared to the original scope. The cost increases are combination of scope/design changes and prices increases related to Land take and construction costs.

Section 4a – Statement of Financial Position

As at 31 January 2018

| | Note | Actual 31 January 2018 \$000 | Actual 31 December 2017 \$000 |
|--|------|------------------------------------|-------------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 1 | 12,070 | 15,935 |
| Receivables | 2 | 245,698 | 233,946 |
| Inventories | | 11,386 | 11,512 |
| Other assets | | 18,328 | 24,357 |
| Non-current assets held for sale | | 2,146 | 3,996 |
| Total current assets | | 289,628 | 289,746 |
| Non-current assets | | | |
| Receivables | | 1,801 | 1,801 |
| Property, plant and equipment (PPE) | | 18,266,024 | 18,223,236 |
| Intangible assets | | 100,118 | 101,768 |
| Work in progress (PPE and intangible assets) | 3 | 500,239 | 522,767 |
| Total non-current assets | | 18,868,182 | 18,849,572 |
| Total assets | | 19,157,810 | 19,139,318 |

Section 4a – Statement of Financial Position (continued)

As at 31 January 2018

| | Note | Actual 31 January 2018 \$000 | Actual 31 December 2017 \$000 |
|----------------------------------|------|------------------------------------|-------------------------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Payables and accruals | 4 | 158,711 | 157,547 |
| Employee entitlements | 5 | 16,765 | 16,550 |
| Derivative financial instruments | | 328 | 310 |
| Borrowings | 6 | 5,982 | 5,942 |
| Total current liabilities | | 181,786 | 180,349 |
| Non-current liabilities | | | |
| Payables and accruals | 4 | 17,808 | 18,083 |
| Employee entitlements | 5 | 494 | 494 |
| Derivative financial instruments | | 3,240 | 2,912 |
| Borrowings | 6 | 499,461 | 499,924 |
| Deferred tax | 7 | 11,410 | 11,410 |
| Total non-current liabilities | | 532,413 | 532,823 |
| Total liabilities | | 714,199 | 713,172 |
| Net assets | | | |
| Equity | | | |
| Contributed capital | | 13,005,682 | 13,004,453 |
| Accumulated funds | | 1,877,082 | 1,860,846 |
| Other reserves | | 3,560,847 | 3,560,847 |
| Total equity | | 18,443,611 | 18,426,146 |

Section 4b – Notes to the Financial Statements

As at 31 January 2018

| | Actual 31 January 2018 \$000 | Actual 31 December 2017 \$000 |
|--|------------------------------------|-------------------------------------|
| 1 Cash and cash equivalents | | |
| Cash at bank | 11,751 | 15,616 |
| Till floats | 319 | 319 |
| Total cash and cash equivalents | 12,070 | 15,935 |

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

| | | |
|--|----------------|----------------|
| 2 Receivables | | |
| Trade and other debtors | 10,552 | 4,084 |
| Infringement receivable | 35,290 | 35,791 |
| Amounts due from related parties | 174,250 | 160,806 |
| Accrued revenue | 41,321 | 45,316 |
| Goods and services tax | 1 | 3,637 |
| | 261,414 | 249,634 |
| Less provision for impairment of receivables | (15,716) | (15,688) |
| Total current receivables | 245,698 | 233,946 |

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

As at 31 January 2018

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 is detailed below:

| | Gross \$000 | Impaired \$000 | Net \$000 |
|-----------------------|------------------------|---------------------------|----------------------|
| Not past due | 225,604 | - | 225,604 |
| Past due 1 - 30 days | 2,928 | - | 2,928 |
| Past due 31 - 60 days | 1,613 | - | 1,613 |
| Past due 61 - 90 days | 1,631 | - | 1,631 |
| Past due > 90 days | 29,638 | (15,716) | 13,922 |
| | 261,414 | (15,716) | 245,698 |

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 31 January 2018 \$000 |
|--|---|
| Balance at 1 July 2017 | 15,016 |
| Additional provisions made | 700 |
| Provisions reversed | - |
| Provisions relating to receivables written-off | - |
| Balance at 31 January 2018 | 15,716 |

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

As at 31 January 2018

| | Opening Balance 1 July 2017 \$000 | Acquisition YTD 31 January 2018 \$000 | Capitalisation YTD 31 January 2018 \$000 | Closing Balance 31 January 2018 \$000 |
|--|---|---|--|--|
| 3 Work in Progress (WIP) | | | | |
| WIP by activity | | | | |
| Roads and footpaths | 270,896 | 119,988 | (100,440) | 290,444 |
| Public Transport | 123,657 | 72,527 | (27,078) | 169,106 |
| Parking operations | 7,209 | 2,118 | (1,965) | 7,362 |
| Internal support | 30,450 | 14,951 | (12,074) | 33,328 |
| Total WIP | \$432,212 | \$209,584 | (141,557) | 500,239 |
| WIP by status | | | | |
| Current WIP (completion in future) | | | | 417,634 |
| Due for capitalisation within policy | | | | 38,910 |
| Due for capitalisation not within policy | | | | 33,743 |
| Forecast completion date not yet provided (new projects) | | | | 9,952 |
| Total WIP | | | | 500,239 |
| Top 10 Programmes | | | | WIP Closing Balance 31 January 2018 \$000 |
| AMETI | | | | 48,372 |
| Walking And Cycling | | | | 41,907 |
| Bus Interchange | | | | 38,041 |
| Te Atatu Rd : Corridor Improvements | | | | 27,270 |
| SMART | | | | 20,248 |
| Mill Road Improvements | | | | 18,805 |
| Minor Safety | | | | 12,534 |
| Double decker network mitigation works | | | | 12,262 |
| Pukekohe Station Upgrade | | | | 11,241 |
| East West FN32 Bus Network | | | | 10,585 |
| Total | | | | 241,265 |

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

As at 31 January 2018

| | Actual 31 January 2018 \$000 | Actual 31 December 2017 \$000 |
|-----------------------------------|------------------------------------|-------------------------------------|
| 4 Payables and accruals | | |
| Current portion | | |
| Creditors | 23,688 | 5,189 |
| Goods and services tax | 4,187 | - |
| Accrued expenses | 106,587 | 127,015 |
| Retentions | 12,341 | 12,698 |
| Amounts due to related parties | 6,183 | 5,893 |
| Revenue in advance | 5,725 | 6,752 |
| Total current payables | 158,711 | 157,547 |
| Non-current portion | | |
| Amounts due to related parties | 17,808 | 18,083 |
| Total non-current payables | 17,808 | 18,083 |

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 January 2018

| | Actual 31 January 2018 \$000 | Actual 31 December 2017 \$000 |
|--|------------------------------------|-------------------------------------|
| 5 Employee entitlements | | |
| Current portion | | |
| Accrued salaries and wages | 7,067 | 5,588 |
| Accrued leave | 9,698 | 10,962 |
| Total current employee entitlements | 16,765 | 16,550 |
| Non-current portion | | |
| Retirement gratuities | 314 | 314 |
| Long service leave | 180 | 180 |
| Total non-current employee entitlements | 494 | 494 |
| 6 Borrowings | | |
| Current portion | | |
| Loans from Auckland Council | 5,982 | 5,942 |
| Total current borrowings | 5,982 | 5,942 |
| Non-current portion | | |
| Loans from Auckland Council | 499,461 | 499,924 |
| Total non-current borrowings | 499,461 | 499,924 |
| Weighted average cost of funds on total borrowings | 6.02% | 6.02% |

Auckland Transport's loan debt of \$505.4 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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

As at 31 January 2018

| | Actual |
|---------------------------------|-----------------|
| | 31 January 2018 |
| | \$000 |
| 7 Deferred tax liability | |
| Balance at 1 July 2017 | 11,667 |
| Debited to surplus or deficit | (257) |
| Charged to equity | - |
| Balance 31 January 2018 | 11,410 |

Section 5 – Cashflow

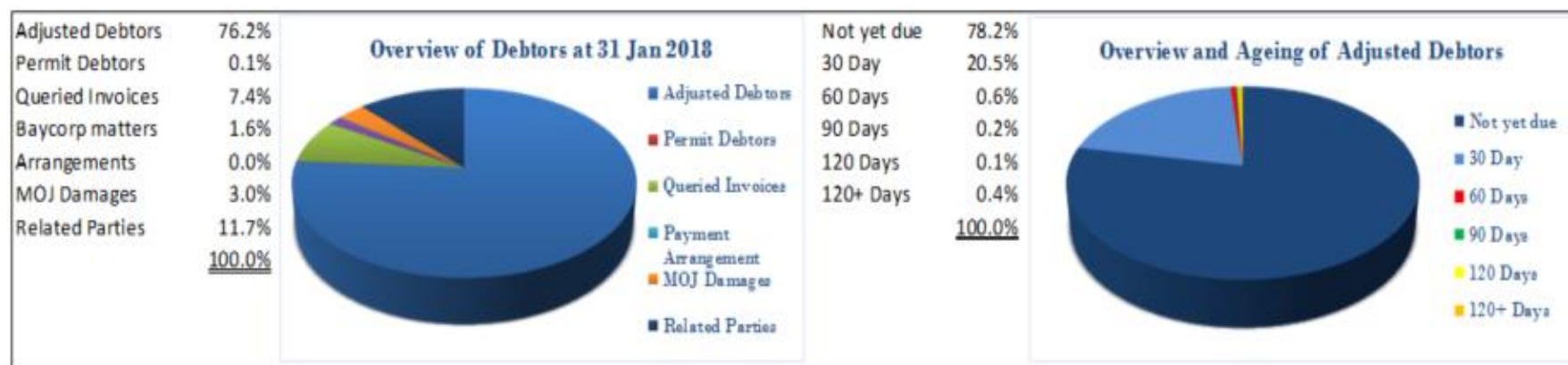
| | Year to date | | Full year |
|--|------------------|------------------|------------------|
| | Actual | Revised | Revised |
| | \$000 | Budget | Budget |
| | | \$000 | \$000 |
| Cash flows from operating activities | | | |
| Total cash provided | 899,790 | 884,194 | 1,546,584 |
| Cash applied to | | | |
| Payments to suppliers and employees | 465,548 | 449,018 | 781,049 |
| Interest paid | 16,642 | 17,994 | 30,452 |
| Total cash applied | 482,190 | 467,012 | 811,501 |
| Net cash from operating activities | 417,600 | 417,182 | 735,083 |
| Cash flows from investing activities | | | |
| Cash provided from | | | |
| Sale of property, plant and equipment | 5,036 | - | - |
| Cash applied to: | | | |
| Purchase of property, plant and equipment | 413,038 | 413,962 | 729,319 |
| Net cash from investing activities | (408,002) | (413,962) | (729,319) |
| Cash flows from financing activities | | | |
| Cash applied to | | | |
| Repayments of EMU loan from Auckland Council | 3,220 | 3,220 | 5,764 |
| Net cash from financing activities | (3,220) | (3,220) | (5,764) |
| Net (decrease)/increase in cash and cash equivalent | 6,378 | - | - |
| Opening cash and cash equivalents | 5,692 | - | - |
| Closing cash balance | 12,070 | - | - |
| Reconciliation of surplus after tax to net cash from operating activities | | | |
| | | | Actual |
| | | | \$000 |
| Surplus after tax | | | 253,914 |
| Add/(less) non-cash items | | | |
| Depreciation and amortisation | | | 185,878 |
| Vested asset income | | | (98,879) |
| Loss on disposal of property, plant and equipment | | | 324 |
| (Gains)/losses on derivatives | | | 3,568 |
| Income tax (benefit)/expense | | | (257) |
| | | | 90,634 |
| Add/(less) movements in balance sheet items | | | |
| Receivables | | | 76,255 |
| Inventories | | | 57 |
| Other assets | | | (14,960) |
| Non-current assets held for sale | | | 5 |
| Payables and accruals | | | 10,190 |
| Employee entitlements | | | 1,505 |
| | | | 73,052 |
| Net cash from operating activities | | | 417,600 |

Section 6 – Accounts Receivable Report

Accounts Receivable

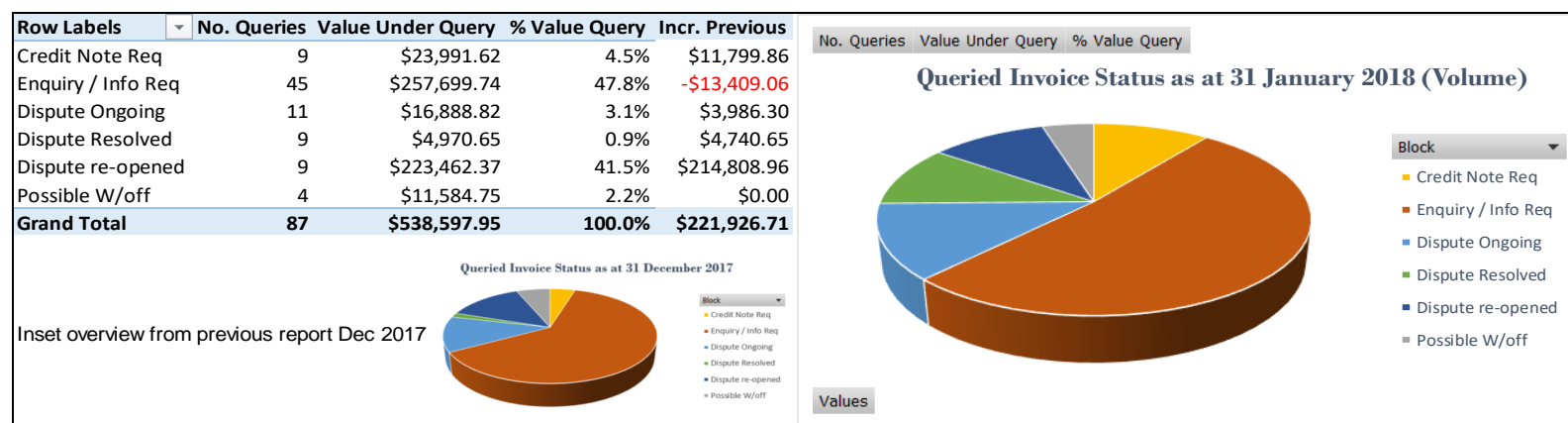
An overview of the Debtors as at 31 January has 99.2% (98.7% December) of adjusted Debtors in 30 and 60 days, or not yet due.

| <u>Debtors Ageing Analysis as at 31 January 2018</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 Jan | 149 | 7,282,789 | 4,695,644 | 1,495,680 | 164,006 | 348,249 | 32,342 | 546,868 | 1 |
| Parking Permit Debtors | 21 | 6,885 | 0 | 2,800 | 200 | 0 | 3,885 | 0 | 2 |
| Total Debtors | | 7,289,674 | 4,695,644 | 1,498,480 | 164,206 | 348,249 | 36,227 | 546,868 | |
| | | 100.0% | 64.4% | 20.6% | 2.3% | 4.8% | 0.5% | 7.5% | |
| O/s Related Parties | 52 | 856,940 | 349,625 | 119,735 | 6,488 | 333,821 | 3,043 | 44,228 | 3 |
| Trade Debtors | 118 | 6,432,733 | 4,346,019 | 1,378,745 | 157,718 | 14,428 | 33,183 | 502,639 | |
| | | 100.0% | 67.6% | 21.4% | 2.5% | 0.2% | 0.5% | 7.8% | |
| Queried Invoices | 179 | 538,598 | 1,866 | 240,255 | 126,293 | 2,695 | 24,736 | 142,753 | 4 |
| To Baycorp (Collection) | 613 | 117,118 | 445 | 35 | 40 | 186 | 1,389 | 115,023 | 5 |
| Payment Arrangement | 182 | 1,695 | 0 | 0 | 0 | 0 | 0 | 1,695 | 6 |
| Lodged Courts (Damages) | 604 | 218,889 | 0 | 0 | 0 | 0 | 0 | 218,889 | 7 |
| Adjusted Debtors | | 5,556,433 | 4,343,708 | 1,138,455 | 31,385 | 11,548 | 7,059 | 24,279 | 8 |
| | | 100.0% | 78.2% | 20.5% | 0.6% | 0.2% | 0.1% | 0.4% | |



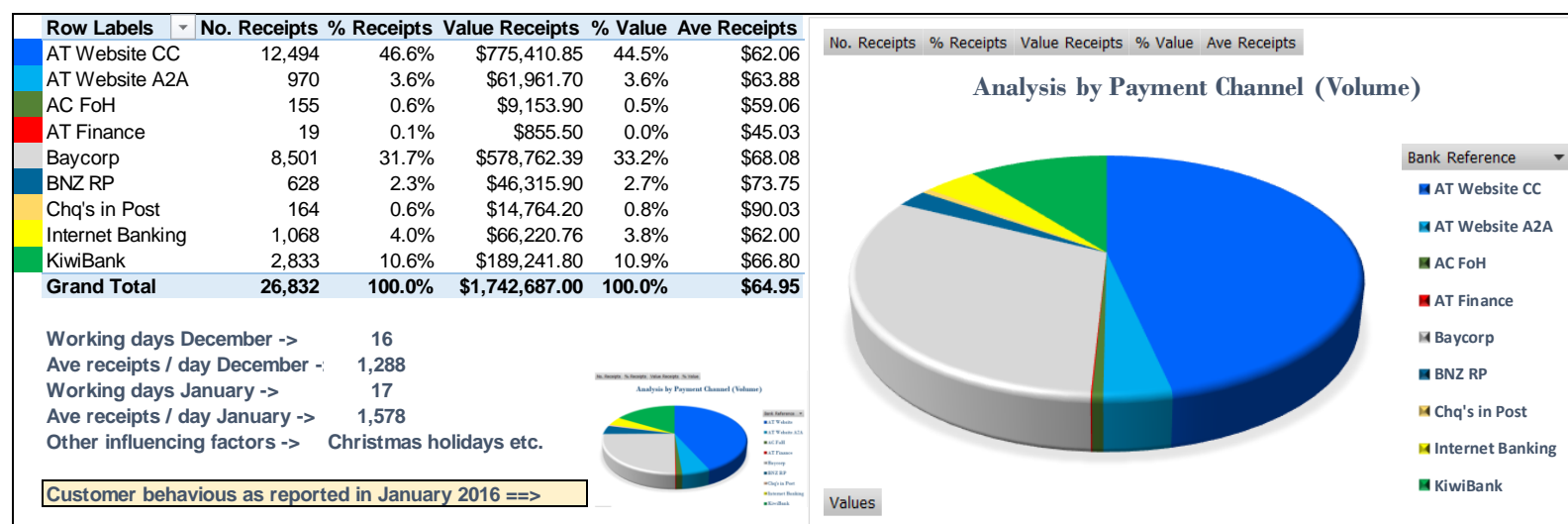
Notes relating to the Debtors Ageing Analysis:

- 1). Sundry Debtors are administered in the SAP system.
- 2). Parking Permit Debtors are 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. Debtors 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 the internal legal team who are working on the matter. The dispute around HOP equipment damage is being investigated with the vendor. A dispute (\$215,000) is being investigated by Property.
- 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.
- 8). Debtors in total have increased by \$2.2million in January 2018 compared with December 2017 as a result of an invoice raised for the sale of the trains, which was paid in early February.

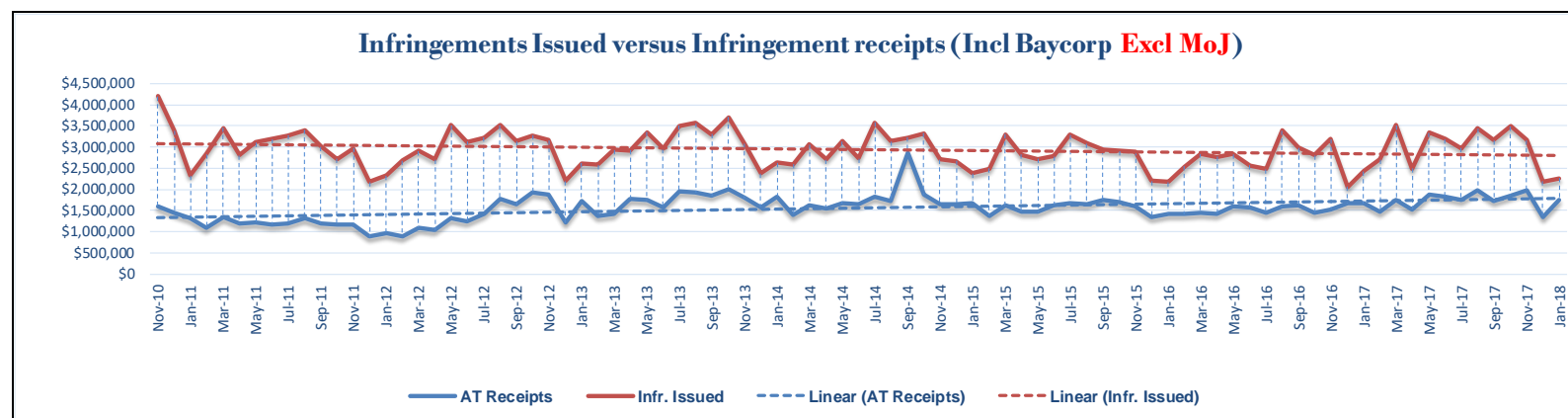


Infringement Overview:

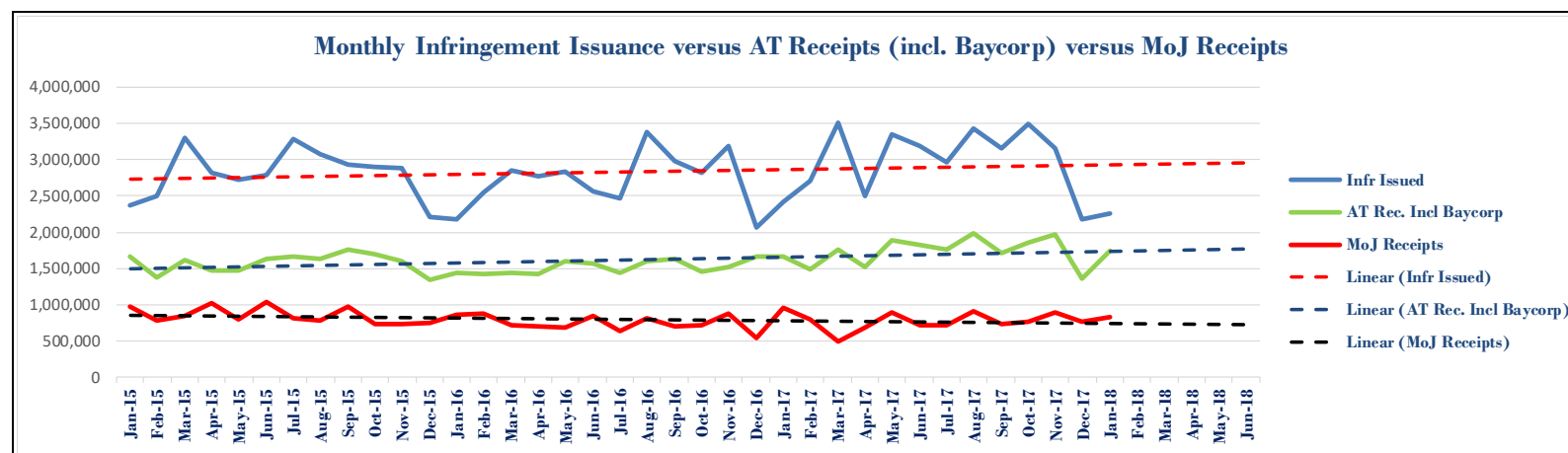
January's Infringement receipts by volume are up 30.2% on December due to infringements received during the December holiday period which are receipted in January and 17 working days in January compared with 16 in December. Of the customers not paying in response to a Baycorp demand, 79.3% are making use of electronic payment methods (78.5% in December). The AT website recorded 50.2% of all receipts (54.9% in December), as a result of increased Baycorp collection. The inset graph compares customer behaviour as reported in January 2016.



When comparing infringements issued against AT receipts (including Baycorp but excluding MoJ) over the long term (seven year period), the trend for receipts is increasing while the trend for infringements issued is decreasing.



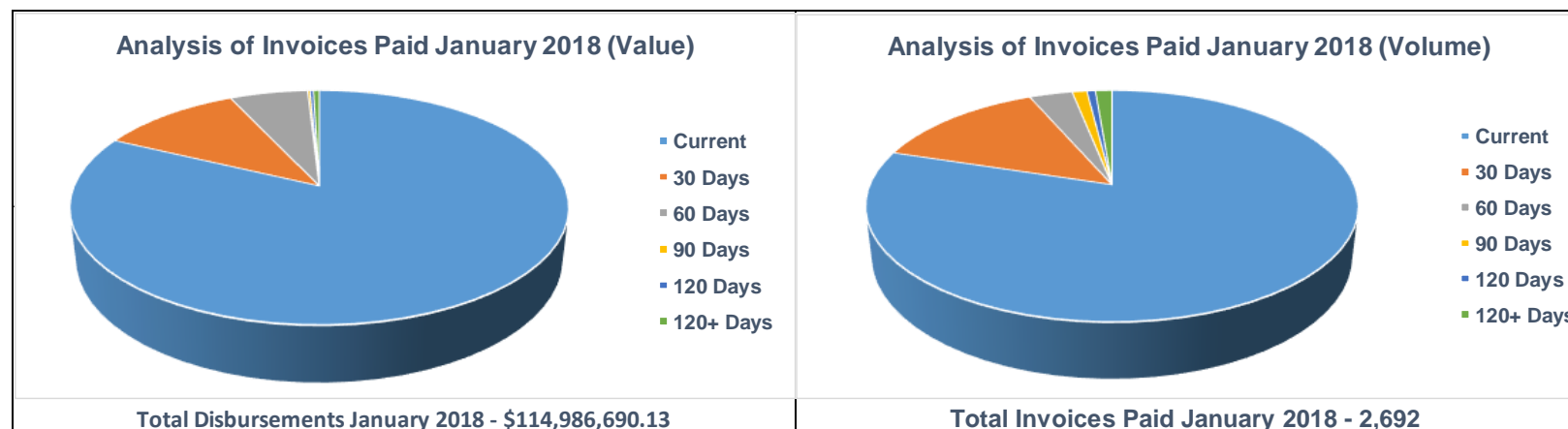
Over a shorter period, 37 months (January 2015 to January 2018), the trend for both infringements issues and receipted (incl. Baycorp) is positive while the trend for receipts by MoJ has remained relatively static.



Accounts Payable:

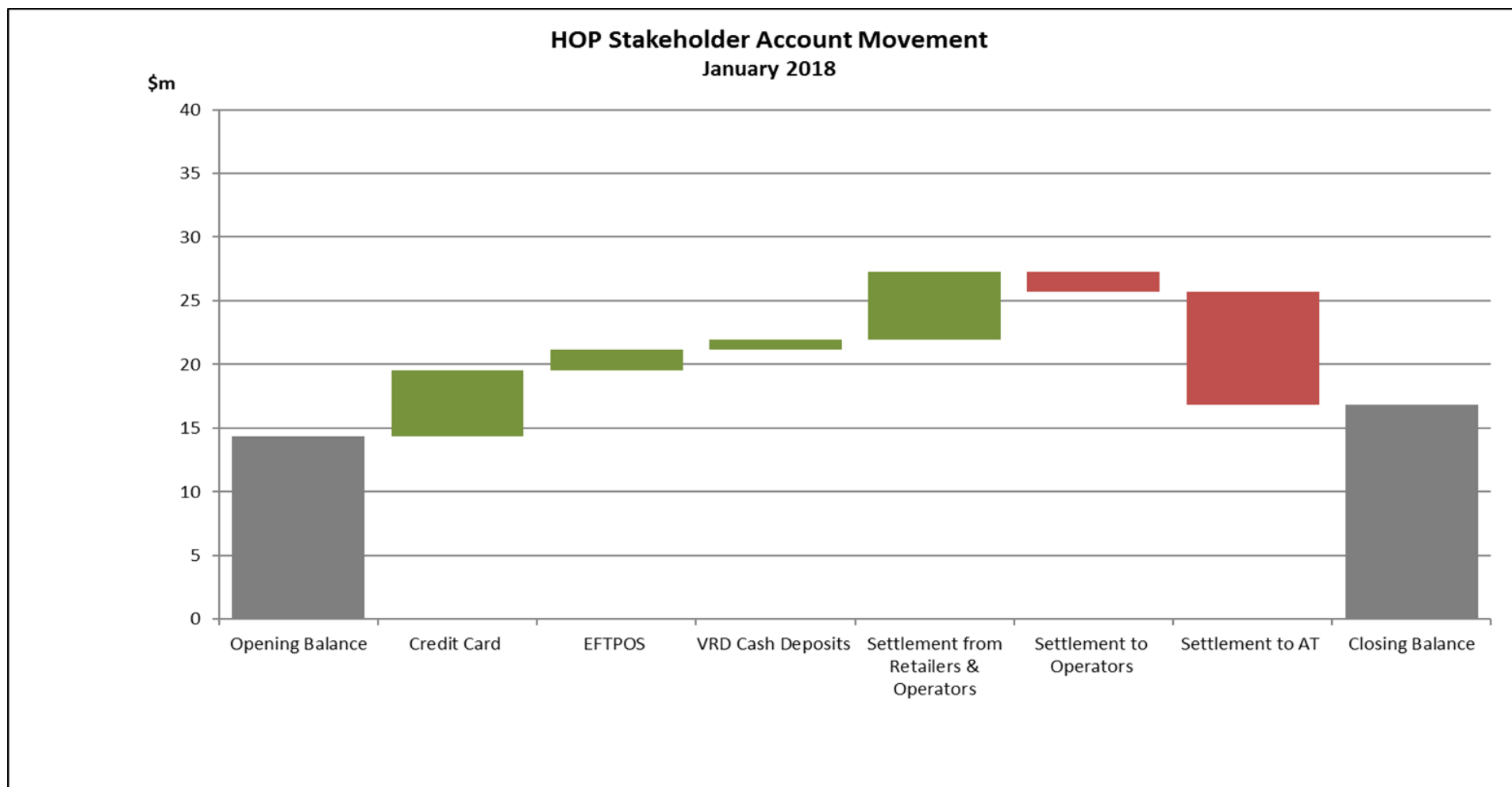
The following analysis of all invoices disbursed in January with the focus on the age of the invoice at time of payment. The graph comparing value by age, shows that AT has paid 96% of invoices on time or within 30 days of due date. The invoices by volume shows that 93% of invoices have been

paid on time or within 30 days of due date. Value comparison January \$115 million / December \$137 million. Volume comparison January 2,692 invoices / December 3,336 invoices.

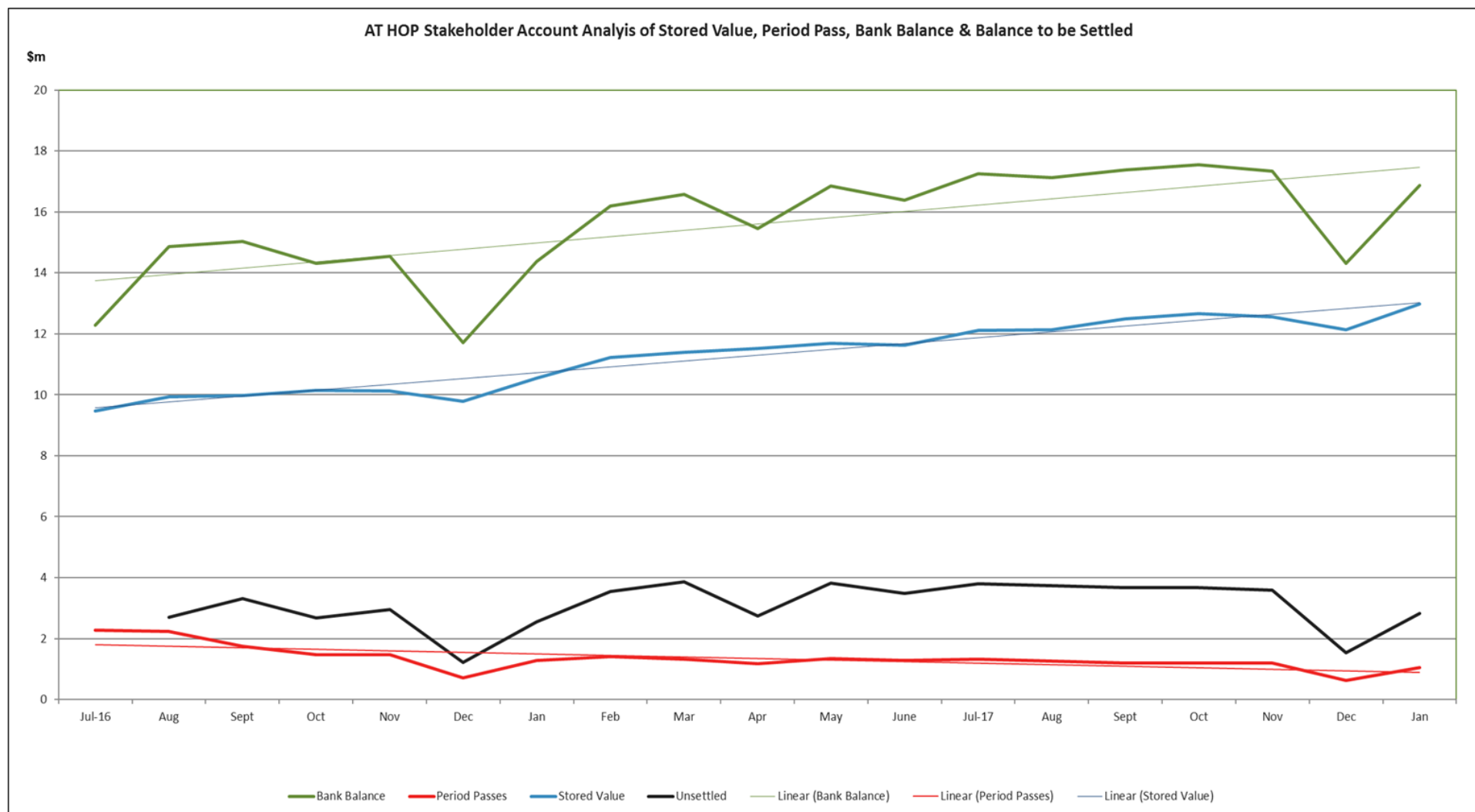


Section 7 – AT HOP Stakeholder Monthly Report


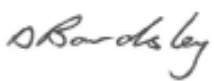

The AT HOP Stakeholder bank account as of January 2018 increased by 17.8% from previous month (from \$14.3 million to \$16.8 million). This reflects public transport users topping up their AT HOP Card balance after the Christmas break.



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

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