

CONFIDENTIAL

Financial Results for the Eight Months Ended 29 February 2020

Recommendation

That the Board:

- i. Receives the report

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Section 1 – Executive Summary

This report references the budget reforecast which was approved by the Board in February.

The **deficit from operations** is \$2.5 million favourable to the budget reforecast in February and \$7.7 million favourable year to date.

The year to date **surplus from operations excluding depreciation** of \$18.4 million is \$6.3 million favourable to the budget reforecast. Items to note:

- Auckland Council (AC) operational funding is \$3.1 million unfavourable in February due to a change in phasing in the budget reforecast. AC operational funding is fixed for the year and therefore will be on budget for the full year.
- NZ Transport Agency operating funding is favourable mainly due to higher than expected administration subsidy on the capital programme but is expected to be on budget for the full year as we meet approved funding caps.
- Enforcement income is favourable mainly due to continuing non-compliance and technology enhancements in special vehicle lanes.
- Public transport income is \$1.5 million unfavourable mainly due to lower patronage. Patronage was affected by COVID-19 (Coronavirus), lower visitor numbers and a number of unplanned incidents in the rail corridor.
- Other revenue is favourable mainly due to phasing of reimbursements from AC and higher than budgeted road corridor access charges.
- Capitalised personnel costs is lower than budget mainly due to vacancies and missing or unapproved timesheets.
- Other expenditure is favourable primarily due to lower than budgeted professional services and roading contractor maintenance.

Year to date **capital expenditure** of \$486.5 million is \$43.3 million lower than the budget reforecast mainly due to an underspend in road renewals and the Downtown Infrastructure Delivery programme and phasing of the new electric trains.

NZ Transport Agency co-investment/funding is 44%, 8% adverse to the budgeted 52% capital programme funding assumption in the Long Term Plan.

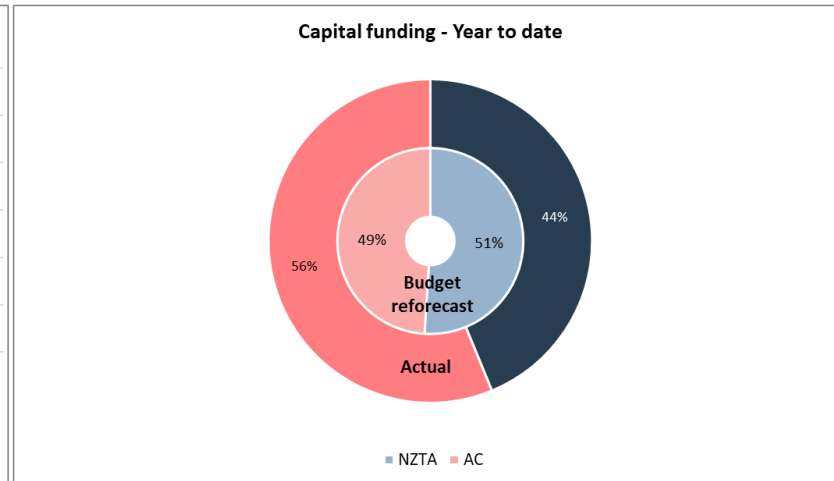
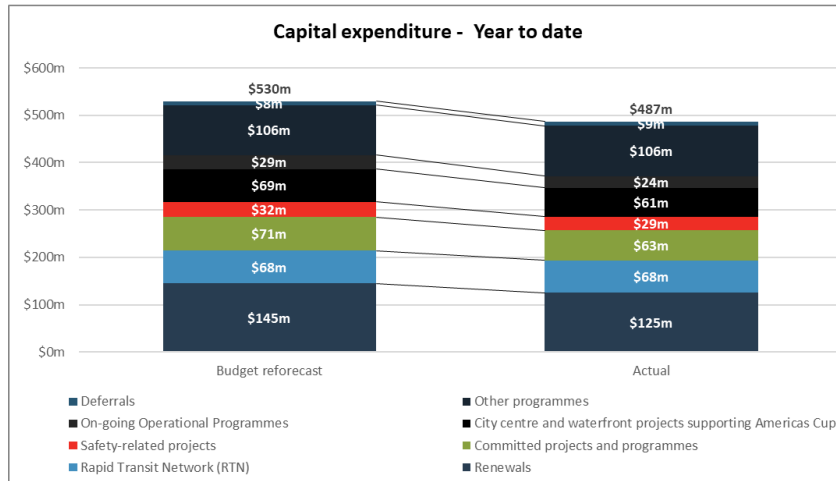
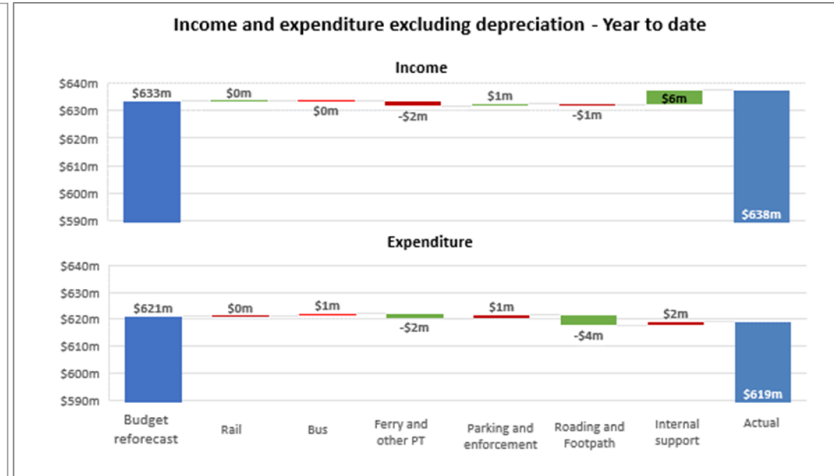
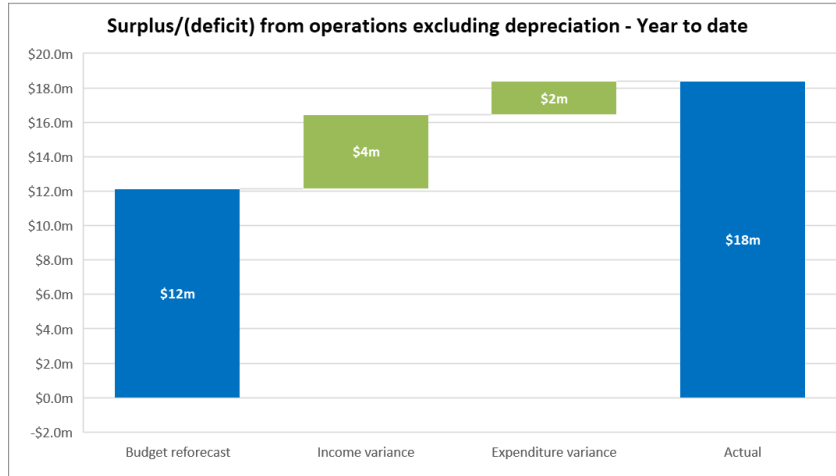
Vested assets of \$9.0 million were received in February. This is mainly from property development in New Lynn, Long Bay, Flat Bush, Massey and Hobsonville. Year to date vested assets of \$168.2 million is \$20.5 million lower than the budget reforecast.

RFT enabled capital spend is \$111.9 million year to date, 53% of the full year budget.

Income tax benefit of \$8.6 million is an unwind of AT's deferred tax liability relating to ferry operations.

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Section 1 – Executive Summary (continued)



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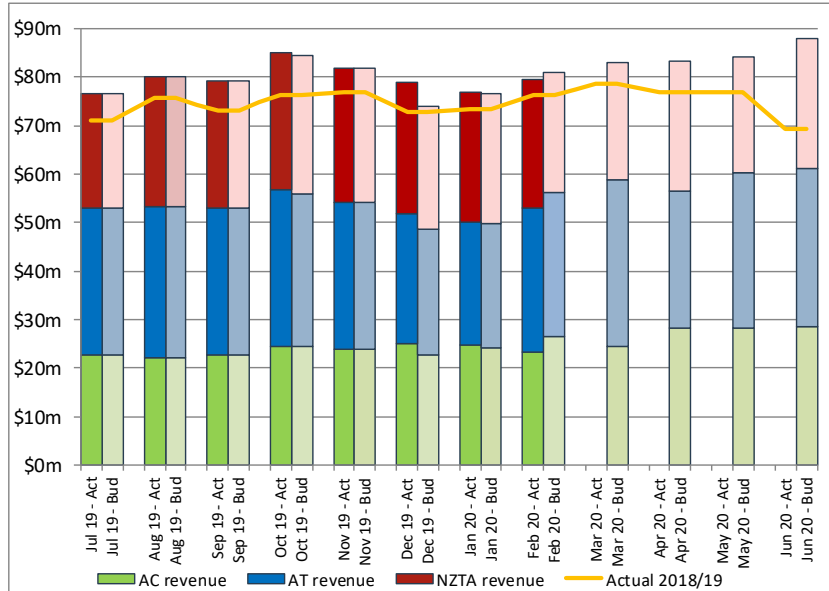
Section 2 – Financial results for the eight months ended 29 February 2020

	Current month			Year to date			Full year	
	Actual \$000	Budget		Actual \$000	Budget		Budget reforecast \$000	Budget \$000
		reforecast \$000	Variance \$000		reforecast \$000	Variance \$000		
Operating income								
Auckland Council funding	23,411	26,528	(3,117)	189,616	189,616	-	298,993	298,993
NZ Transport Agency operating funding	26,498	24,824	1,674	212,301	209,223	3,078	310,930	301,146
Parking and enforcement income	7,869	7,881	(12)	68,194	67,106	1,088	103,362	94,671
Public transport income	18,229	19,520	(1,291)	143,373	144,907	(1,534)	226,978	226,523
Other revenue incl. other grants and subsidies	3,417	2,239	1,178	24,096	22,443	1,653	31,618	29,920
Total operating income	79,424	80,992	(1,568)	637,580	633,295	4,285	971,881	951,253
Operating expenditure								
Personnel costs	14,272	13,609	(663)	114,042	113,376	(666)	175,448	172,555
Capitalised personnel costs	(3,832)	(3,229)	603	(24,931)	(25,971)	(1,040)	(40,128)	(42,656)
Other expenditure	64,653	67,749	3,096	510,147	513,812	3,665	791,759	784,547
Finance costs	2,359	2,364	5	19,924	19,926	2	30,395	30,395
Total operating expenditure excluding depreciation	77,452	80,493	3,041	619,182	621,143	1,961	957,474	944,841
Surplus/(deficit) from operations excluding depreciation	1,972	499	1,473	18,398	12,152	6,246	14,407	6,412
Depreciation and amortisation	30,038	31,084	1,046	230,027	231,447	1,420	355,282	357,064
Surplus/(deficit) from operations	(28,066)	(30,585)	2,519	(211,629)	(219,295)	7,666	(340,875)	(350,652)
Income for capital projects								
NZ Transport Agency capital co-investment	32,698	55,551	(22,853)	211,855	269,585	(57,730)	473,508	473,508
Auckland Council capital grant	41,450	41,314	136	271,983	259,084	12,899	428,457	429,644
Other capital grants	1,426	-	1,426	2,676	1,136	1,540	1,136	-
Vested asset income	8,995	21,558	(12,563)	168,244	188,769	(20,525)	275,000	180,000
Total income for capital projects	84,569	118,423	(33,854)	654,758	718,574	(63,816)	1,178,101	1,083,152
Net surplus/(deficit) before tax and derivatives	56,503	87,838	(31,335)	443,129	499,279	(56,150)	837,226	732,500
Gains/(losses) on derivatives	3,427	-	3,427	5,764	2,031	3,733	2,031	-
Gain/(loss) on disposal of assets	(22)	-	(22)	(185)	(40)	(145)	(40)	-
Income tax benefit/(expense)	-	-	-	8,602	8,602	-	8,602	-
Net surplus/(deficit) after tax and derivatives	59,908	87,838	(27,930)	457,310	509,872	(52,562)	847,819	732,500

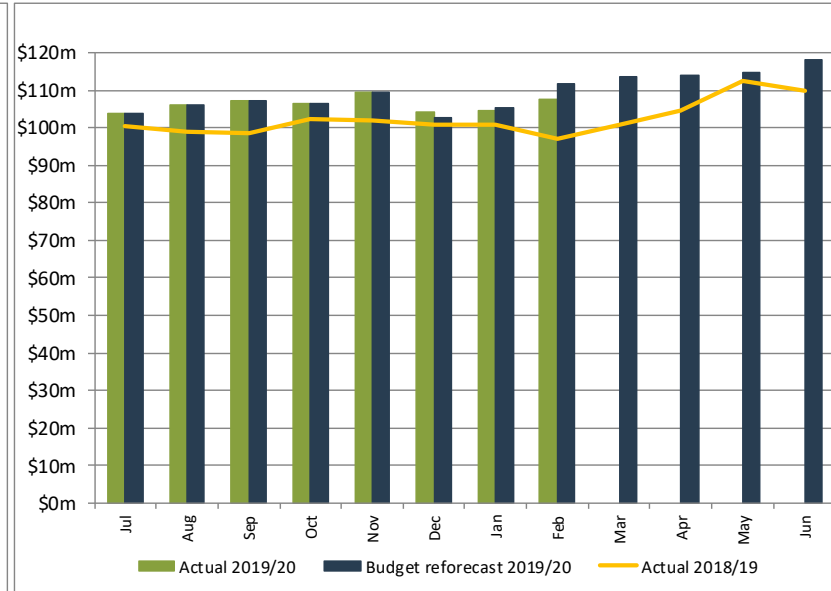
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Section 2 – Financial results for the eight months ended 29 February 2020 (continued)

Operating revenue



Operating expenditure (excl. disposals and derivatives)



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Section 2a – Summary of Financial Results by Activity

	Current month			Year to date			Full year	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Budget
	\$000	reforecast	\$000	\$000	reforecast	\$000	reforecast	\$000
Operating Income								
Rail	10,923	11,072	(149)	89,043	88,981	62	136,986	135,141
Bus	21,903	21,739	164	167,475	167,505	(30)	256,962	254,680
Ferry	2,247	2,663	(416)	19,156	19,456	(300)	30,437	29,234
Other public transport	2,621	3,113	(492)	21,085	22,663	(1,578)	35,356	37,122
Parking	3,565	4,140	(575)	32,804	33,386	(582)	51,163	54,667
Enforcement	4,304	3,740	564	35,390	33,720	1,670	52,199	40,004
Roading and footpaths	5,245	5,350	(105)	44,992	45,634	(642)	67,875	67,410
Internal support	5,207	2,645	2,562	38,020	32,333	5,687	41,911	34,002
Auckland Council operating funding	23,411	26,528	(3,117)	189,616	189,616	-	298,993	298,993
Total operating income	79,426	80,990	(1,564)	637,581	633,294	4,287	971,882	951,253
Operating Expenditure								
Rail	15,968	15,869	(99)	129,475	129,227	(248)	198,665	194,590
Bus	31,524	30,471	(1,053)	237,541	236,651	(890)	359,654	359,644
Ferry	2,597	3,257	660	24,559	24,842	283	39,070	37,911
Other public transport	3,788	4,665	877	33,154	34,867	1,713	55,789	58,985
Parking	986	1,034	48	7,719	7,861	142	12,183	12,694
Enforcement	2,381	2,150	(231)	18,598	17,029	(1,569)	26,110	22,367
Roading and footpaths	8,592	10,621	2,029	79,960	84,069	4,109	128,457	125,755
Internal support	11,618	12,425	807	88,175	86,598	(1,577)	137,547	132,896
Depreciation and amortisation	30,038	31,084	1,046	230,027	231,447	1,420	355,282	357,064
Total operating expenditure	107,492	111,576	4,084	849,208	852,591	3,383	1,312,757	1,301,906
Surplus/(deficit) from Operations	(28,066)	(30,586)	2,520	(211,627)	(219,297)	7,670	(340,875)	(350,653)

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Section 2b – Rail Operations

	Current month			Year to date			Full year	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Income								
Activity income	4,346	4,794	(448)	35,515	35,705	(190)	55,642	55,986
Other income	183	216	(33)	1,718	1,687	31	2,549	2,797
NZ Transport Agency operating funding	4,908	4,574	334	39,289	39,067	222	59,656	57,219
NZ Transport Agency operating funding - Electric Trains	1,486	1,488	(2)	12,521	12,522	(1)	19,139	19,139
Total operating income	10,923	11,072	(149)	89,043	88,981	62	136,986	135,141
Operating Expenditure								
Personnel costs	691	637	(54)	5,407	5,315	(92)	8,132	7,145
Capitalised personnel costs	(59)	(27)	32	(302)	(291)	11	(435)	(58)
Service delivery costs and professional services	9,054	8,888	(166)	72,742	72,724	(18)	112,236	112,185
Utilities and facilities costs	357	359	2	2,484	2,495	11	4,033	4,190
Track access charges	2,791	2,723	(68)	22,667	22,272	(395)	34,334	32,347
Other expenditure	775	925	150	6,553	6,786	233	9,970	8,386
Finance costs	2,359	2,364	5	19,924	19,926	2	30,395	30,395
Total operating expenditure	15,968	15,869	(99)	129,475	129,227	(248)	198,665	194,590
Depreciation	3,623	3,637	14	28,931	28,962	31	43,510	42,773
Surplus/(deficit) from Operations	(8,668)	(8,434)	(234)	(69,363)	(69,208)	(155)	(105,189)	(102,222)
Internal support costs	2,314	3,175	860	16,911	17,895	984	31,091	31,450
Surplus/(deficit)	(10,982)	(11,609)	626	(86,274)	(87,103)	829	(136,280)	(133,672)

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Section 2b – Bus Operations

	Current month			Year to date			Full year	
	Actual \$000	Budget reforecast \$000	Variance \$000	Actual \$000	Budget reforecast \$000	Variance \$000	Budget reforecast \$000	Budget \$000
Operating Income								
Activity income	10,727	11,398	(671)	82,984	83,652	(668)	131,759	128,159
Other income	383	432	(49)	5,001	5,239	(238)	8,057	7,812
NZ Transport Agency operating funding	10,793	9,909	884	79,490	78,614	876	117,146	118,709
Total operating income	21,903	21,739	164	167,475	167,505	(30)	256,962	254,680
Operating Expenditure								
Personnel costs	388	404	16	3,590	3,646	56	5,468	5,818
Capitalised personnel costs	(75)	(51)	24	(527)	(518)	9	(733)	(152)
Service delivery costs and professional services	30,868	29,787	(1,081)	231,715	230,758	(957)	350,760	348,457
Utilities and facilities costs	147	123	(24)	996	997	1	1,479	2,543
Other expenditure	196	208	12	1,767	1,768	1	2,680	2,978
Total operating expenditure	31,524	30,471	(1,053)	237,541	236,651	(890)	359,654	359,644
Depreciation	467	470	3	3,724	3,728	4	5,607	5,668
Surplus/(deficit) from Operations	(10,088)	(9,202)	(886)	(73,790)	(72,874)	(916)	(108,299)	(110,632)
Internal support costs	4,190	5,747	1,557	30,615	32,397	1,782	56,286	58,127
Surplus/(deficit)	(14,278)	(14,949)	671	(104,405)	(105,271)	866	(164,585)	(168,759)

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Section 2b – Ferry Operations

	Current month			Year to date			Full year	
	Actual \$000	Budget reforecast \$000	Variance \$000	Actual \$000	Budget reforecast \$000	Variance \$000	Budget reforecast \$000	Budget \$000
Operating Income								
Operator access fees	713	737	(24)	5,155	5,171	(16)	7,596	7,695
Activity income	828	889	(61)	5,726	5,960	(234)	9,521	9,297
Other income	49	78	(29)	714	790	(76)	1,105	1,221
NZ Transport Agency operating funding	657	959	(302)	7,561	7,535	26	12,215	11,021
Total operating income	2,247	2,663	(416)	19,156	19,456	(300)	30,437	29,234
Operating Expenditure								
Personnel costs	87	74	(13)	722	685	(37)	1,013	1,118
Capitalised personnel costs	10	20	10	156	141	(15)	204	(211)
Service delivery costs and professional services	2,838	2,913	75	21,805	22,045	240	34,560	34,797
Utilities and facilities costs	(400)	82	482	686	708	22	1,252	997
Other expenditure	62	168	106	1,190	1,263	73	2,041	1,210
Total operating expenditure	2,597	3,257	660	24,559	24,842	283	39,070	37,911
Depreciation	339	341	2	2,699	2,702	3	4,066	4,032
Surplus/(deficit) from Operations	(689)	(935)	246	(8,102)	(8,088)	(14)	(12,699)	(12,709)
Internal support costs	455	624	169	3,326	3,519	194	6,115	6,127
Surplus/(deficit)	(1,144)	(1,559)	415	(11,428)	(11,607)	180	(18,814)	(18,836)

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Section 2b – Other Public Transport Operations

	Current month			Year to date			Full year	
	Actual \$000	Budget reforecast \$000	Variance \$000	Actual \$000	Budget reforecast \$000	Variance \$000	Budget reforecast \$000	Budget \$000
Operating Income								
Other income	1,000	976	24	6,560	6,703	(143)	10,749	13,557
NZ Transport Agency operating funding	1,621	2,137	(516)	14,525	15,960	(1,435)	24,607	23,565
Total operating income	2,621	3,113	(492)	21,085	22,663	(1,578)	35,356	37,122
Operating Expenditure								
Personnel costs	1,765	1,488	(277)	14,129	13,436	(693)	21,390	20,018
Capitalised personnel costs	103	37	(66)	328	300	(28)	479	(617)
Service delivery costs and professional services	1,033	2,206	1,173	11,182	12,884	1,702	21,902	22,575
IT costs	91	224	133	1,169	1,341	172	2,040	2,386
Other expenditure	796	710	(86)	6,346	6,906	560	9,978	14,623
Total operating expenditure	3,788	4,665	877	33,154	34,867	1,713	55,789	58,985
Depreciation	1,018	1,122	104	8,527	8,639	112	12,859	10,954
Surplus/(deficit) from Operations	(2,185)	(2,674)	489	(20,596)	(20,843)	247	(33,292)	(32,817)
Internal support costs	650	891	242	4,749	5,025	276	8,731	9,533
Surplus/(deficit)	(2,835)	(3,565)	731	(25,345)	(25,868)	523	(42,023)	(42,350)

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Section 2b – Parking Operations

	Current month			Year to date			Full year	
	Actual \$000	Budget reforecast \$000	Variance \$000	Actual \$000	Budget reforecast \$000	Variance \$000	Budget reforecast \$000	Budget \$000
Operating Income								
Other income	44	73	(29)	1,018	930	88	1,359	1,214
Parking Fees	3,521	4,067	(546)	31,786	32,456	(670)	49,804	53,453
Total operating income	3,565	4,140	(575)	32,804	33,386	(582)	51,163	54,667
Operating Expenditure								
Personnel costs	221	182	(39)	1,834	1,708	(126)	2,550	2,672
Capitalised personnel costs	(8)	(36)	(28)	(206)	(263)	(57)	(417)	(464)
Service delivery costs and professional services	291	284	(7)	1,850	2,015	165	3,223	3,519
Utilities and facilities costs	375	443	68	3,358	3,436	78	5,220	5,135
Other expenditure	107	161	54	883	965	82	1,607	1,832
Total operating expenditure	986	1,034	48	7,719	7,861	142	12,183	12,694
Depreciation	527	536	9	4,191	4,174	(17)	6,313	6,294
Surplus/(deficit) from Operations	2,052	2,570	(518)	20,894	21,351	(457)	32,667	35,679
Internal support costs	142	195	53	1,037	1,097	60	1,907	2,052
Surplus/(deficit)	1,910	2,375	(465)	19,857	20,254	(397)	30,760	33,627

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Section 2b – Enforcement Operations

	Current month			Year to date			Full year	
	Actual \$000	Budget reforecast \$000	Variance \$000	Actual \$000	Budget reforecast \$000	Variance \$000	Budget reforecast \$000	Budget \$000
Operating Income								
Other income	11	-	11	96	-	96	-	-
Infringement income	4,293	3,740	553	35,294	33,720	1,574	52,199	40,004
Total operating income	4,304	3,740	564	35,390	33,720	1,670	52,199	40,004
Operating Expenditure								
Personnel costs	1,001	952	(49)	8,383	8,227	(156)	12,654	11,467
Capitalised personnel costs	(23)	-	23	140	146	6	146	-
Service delivery costs and professional services	251	256	5	1,836	1,832	(4)	2,824	2,725
Utilities and facilities costs	-	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	97	156	59	999	919	(80)	1,200	941
Movement in doubtful debts	391	223	(168)	2,301	1,706	(595)	2,646	1,315
Other expenditure	664	563	(101)	4,939	4,199	(740)	6,640	5,919
Total operating expenditure	2,381	2,150	(231)	18,598	17,029	(1,569)	26,110	22,367
Depreciation	139	164	25	1,110	1,158	48	1,812	2,112
Surplus/(deficit) from Operations	1,784	1,426	358	15,682	15,533	149	24,277	15,525
Internal support costs	304	417	113	2,223	2,352	129	4,086	3,615
Surplus/(deficit)	1,480	1,009	471	13,459	13,181	278	20,191	11,910

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Section 2b – Roading and Footpaths Operations

	Current month			Year to date			Full year	
	Actual \$000	Budget reforecast \$000	Variance \$000	Actual \$000	Budget reforecast \$000	Variance \$000	Budget reforecast \$000	Budget \$000
Operating Income								
Petrol tax	738	735	3	5,902	5,857	45	8,797	9,419
Other income	809	508	301	5,981	5,960	21	8,367	7,635
NZ Transport Agency operating funding	3,698	4,107	(409)	33,109	33,817	(708)	50,711	50,356
Total operating income	5,245	5,350	(105)	44,992	45,634	(642)	67,875	67,410
Operating Expenditure								
Personnel costs	2,479	2,528	49	20,961	21,421	460	32,877	32,584
Capitalised personnel costs	(1,153)	(1,059)	94	(7,159)	(7,648)	(489)	(12,221)	(11,843)
Service delivery costs and professional services	6,002	7,626	1,624	54,333	57,911	3,578	89,011	85,817
Utilities and facilities costs	1,070	1,093	23	9,770	9,955	185	14,909	14,954
IT Costs	75	8	(67)	723	542	(181)	655	303
Other expenditure	119	425	306	1,332	1,888	556	3,226	3,940
Total operating expenditure	8,592	10,621	2,029	79,960	84,069	4,109	128,457	125,755
Depreciation	20,783	21,492	709	161,205	162,492	1,287	248,430	252,895
Surplus/(deficit) from Operations	(24,130)	(26,763)	2,633	(196,173)	(200,927)	4,754	(309,012)	(311,240)
Internal support costs	1,496	2,053	556	10,935	11,571	637	20,104	20,325
Surplus/(deficit)	(25,626)	(28,816)	3,189	(207,108)	(212,498)	5,391	(329,116)	(331,565)

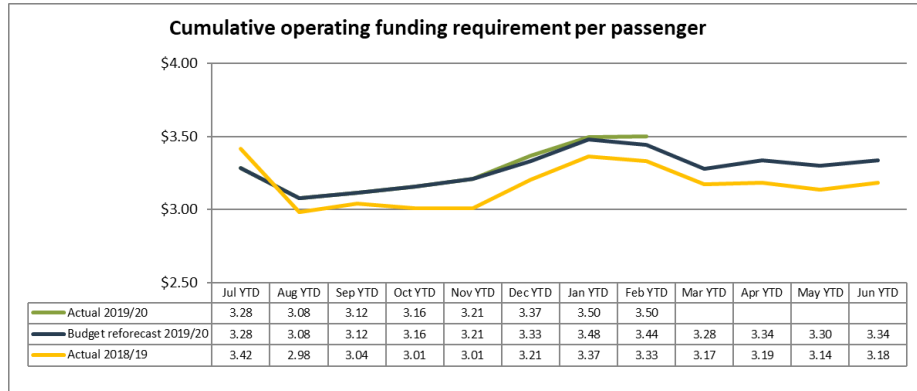
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Section 2b – Internal Support

	Current month			Year to date			Full year	
	Actual \$000	Budget reforecast \$000	Variance \$000	Actual \$000	Budget reforecast \$000	Variance \$000	Budget reforecast \$000	Budget \$000
Operating Income								
Rental income	917	784	133	7,407	6,803	604	9,825	10,445
Other income	954	212	742	4,806	3,822	984	4,630	2,421
NZ Transport Agency operating funding	3,336	1,649	1,687	25,807	21,708	4,099	27,456	21,136
Total operating income	5,207	2,645	2,562	38,020	32,333	5,687	41,911	34,002
Operating Expenditure								
Personnel costs	7,640	7,344	(296)	59,014	58,939	(75)	91,365	91,734
Capitalised personnel costs	(2,626)	(2,113)	513	(17,360)	(17,838)	(478)	(27,152)	(29,311)
Directors Fees	35	49	14	310	347	37	542	542
Service delivery costs and professional services	1,248	1,471	223	10,147	9,808	(339)	17,183	15,058
Other expenditure	5,321	5,674	353	36,064	35,342	(722)	55,609	54,873
Finance costs	-	-	-	-	-	-	-	-
Total operating expenditure	11,618	12,425	807	88,175	86,598	(1,577)	137,547	132,896
Depreciation	3,141	3,322	181	19,640	19,593	(47)	32,684	32,336
Surplus/(deficit) from Operations	(9,552)	(13,102)	3,550	(69,795)	(73,858)	4,063	(128,320)	(131,230)
Internal support allocated	9,552	13,102	3,550	69,795	73,858	4,063	128,320	131,230
Surplus/(deficit)	-	-	-	-	-	-	-	-

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Section 2c – Operational funding requirement per passenger for the eight months ended 29 February 2020



The operational cost (net of third party revenue) of \$3.50 per passenger on the Public Transport Network is higher than the budget of \$3.44 due to higher than expected expenditure coupled with lower than budgeted patronage and revenue. December bus patronage was impacted by bus driver industrial action.

	Current month				Year to date				Full year	
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %	Budget	
		reforecast				reforecast			Budget	
Rail, Bus and Ferry operations:										
Operating expenditure \$000	47,730	47,233	(497)	(1%)	371,651	370,794	(857)	(0%)	566,994	561,750
Less external revenues \$000	17,229	18,544	(1,315)	(7%)	136,813	138,204	(1,391)	(1%)	216,229	212,967
Operating funding requirement \$000	30,501	28,689	(1,812)	(6%)	234,838	232,590	(2,248)	(1%)	350,765	348,783
Patronage 000's	8,598	8,955	(357)	(4%)	67,037	67,559	(522)	(1%)	105,147	102,824
Operating funding requirement per passenger	\$3.55	\$3.20	(\$0.34)	(11%)	\$3.50	\$3.44	(\$0.06)	(2%)	\$3.34	\$3.39

February's patronage was lower than budget due to the impact of COVID-19 (Coronavirus) as people work from home, lower visitor numbers, downtown road and ferry construction works and a number of unplanned track and signal incidents in the rail corridor.

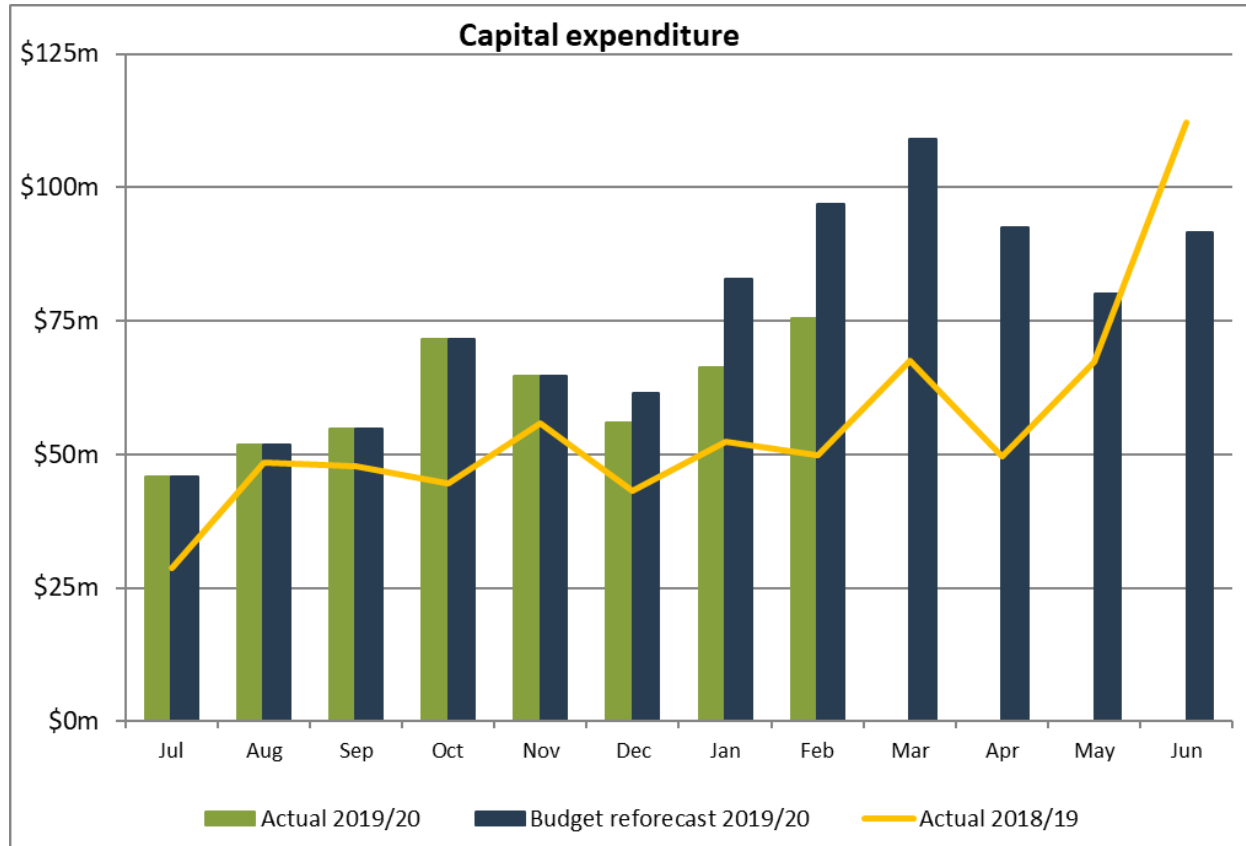
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Section 3a – Summary of Capital Expenditure

	Current month			Year to date			Full year	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Budget
	\$000	reforecast	\$000	\$000	reforecast	\$000	reforecast	\$000
Regional Land Transport Plan (RLTP) grouping								
Renewals	22,427	31,657	9,230	125,331	145,291	19,960	209,553	205,665
Committed projects and programmes	9,987	11,721	1,734	63,417	71,341	7,924	153,260	155,794
City centre and waterfront projects supporting Americas Cup	9,850	14,146	4,296	60,968	69,047	8,079	117,053	103,295
Rapid Transit Network (RTN)	10,264	8,059	(2,205)	68,420	68,480	60	111,619	97,099
Safety-related projects	2,728	5,421	2,693	28,973	32,399	3,426	60,066	73,536
Active transport	5,211	5,388	177	26,099	22,509	(3,590)	47,406	58,603
Corridor improvements	946	3,196	2,250	5,109	6,838	1,729	14,969	37,319
On-going Operational Programmes	2,533	4,833	2,300	24,023	29,030	5,007	52,112	34,750
Technology	3,845	6,386	2,541	26,132	29,707	3,575	48,116	25,796
Ring-fenced projects and programmes	602	834	232	8,882	9,087	205	14,204	24,966
Other bus network improvements	404	388	(16)	3,481	2,795	(686)	6,767	24,607
Funds for Local Board priorities and to support housing growth	3,159	1,117	(2,042)	16,035	13,497	(2,538)	25,517	17,823
Network capacity and performance improvements	475	1,931	1,456	10,013	11,272	1,259	18,790	17,047
Environmental focus	2,053	387	(1,666)	9,935	9,742	(193)	8,435	9,882
Deferrals	1,034	1,333	299	8,923	8,065	(858)	13,819	7,579
Local Board projects	41	38	(3)	749	743	(6)	987	5,785
Park and ride programme	13	23	10	101	103	2	499	3,606
Rail improvements including bus-rail interchanges	1	5	4	(80)	(142)	(62)	(71)	-
Others	3	-	(3)	3	-	(3)	-	-
Total direct capital	75,576	96,863	21,287	486,514	529,804	43,290	903,101	903,152

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Section 3a – Summary of Capital Expenditure (continued)



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Section 3b – Capital Expenditure Funding

	Current month			Year to date			Full year	
	Actual	Budget		Actual	Budget		Budget	
		reforecast	Variance		reforecast	Variance	reforecast	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Direct capital funding								
NZ Transport Agency new capital co-investment	21,848	41,598	(19,750)	151,181	201,793	(50,612)	385,963	386,458
NZ Transport Agency renewal co-investment	10,851	13,953	(3,102)	60,674	67,792	(7,118)	87,545	87,050
Other capital grants	1,426	-	1,426	2,676	1,136	1,540	1,136	-
Auckland Council capital grant	41,450	41,314	136	271,983	259,084	12,899	428,457	429,644
Total direct capital funding	75,575	96,865	(21,290)	486,514	529,805	(43,291)	903,101	903,152

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Section 3c – Major Capital Projects Whole of Life Forecast

		What we have spent so far			What we expect to spend in total		Approved funding		
		From Nov 2010 to Jun 2019 \$000	YTD Feb-2020 \$000	Total to date \$000	Forecast remaining \$000	Estimate at completion (EAC) \$000	Approved funding \$000	% spend to date	Variance to EAC \$000
Project description	Notes								
Mill Road Improvements	1	65,829	112	65,941	495,858	561,799	561,799	12%	-
Eastern Busway: Panmure to Pakuranga		116,714	45,981	162,695	102,897	265,592	264,824	61%	768
EMU (Rolling stock Tranche 2017) / ETCS		36,498	33,294	69,792	96,828	166,620	166,368	42%	252
Lincoln Road - Corridor Improvements	2	20,101	365	20,466	75,358	95,824	92,412	22%	3,412
DIDP - Quay St Strengthening (Marine)	3	20,159	15,573	35,732	36,050	71,782	78,497	46%	(6,715)
Matakana Link road		6,727	1,326	8,053	48,392	56,445	62,200	13%	(5,755)
Puhinui Interchange		5,043	12,985	18,028	37,247	55,275	51,920	35%	3,355
Murphys Rd Upgrade Bridge Imp (PC20)		12,084	9,011	21,095	10,456	31,551	31,511	67%	40
Northcote safe route C/Way		12,166	2,086	14,252	9,457	23,709	21,575	66%	2,134
K Road Cycleway		2,450	7,390	9,840	5,044	14,884	20,613	48%	(5,729)

Notes

1. The Mill Road project is now on hold after recent government announcements.
2. Post public consultation on the Lincoln Road project footprint has changed compared to the original scope.
3. Quay Street seawall estimates are currently below approved budget driven by decisions around construction methodology and non-inclusion of contingencies.

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Section 3d – Regional Fuel Tax (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 reforecast Not RFT Enabled \$000	Budget reforecast RFT Enabled \$000	Budget reforecast Total \$000
Capital expenditure	374,571	111,943	486,514	692,953	210,148	903,101
Funding						
NZ Transport Agency - including land acquisition funding	162,168	49,687	211,855	385,156	88,352	473,508
Others	2,507	169	2,676	1,082	53	1,136
Auckland Council	209,896	62,087	271,983	306,715	121,743	428,457
Total funding	374,571	111,943	486,514	692,953	210,148	903,101
Programme of capital projects supported by the RFT scheme						
Project 1: Bus priority improvements		4,456			7,458	
Project 2: City centre bus infrastructure		6,732			11,165	
Project 3: Improving airport access		14,601			24,550	
Project 4: Eastern Busway		5,828			10,829	
Project 5: Park-and-ride facilities		58			327	
Project 6: Electric trains and stabling		-			-	
Project 7: Downtown ferry terminal and redevelopment		38,428			66,666	
Project 8: Road safety		24,439			49,765	
Project 9: Active transport		3,646			6,428	
Project 10: Penlink		567			1,572	
Project 11: Mill Road corridor		112			403	
Project 12: Road corridor improvements		2,709			8,020	
Project 13: Network capacity and performance improvement		5,541			12,302	
Project 14: Growth-related transport infrastructure		4,826			10,663	
Total		111,943			210,148	

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RFT Operating Expenditure

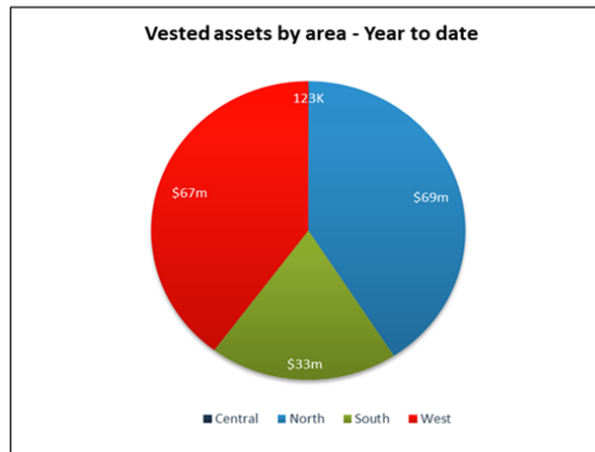
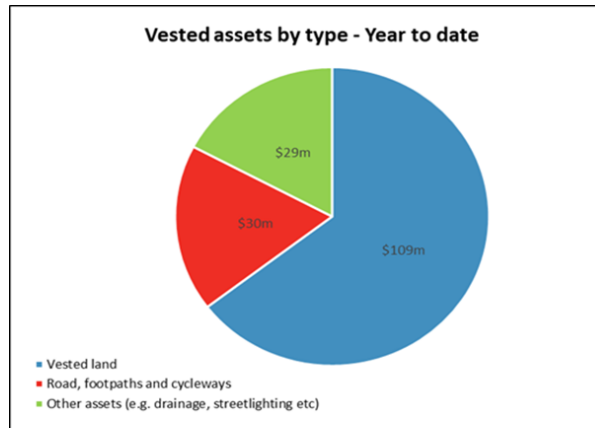
	Year to date			Full year		
	Actual Not RFT Enabled	Actual RFT Enabled	Actual Total	Budget reforecast Not RFT Enabled	Budget reforecast RFT Enabled	Budget reforecast Total
Operating expenditure		2,450			2,842	
<i>Note: Fully funded by Auckland Council</i>						
Programme of operating projects supported by the Auckland RFT scheme						
Project 8: Road safety		2,450			2,842	
Total		2,450			2,842	

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Section 3e – Vested Assets

as at 29 February 2020

	Current month	Year to date
	Actual \$000	Actual \$000
Vested Assets - Top 10 Suburbs		
Long Bay	-	40,630
Hobsonville	(2,014)	28,677
Massey	-	15,222
New Lynn	-	10,096
Northcote	8,163	9,668
Flat Bush	-	7,910
Drury	-	7,142
Papakura	234	4,958
Warkworth	184	4,604
Sunnyvale	-	4,584
Other	2,428	34,753
Total Vested Asset	8,995	168,244



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Section 4a – Statement of Financial Position

As at 29 February 2020

	Note	Actual 29 February 2020 \$000	Actual 31 January 2020 \$000
Assets			
Current assets			
Cash and cash equivalents	1	7,812	5,105
Receivables	2	321,093	313,594
Inventories		10,856	10,951
Other assets		20,259	26,423
Non-current assets held for sale		479	479
Total current assets		360,499	356,552
Non-current assets			
Property, plant and equipment (PPE)		19,453,554	19,432,077
Intangible assets		137,842	130,979
Work in progress (PPE and intangible assets)	3	907,173	877,972
Total non-current assets		20,498,569	20,441,028
Total assets		20,859,068	20,797,580

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Section 4a – Statement of Financial Position (continued)

As at 29 February 2020

	Note	Actual 29 February 2020 \$000	Actual 31 January 2020 \$000
Liabilities			
Current liabilities			
Payables and accruals	4	212,713	210,809
Employee entitlements	5	14,783	14,201
Derivative financial instruments		4,203	7,326
Provisions		500	500
Borrowings	6	6,677	6,651
Total current liabilities		238,876	239,487
Non-current liabilities			
Payables and accruals	4	11,069	11,327
Employee entitlements	5	423	423
Derivative financial instruments		109	155
Borrowings	6	485,942	486,466
Total non-current liabilities		497,543	498,371
Total liabilities		736,419	737,858
Net assets		20,122,649	20,059,722
Equity			
Contributed capital		12,949,656	12,946,638
Accumulated funds		3,484,194	3,424,285
Other reserves		3,688,799	3,688,799
Total equity		20,122,649	20,059,722

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Section 4b – Notes to the Financial Statements

As at 29 February 2020

	Actual 29 February 2020 \$000	Actual 31 January 2020 \$000
1 Cash and cash equivalents		
Cash at bank	7,498	4,791
Till floats	314	314
Total cash and cash equivalents	7,812	5,105

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

2 Receivables		
Trade and other debtors	3,399	6,061
Infringement receivable	47,350	46,847
Amounts due from related parties	172,443	165,346
Accrued revenue	119,114	115,495
Goods and services tax	1,201	1,868
	343,507	335,617
Less provision for impairment of receivables	(22,414)	(22,023)
Total current receivables	321,093	313,594

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Section 4b – Notes to the Financial Statements (continued)**As at 29 February 2020**

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

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

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

The ageing profile of receivables is detailed below:

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Amounts due from related parties	Total
	\$000	\$000	\$000	\$000	\$000
Not past due	2,073	4,203	-	170,884	177,160
Past due 1 - 30 days	508	2,350	-	166	3,024
Past due 31 - 60 days	41	1,878	-	80	1,999
Past due 61 - 90 days	23	1,877	-	239	2,139
Past due > 90 days	754	2,333	34,709	1,074	38,870
	3,399	12,641	34,709	172,443	223,192
Impairment	(421)	(1,862)	(20,131)	-	(22,414)
	2,978	10,779	14,578	172,443	200,778

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.

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Section 4b – Notes to the Financial Statements (continued)**As at 29 February 2020**

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

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2019	421	1,621	18,071	20,113
Additional/(Reversal) provisions made	-	241	2,060	2,301
Balance at 29 February 2020	421	1,862	20,131	22,414

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

As at 29 February 2020

	Opening balance 1 July 2019 \$000	Acquisition YTD 29 February 2020 \$000	Capitalisation YTD 29 February 2020 \$000	Closing balance 29 February 2020 \$000
3 Work in Progress (WIP)				
WIP by activity				
Roads and footpaths	427,676	192,001	(92,171)	527,505
Public Transport	241,433	158,545	(45,087)	354,892
Parking operations	10,565	3,443	(1,877)	12,131
Internal support	13,344	7,237	(7,935)	12,646
Total WIP	693,017	361,226	(147,070)	907,173
WIP by status				
Current WIP (completion in future)				777,841
Due for capitalisation within policy				31,461
Due for capitalisation not within policy				97,871
Forecast completion date not yet provided (new projects)				-
Total WIP				907,173

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

As at 29 February 2020

Top 10 Programmes	WIP Closing balance 29 February 2020 \$000
AMETI	130,543
EMU 2017 Tranche (15)	59,769
DIDP - Ferry Basin Redevelopment	57,193
DIDP - Quay St Strengthening	35,732
Wynyard Quarter Programme	24,872
North West Transformation	21,239
Murphys Rd Upgrade Bridge Improvement (PC20)	20,396
SMART	20,248
Road Safety Rural Programme	18,595
Drury South	18,305
Total	406,893

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

As at 29 February 2020

	Actual 29 February 2020 \$000	Actual 31 January 2020 \$000
4 Payables and accruals		
Current portion		
Creditors	13,662	25,424
Goods and services tax	1,449	-
Accrued expenses	161,171	152,346
Retentions	12,452	11,983
Amounts due to related parties	18,672	14,295
Revenue in advance	5,307	6,761
Total current payables	212,713	210,809
Non-current portion		
Amounts due to related parties	11,069	11,327
Total non-current payables	11,069	11,327

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 29 February 2020

	Actual 29 February 2020 \$000	Actual 31 January 2020 \$000
5 Employee entitlements		
Current portion		
Accrued salaries and wages	3,156	3,054
Accrued leave	11,627	11,147
Total current employee entitlements	14,783	14,201
Non-current portion		
Retirement gratuities	314	314
Long service leave	109	109
Total non-current employee entitlements	423	423
6 Borrowings		
Current portion		
Loans from Auckland Council	6,677	6,651
Total current borrowings	6,677	6,651
Non-current portion		
Loans from Auckland Council	485,942	486,466
Total non-current borrowings	485,942	486,466
Weighted average cost of funds on total borrowings	6.02%	6.02%

Auckland Transport's loan debt of \$493 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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

As at 29 February 2020

	Actual
	29 February 2020
	\$000
7 Deferred tax liability	
Balance at 1 July 2019	8,602
Credited to surplus or deficit	(8,602)
Charged to equity	-
Balance 29 February 2020	-

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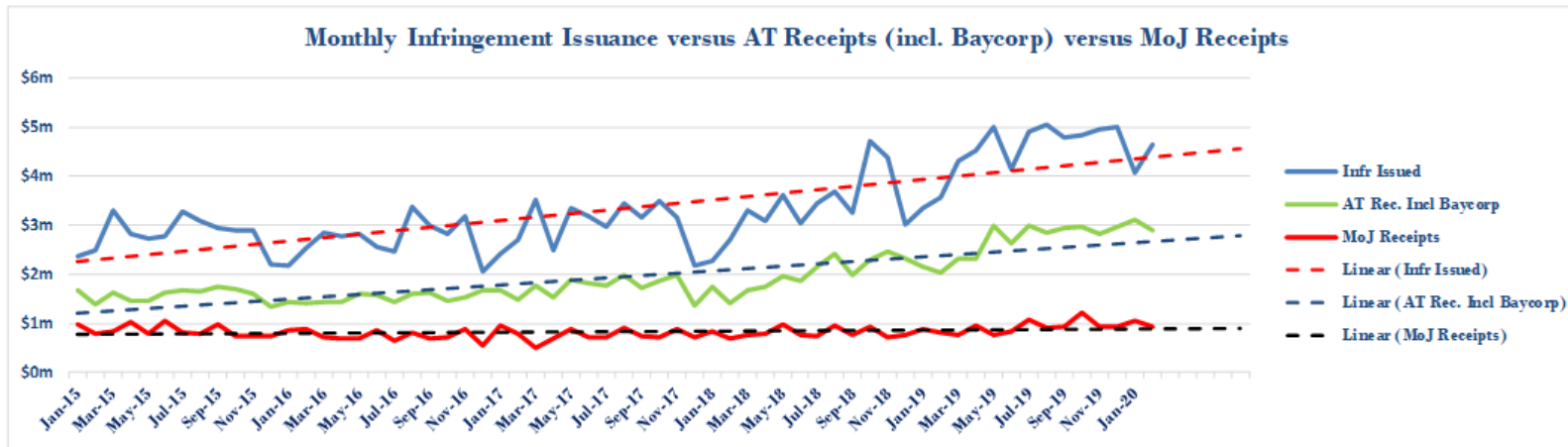
Section 5 – Cashflow

	Year to date		Full year	
	Actual \$000	Budget reforecast \$000	Budget reforecast \$000	
Cash flows from operating activities				
Total cash provided	1,169,955	1,183,099	1,874,984	Reconciliation of surplus after tax to net cash from operating activities
Cash applied to				Actual \$000
Payments to suppliers and employees	634,815	610,570	936,434	
Interest paid	17,846	18,568	29,037	
Goods and services tax	1,049	-	-	
Total cash applied	653,710	629,138	965,471	Surplus after tax
Net cash from operating activities	516,245	553,961	909,513	457,310
Cash flows from investing activities				Add/(less) non-cash items
Cash provided from				Depreciation and amortisation
Sale of property, plant and equipment	638	-	-	230,027
Cash applied to:				Vested asset income
Purchase of property, plant and equipment	514,420	549,805	903,101	(168,244)
Net cash from investing activities	(513,782)	(549,805)	(903,101)	Gain on disposal of property, plant and equipment
				104
				(Gains)/losses on derivatives
				(3,597)
				Income tax (benefit)/expense
				(8,602)
				49,688
Cash flows from financing activities				Add/(less) movements in balance sheet items
Cash applied to				Receivables
Repayments of EMU loan from Auckland Council	4,156	4,156	6,412	41,607
Net cash from financing activities	(4,156)	(4,156)	(6,412)	Inventories
				113
				Other assets
				(13,255)
				Payables and accruals
				(16,009)
				Employee entitlements
				(3,493)
				Provisions
				284
				9,247
Net (decrease)/increase in cash and cash equivalents	(1,693)	-	-	Net cash from operating activities
Opening cash and cash equivalents	9,505	-	-	516,245
Closing cash balance	7,812	-	-	

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Section 6 – Infringement Overview

Over 61 months (January 2015 to February 2020), the trend for both infringements issued and receipts (incl. Baycorp) is positive while the trend for receipts by MoJ has remained relatively static, despite the fact that more matters have been lodged with them.



Document Ownership

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