

**AUCKLAND TRANSPORT**

**PROSPECTUS**

**OFFER BY AUCKLAND TRANSPORT OF AT HOP CARDS**

**DATED 5 OCTOBER 2012**

## CONTENTS

CLAUSE	PAGE
REGISTRATION.....	1
DEFINITIONS.....	1
OFFER .....	1
THE AT HOP CARD.....	1
STATUTORY INFORMATION .....	2
1. MAIN TERMS OF OFFER .....	2
3. DETAILS OF INCORPORATION OF ISSUER.....	3
4. GUARANTORS.....	3
5. NAMES, ADDRESSES AND OTHER INFORMATION .....	3
6. RESTRICTIONS ON DIRECTORS' POWERS .....	4
7. DESCRIPTION OF ACTIVITIES OF THE BORROWING GROUP.....	5
10. MATERIAL CONTRACTS .....	5
11. PENDING PROCEEDINGS.....	5
12. ISSUE EXPENSES.....	5
13. RANKING OF SECURITIES.....	6
15. OTHER TERMS OF OFFER AND SECURITIES.....	6
19. PLACES OF INSPECTION OF DOCUMENTS .....	6
20. OTHER MATERIAL MATTERS .....	6
GLOSSARY.....	7
DIRECTORY .....	8

### APPENDIX 1: TERMS OF USE

- \* The “Statutory Information” section sets out the information required by the Second Schedule to the Securities Regulations, as modified by the Securities Act (Auckland Transport) Exemption Notice 2011. The paragraph numbers correspond to the relevant clause numbers of the Second Schedule, and are therefore not in sequence.

## REGISTRATION

This Prospectus is dated 5 October 2012.

A copy of this Prospectus, signed by the Directors of Auckland Transport (as issuer) at that time for the purposes of the Securities Act, and having endorsed on it or attached to it the documents required to be so endorsed or attached by section 41 of the Securities Act, has been delivered to the Registrar of Financial Service Providers for registration under section 42 of the Securities Act.

This Prospectus has been prepared in accordance with the Securities Act (Auckland Transport) Exemption Notice 2011.

## DEFINITIONS

Capitalised terms used in this Prospectus have defined meanings, which appear in the Glossary section or in the relevant section of this Prospectus in which the term is used. All references to \$ are to New Zealand dollars unless specified otherwise.

## OFFER

The securities offered under this Prospectus relate to smartcards issued by Auckland Transport as part of the Auckland Integrated Fare System (**AT HOP Cards**), currently marketed under the name "HOP Cards". The stored value amount on an AT HOP Card is a debt security (as that term is defined in the Securities Act) and is described in more detail below. The current Terms of Use of the AT HOP Card are contained in Appendix 1 to this Prospectus. Quotation of the AT HOP Cards on a securities market operated by a registered exchange is not being sought.

## APPLICATIONS

Applications for an AT HOP Card can be made from any participating retailer, ticket agent or from Auckland Transport.

## THE AT HOP CARD

The AT HOP Card is a pre-paid transport card that enables the Holder to pay for public transport journeys provided by public transport operators in the Auckland region using any of the following products:

- **HOP Money:** stored money value loaded onto an AT HOP Card (**Stored Money**), which can be used to purchase public transport journeys or paper tickets for public transport journeys. Holders who have registered their AT HOP Card on Auckland Transport's website can apply for a refund of unused Stored Money on surrender of their AT HOP Card (subject to the Terms of Use);
- **Period Pass:** a pass credit loaded onto a AT HOP Card allowing you to have unlimited journeys within a number of days (**Period Pass**); or
- **Pre-paid Trip:** a discounted trip credit loaded onto an AT HOP Card for trips over a number of stages for buses and trains or a particular ferry service (**Pre-Paid Trip**).

The full terms of use of the AT HOP Cards are set out in the Terms of Use. The Terms of Use effective as at the date of this Prospectus are contained in Appendix 1. Auckland Transport recommends each Holder reads those terms carefully.

The crediting of Stored Money by a Holder is referred to as a "**Load**". At the date of this Prospectus, an AT HOP Card can be Loaded up to \$300.00 (**Card Limit**). A

Holder can, through any participating retailer or ticket agent or by any other means permitted by Auckland Transport from time to time, Load funds on the AT HOP Card up to the Card Limit.

The Stored Money held on an AT HOP Card is a debt security. A Holder who has registered his or her AT HOP Card on Auckland Transport's website can request a refund of any unused Stored Money (subject to the terms set out in the Terms of Use) Loaded onto his or her AT HOP Card and Auckland Transport is required to repay that amount to the Holder not later than 14 days after a holder surrenders their AT HOP Card. Only unused Stored Money can be refunded. No refunds are available for Period Passes, Prepaid Trips or paper tickets purchased using Stored Money. The full terms of the refund features of the AT HOP Cards are set out in the Terms of Use.

Auckland Transport will maintain an amount that exceeds the aggregate face value of amounts Loaded by Holders' on the AT HOP Cards that Auckland Transport may be liable to repay (less any amounts that have been cancelled, redeemed, or forfeited in accordance with the Terms of Use) in a separate bank account. It is a term of the offer of AT HOP Cards that the funds in that separate bank account are held on trust for Holders, and Holders have a right to a proportion of the account equal to the face value of their AT HOP Cards that Auckland Transport is liable to repay (less any amounts that have been cancelled, redeemed, or forfeited in accordance with the Terms of Use).

An AT HOP Card will expire if it is not used, no refund is requested, it is cancelled, or nothing is loaded onto it for a continuous period of two years. When an AT HOP Card expires, any value remaining on it will be forfeited and become the property of Auckland Transport.

Interest does not accrue to the Holder on the amount Loaded on an AT HOP Card.

## **STATUTORY INFORMATION**

This section of the Prospectus sets out the information required by the Second Schedule to the Securities Regulations, as modified by the Securities Act (Auckland Transport) Exemption Notice 2011. The paragraph numbers below correspond to the clause numbers of the Second Schedule. Clauses 2, 8, 9, 14, 16 to 18, 21 and 22 of the Second Schedule have not been included below because those clauses are either not applicable to the offer of AT HOP Cards, or Auckland Transport has been granted an exemption from these requirements.

### **1. MAIN TERMS OF OFFER**

#### **Issuer**

The issuer of the AT HOP Card is Auckland Transport. Auckland Transport's address is 6 Henderson Valley Road, Henderson, Auckland, New Zealand.

#### **Description**

A description of the AT HOP Card is contained on page 1 of this Prospectus. The full contractual terms of use of the AT HOP Cards are set out in the Terms of Use. The current Terms of Use are contained in Appendix 1 to this Prospectus. A copy of the Terms of Use can be found on Auckland Transport's website at [www.myHOP.co.nz](http://www.myHOP.co.nz).

#### **Maximum Amount**

No maximum amount of Stored Money is being offered.

### **Price or other consideration**

There are minimum and maximum amounts which are able to be Loaded onto an AT HOP Card. These amounts are specified in the Terms of Use and set out at [www.myHOP.co.nz](http://www.myHOP.co.nz).

### **3. DETAILS OF INCORPORATION OF ISSUER**

Auckland Transport is a body corporate established under the Local Government (Auckland Council) Act 2009 (**Auckland Council Act**). In particular, pursuant to section 38 of the Auckland Council Act, Auckland Transport is:

- (i) a body corporate with perpetual secession; and
- (ii) a council-controlled organisation of Auckland Council.

For the purposes of the Local Government Act 2002, Auckland Council is treated as if it were the sole shareholder of Auckland Transport.

Auckland Transport was established on 1 November 2010.

### **4. GUARANTORS**

The repayment of the Stored Money portion of the AT HOP Cards is not guaranteed by any person – ie Auckland Transport has no guaranteeing subsidiaries.

### **5. NAMES, ADDRESSES AND OTHER INFORMATION**

#### **Board of Directors**

The names and principal place of residence of each of the current Directors of Auckland Transport are set out below:

- Philippa Jane Dunphy – Auckland
- Geoffrey Mark Dangerfield – Wellington
- Christine Elizabeth Fletcher QSO – Auckland
- Michael Edward Lee – Auckland
- Paul Francis Lockey – Auckland
- Ian Murray Parton – Auckland
- Rabin Sockalingam Rabindran – Auckland
- Kenneth Michael Williams – Auckland

The Directors may be contacted through Auckland Transport at the address of Auckland Transport.

No director of Auckland Transport is an employee of Auckland Transport or any of its subsidiaries.

#### **Promoters**

Auckland Transport is the sole promoter of the offer of AT HOP Cards. Auckland Transport's address is 6 Henderson Valley Road, Henderson, Auckland, New Zealand.

## **No bankruptcy or insolvency**

None of Auckland Transport, nor the Directors of Auckland Transport, have been:

- adjudged bankrupt or insolvent;
- convicted of a crime involving dishonesty;
- prohibited from acting as a director of a company; or
- placed in statutory management, voluntary administration, liquidation, or receivership

during the five years preceding the date of this prospectus.

## **Auditor, Securities Registrar**

Auckland Transport's auditor is the Auditor-General. The contact address of the auditor is set out in the Directory.

Auckland Transport is not required to maintain a securities register pursuant to the Securities Act, and therefore, no securities registrar has been appointed in relation to the AT HOP Cards.

## **Advisers**

The name and address of Auckland Transport's solicitors who have been involved in the preparation of this Prospectus are set out in the Directory.

## **Experts**

No experts have been named in this Prospectus.

## **Underwriter**

The offer of AT HOP Cards is not being underwritten.

## **Trustee**

Pursuant to the Securities Act (Auckland Transport) Exemption Notice 2011, Auckland Transport is exempt from the requirement to appoint a trustee in respect of the AT HOP Cards.

## **6. RESTRICTIONS ON DIRECTORS' POWERS**

The Auckland Council Act (Part 4) sets out certain operating principles, functions and powers of Auckland Transport. The Act also specifies certain duties of the Directors of Auckland Transport. Any rules made for Auckland Transport by Auckland Council pursuant to section 49 and the Auckland Council Act are to be treated as the constitution of Auckland Transport. As the date of this Prospectus, no such rules are in place.

Directors of Auckland Transport are also required to have regard to the provisions of the Local Government Act 2002 that apply to council-controlled organisations. Section 60 of the Local Government Act 2002 (as amended by section 42(2) of the Auckland Council Act) requires decisions relating to the operation of Auckland Transport to be made by, or under the authority of, the Board of Directors in accordance with:

- its statement of intent;
- its constitution (if any);
- the provisions of Part 4 of the Auckland Council Act; and

- any rules made for Auckland Transport under section 49 of the Auckland Council Act.

## **7. DESCRIPTION OF ACTIVITIES OF THE BORROWING GROUP**

For the purposes of the Securities Regulations, Auckland Transport is the only member of the "borrowing group".

Auckland Transport is responsible for all of the Auckland region's transport services (excluding state highways) - from roads and footpaths, to cycling, parking and public transport. Auckland Transport's core business activities, since its establishment on 1 November 2010, include:

- designing, building and maintaining Auckland's roads, ferry wharves, cycle ways and walkways;
- planning and funding bus, train and ferry services across Auckland;
- co-ordinating road safety and community transport initiatives; and
- providing parking (both on street and off street) and parking enforcement.

The AT HOP Cards are unsecured obligations of Auckland Transport. None of Auckland Transport's assets are being charged as security for the AT HOP Cards offered under this Prospectus. Amounts deposited by Holders in AT HOP Cards are held on trust in a separate bank account for the benefit of Holders, in accordance with the Terms of Use. Accordingly, the AT HOP Cards do not form part of the assets or liabilities of Auckland Transport.

Pursuant to the Securities Act (Auckland Transport) Exemption Notice 2011, a copy of Auckland Transport's most recent audited financial statements must be contained in, or accompany, this Prospectus.

For the purposes of the Securities Regulations, Auckland Transport is the only member of the "borrowing group". The financial statements for Auckland Transport itself which are contained in, or accompany, this Prospectus, constitute the financial statements of the "borrowing group".

## **10. MATERIAL CONTRACTS**

Auckland Transport has not entered into any material contracts during the two years preceding the specified date (other than contracts entered into in the ordinary course of business).

## **11. PENDING PROCEEDINGS**

There are no legal proceedings or arbitrations that are pending as at the specified date that may have a material adverse effect on Auckland Transport (being the only member of the "borrowing group").

## **12. ISSUE EXPENSES**

The estimated amount of expenses of the offer of AT HOP Cards pursuant to this Prospectus is \$19,000 excluding GST. That amount comprises legal fees and costs associated with printing and distributing this Prospectus.

No commission is payable in relation to the offer of the AT HOP Cards pursuant to this Prospectus.

### **13. RANKING OF SECURITIES**

The AT HOP Cards are unsecured obligations of Auckland Transport. Stored Money amounts deposited by Holders in AT HOP Cards are held on trust in a separate bank account for the benefit of Holders, in accordance with the Terms of Use. Accordingly, the AT HOP Cards do not form part of the assets or liabilities of Auckland Transport.

There are no securities secured by a mortgage or a charge over any of Auckland Transport's assets which rank in point of security ahead of, or equally with, the AT HOP Cards.

### **15. OTHER TERMS OF OFFER AND SECURITIES**

All the terms of the offer of AT HOP Cards, and all the terms of the AT HOP Cards, are set out in this Prospectus, other than:

- any terms implied by law; or
- any terms set out in a document that:
  - is referred to in this Prospectus; and
  - is available for public inspection; and
  - is registered with a public official.

### **19. PLACES OF INSPECTION OF DOCUMENTS**

Copies of the following documents may be inspected (without charge) during normal business hours at the Auckland Transport's head office at 6 Henderson Valley Road, Henderson, Auckland, New Zealand:

- the documents or instruments constituting or defining the constitution of Auckland Transport (if any);
- the latest financial statements for Auckland Transport that comply with, and have been registered under, the Local Government Act 2002 and the Financial Reporting Act 1993.

### **20. OTHER MATERIAL MATTERS**

There are no material matters relating to the offer of AT HOP Cards other than the matters set out elsewhere in this Prospectus or in the financial statements contained in Appendix 2 to this Prospectus, and contracts entered into in the ordinary course of business by Auckland Transport.

## GLOSSARY

In this Prospectus:

**"AT HOP Card"** is described on page 1 of this Prospectus.

**"Board"** means the Board of Directors of Auckland Transport.

**"Card Limit"** is defined on page 1 of this Prospectus.

**"Holder"** means the holder of an AT HOP Card.

**"Load"** is defined on page 1 of this Prospectus.

**"Period Pass"** is defined on page 1 of this Prospectus.

**"Pre-paid Trip"** is defined on page 1 of this Prospectus.

**"Securities Act"** means the Securities Act 1978.

**"Securities Regulations"** means the Securities Regulations 2009.

**"Stored Money"** is defined on page 1 of this Prospectus.

**"Terms of Use"** means the Terms of Use for the time being of the AT HOP Card. The current Terms of Use are contained in Appendix 1 to this Prospectus.

## **DIRECTORY**

### **Registered Office**

6 Henderson Valley Road  
Henderson  
Auckland 0612  
New Zealand

### **Auditors for Auckland Transport**

Auditor General  
100 Molesworth Street  
Thorndon  
Wellington  
New Zealand

### **Solicitors for Auckland Transport**

Simpson Grierson  
Level 27  
88 Shortland Street  
Private Bag 92518  
Auckland 1141

### **Board of Directors**

Philippa Jane Dunphy (Acting Chair);  
Geoffrey Mark Dangerfield;  
Christine Elizabeth Fletcher;  
Michael Edward Lee;  
Paul Francis Lockey;  
Ian Murray Parton;  
Rabin Sockalingam Rabindran; and  
Kenneth Michael Williams.

### **Signed by the Directors of Auckland Transport:**

---

Philippa Jane Dunphy

---

Geoffrey Mark Dangerfield

---

Christine Elizabeth Fletcher

---

Michael Edward Lee

---

Paul Francis Lockey

---

Ian Murray Parton

---

Rabin Sockalingam Rabindran

---

Kenneth Michael Williams

## Appendix 1 – Terms of Use