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## Results for the Four Months Ended 31 October 2022

For decision:  For noting:

Reason for inclusion in closed board meeting session	
1. Please state why this report is being considered in the closed board meeting as opposed to the open board meeting. Please refer to the 'reasons for confidentiality' and provide a direct reference to one of these reasons.	To protect information that will soon be publicly available
2. Please provide an estimated date for release of this report.	2 December 2022

### Te tūhanga / Recommendation

That the Auckland Transport Board (board):

- a) Receives the report.

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## Section 1 – Te whakarāpopototanga matua / Executive summary

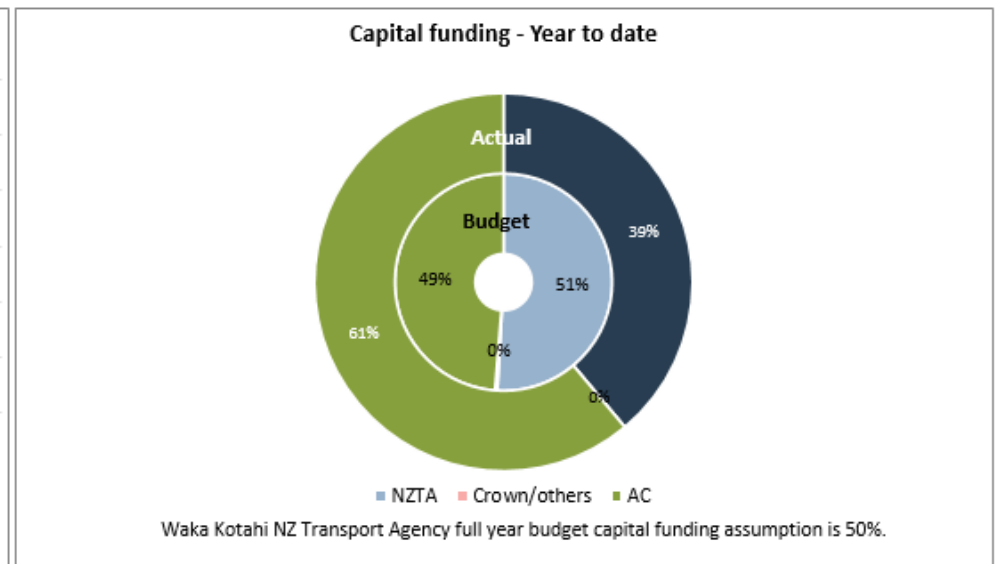
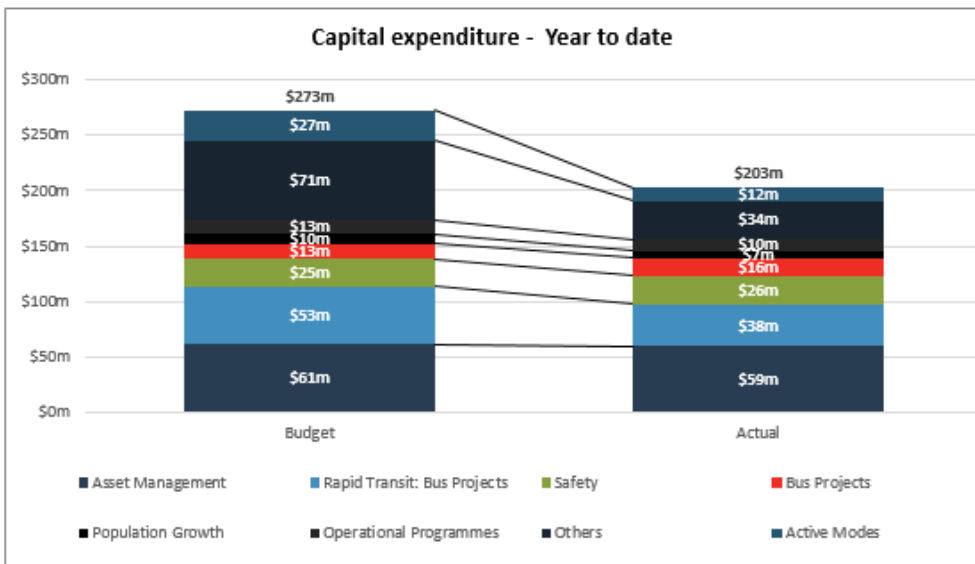
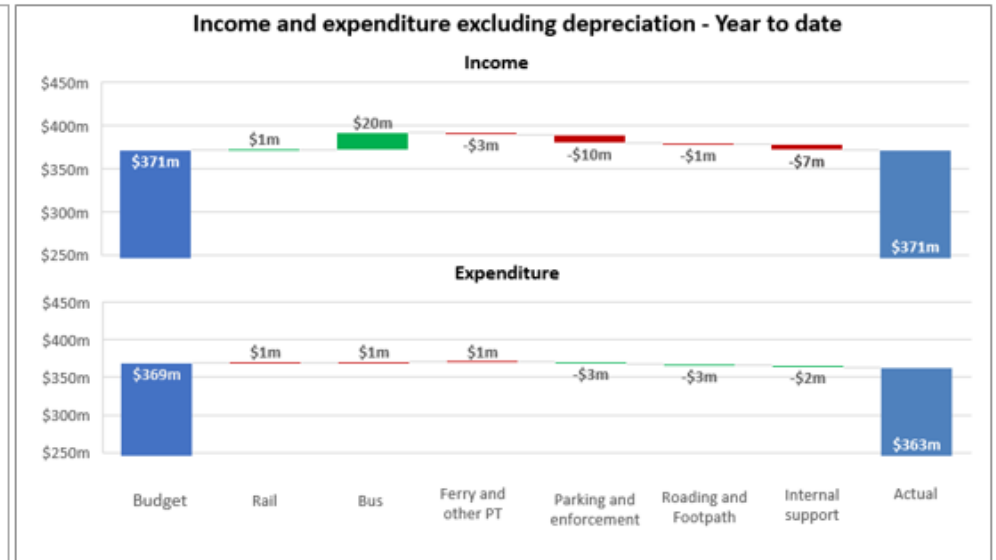
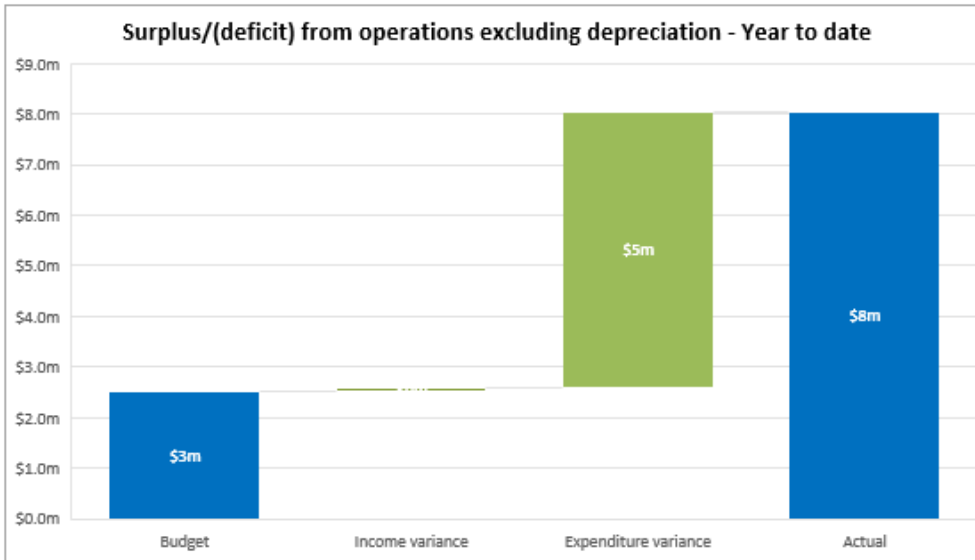
1. Year to date (YTD) **surplus from operations excluding depreciation** of \$8.0 million, is \$5.5 million favourable to budget mainly due to the \$14.4 million unbudgeted public transport (PT) top-up from Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and lower maintenance and other expenditure. These are partially offset by lower than budgeted parking and enforcement income. Items to note:
  - Waka Kotahi funding is \$17.3 million favourable to budget mainly due to the \$14.4 million PT top-up. October funding is favourable to budget mainly due to unbudgeted PT fare discount funding for the extension of half price fares to the end of January 2023.
  - Parking and enforcement revenue is unfavourable to budget mainly due to lower infringement ticket issuances and parking occupancy. Infringement revenue is under budget for all enforcement revenue types due to compliant behaviour of traffic users in our corridors. New Special Vehicle Lanes have also been delayed due to supply chain and technical issues.
  - PT income is unfavourable as the budget was set with the 50% fare discount ending in August 2022. The fare discount was subsequently extended to the end of January 2023 with the resultant top-up recognised as additional Waka Kotahi funding. PT patronage growth has slowed remaining relatively unchanged at 67% of pre COVID-19 levels in the last two months, up from circa 60% of pre COVID-19 levels at the beginning of the financial year.
  - Personnel cost is favourable to budget primarily due to budgeted positions not filled. It is unfavourable in October due to the revaluation of the annual leave liability in line with the recent remuneration review reflecting market movements.
  - Capitalised personnel cost is lower than budget mainly due to vacant positions and lower than budgeted capital expenditure.
  - PT contract costs are favourable to budget primarily due to KPI savings on bus contracts driven by a continuing bus driver shortage. This is partially offset by higher than expected rail PT contract indexation and rail leave liability. Actual indexation is 4.2% for Rail, 6.4% for Bus and 13.7% for Ferry, against a budget of 4%.
  - Professional services is favourable to budget primarily within planning and investment, road network management and PT activity with spend expected to increase as projects in these areas progress.
  - Other expenditure is favourable to budget primarily due to lower than expected Information Technology costs, advertising, bank charges, commissions, court costs, Auckland Transport (AT) delivered events and doubtful debts.
2. **Deficit from operations** is \$5.9 million unfavourable to budget in October 2022 and \$28.5 million unfavourable YTD mainly due to higher than budgeted depreciation from the June 2022 roading revaluation, partly offset by the \$14.4 million unbudgeted PT top-up from Waka Kotahi and lower expenditure. The full year impact of the 2022 revaluation on depreciation is estimated to be circa \$100 million.

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3. YTD **Capital expenditure** of \$203.0 million is \$69.7 million lower than budget due to a slow start to implementation and delivery of the programme, driven by inflationary pressures and resourcing challenges including a delay in signing the Eastern Busway PAA, but consistent with performance at the same time last year. The monthly profile of the capital budget was rephased in August for renewal seasonality. The full year capital budget remains unchanged.
4. **Waka Kotahi and other Crown capital funding** YTD of 39% is lower than the budget of 51% driven by the challenges faced on fundable capex projects, including delay in signing the Eastern Busway PAA. In particular the budget reflected a one-off Eastern Busway property purchase claim in October which will now be realised throughout the balance of the year.
5. **Regional Fuel Tax (RFT) enabled capital spend** for October is \$23.3 million and \$79.2 million YTD, versus a full year planned spend of \$358 million. YTD spend is approximately 22% of the full year RFT enabled capital budget.

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## Section 1 – Te whakarāpopototanga matua / Executive summary (continued)



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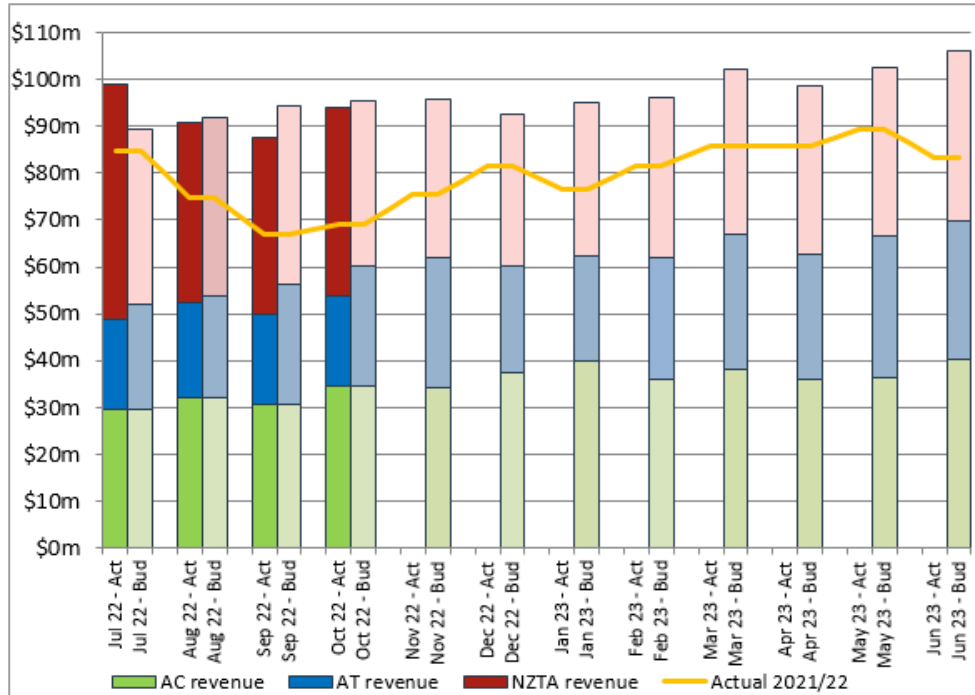
## Section 2 – Financial results for the four months ended 31 October 2022

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating income</b>							
Auckland Council funding	34,435	34,435	-	126,864	126,864	-	424,909
Waka Kotahi NZ Transport Agency operating funding	40,205	35,381	4,824	166,332	148,993	17,339	424,286
Parking and enforcement income	7,689	10,462	(2,773)	29,788	39,932	(10,144)	125,980
Public transport income	9,442	12,494	(3,052)	36,336	42,075	(5,739)	148,503
Other revenue incl. other grants and subsidies	2,270	2,822	(552)	11,910	13,282	(1,372)	35,742
<b>Total operating income</b>	<b>94,041</b>	<b>95,594</b>	<b>(1,553)</b>	<b>371,230</b>	<b>371,146</b>	<b>84</b>	<b>1,159,420</b>
<b>Operating expenditure</b>							
Personnel costs	18,458	18,393	(65)	72,055	72,874	819	227,041
Capitalised personnel costs	(4,046)	(4,571)	(525)	(15,236)	(20,136)	(4,900)	(55,557)
Public transport contracts	46,971	46,846	(125)	182,413	182,810	397	575,029
Contractors-maintenance	7,511	8,690	1,179	34,044	36,333	2,289	107,516
Professional services	2,359	2,743	384	8,217	10,216	1,999	31,261
Track and ferry access charges	2,800	3,206	406	12,409	12,471	62	42,404
Other expenditure	15,188	17,185	1,997	59,648	64,407	4,759	195,446
Finance costs	2,428	2,427	(1)	9,653	9,655	2	28,495
<b>Total operating expenditure excluding depreciation</b>	<b>91,669</b>	<b>94,919</b>	<b>3,250</b>	<b>363,203</b>	<b>368,630</b>	<b>5,427</b>	<b>1,151,635</b>
<b>Surplus/(deficit) from operations excluding depreciation</b>	<b>2,372</b>	<b>675</b>	<b>1,697</b>	<b>8,027</b>	<b>2,516</b>	<b>5,511</b>	<b>7,785</b>
Depreciation and amortisation	43,268	35,666	(7,602)	172,952	138,918	(34,034)	446,714
<b>Surplus/(deficit) from operations</b>	<b>(40,896)</b>	<b>(34,991)</b>	<b>(5,905)</b>	<b>(164,925)</b>	<b>(136,402)</b>	<b>(28,523)</b>	<b>(438,929)</b>
<b>Income for capital projects</b>							
Waka Kotahi NZ Transport Agency capital co-investment	20,012	57,706	(37,694)	78,641	138,694	(60,053)	434,460
Auckland Council capital grant	50,894	34,330	16,564	124,326	132,997	(8,671)	416,043
Other capital grants	-	225	(225)	-	1,012	(1,012)	6,227
Vested asset income	68,475	27,500	40,975	123,425	82,500	40,925	275,000
<b>Total income for capital projects</b>	<b>139,381</b>	<b>119,761</b>	<b>19,620</b>	<b>326,392</b>	<b>355,203</b>	<b>(28,811)</b>	<b>1,131,730</b>
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>98,485</b>	<b>84,770</b>	<b>13,715</b>	<b>161,467</b>	<b>218,801</b>	<b>(57,334)</b>	<b>692,801</b>
Gains/(losses) on derivatives	(6,321)	-	(6,321)	(978)	-	(978)	-
Gain/(loss) on disposal of assets	-	-	-	130	-	130	-
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>92,164</b>	<b>84,770</b>	<b>7,394</b>	<b>160,619</b>	<b>218,801</b>	<b>(58,182)</b>	<b>692,801</b>

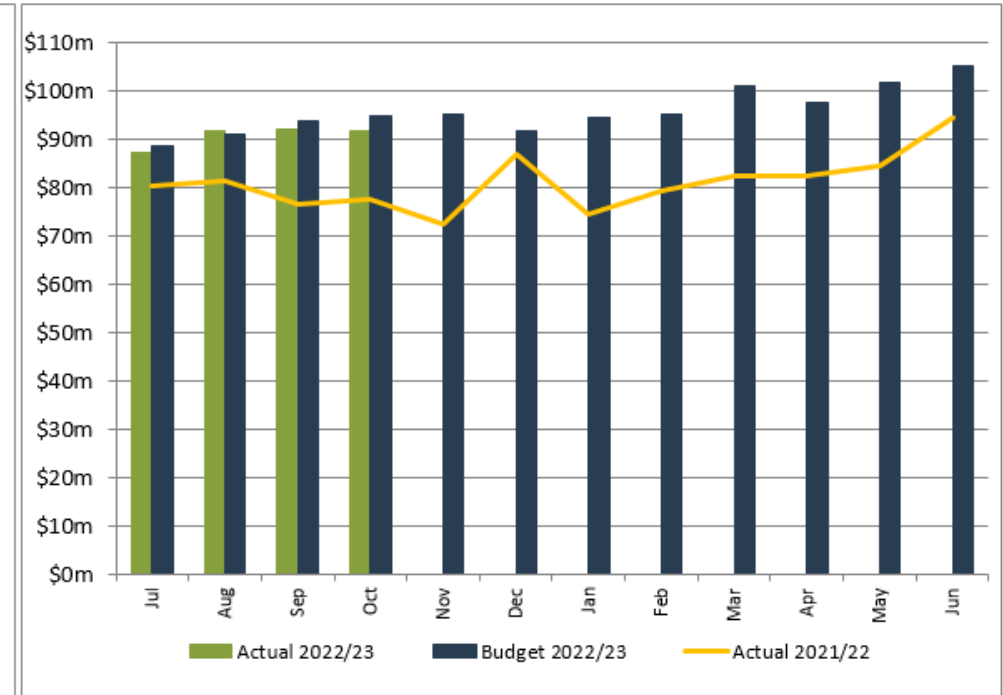
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## Section 2 – Financial results for the four months ended 31 October 2022 (continued)

### Operating income



### Operating expenditure excluding depreciation



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## Section 2a – Summary of Financial Results by Activity

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Rail	11,612	11,136	476	43,799	43,082	717	139,674
Bus	24,368	22,128	2,240	107,216	87,062	20,154	266,598
Ferry	3,357	3,282	75	10,760	12,688	(1,928)	39,626
Other public transport	2,667	2,416	251	9,540	10,390	(850)	30,220
Parking	3,636	4,639	(1,003)	14,113	16,802	(2,689)	51,496
Enforcement	4,053	5,823	(1,770)	15,674	23,130	(7,456)	74,483
Roading and footpaths	5,862	6,202	(340)	25,449	26,689	(1,240)	73,198
Internal support	4,051	5,533	(1,482)	17,811	24,438	(6,627)	59,214
Auckland Council operating funding	34,435	34,435	-	126,864	126,864	-	424,909
<b>Total operating income</b>	<b>94,041</b>	<b>95,594</b>	<b>(1,553)</b>	<b>371,226</b>	<b>371,145</b>	<b>81</b>	<b>1,159,418</b>
<b>Operating Expenditure</b>							
Rail	18,416	17,957	(459)	70,225	68,943	(1,282)	228,228
Bus	35,199	35,596	397	140,575	139,983	(592)	430,286
Ferry	4,907	4,418	(489)	18,176	17,533	(643)	53,402
Other public transport	4,942	5,029	87	19,361	19,489	128	65,223
Parking	1,091	1,026	(65)	4,525	4,228	(297)	13,115
Enforcement	2,323	3,244	921	8,729	11,641	2,912	34,129
Roading and footpaths	11,588	13,338	1,750	48,060	50,790	2,730	146,007
Internal support	13,202	14,308	1,106	53,553	56,027	2,474	181,245
Depreciation and amortisation	43,268	35,666	(7,602)	172,952	138,918	(34,034)	446,714
<b>Total operating expenditure</b>	<b>134,936</b>	<b>130,582</b>	<b>(4,354)</b>	<b>536,156</b>	<b>507,552</b>	<b>(28,604)</b>	<b>1,598,349</b>
<b>Surplus/(deficit) from Operations</b>	<b>(40,895)</b>	<b>(34,988)</b>	<b>(5,907)</b>	<b>(164,930)</b>	<b>(136,407)</b>	<b>(28,523)</b>	<b>(438,931)</b>

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## Section 2b – Rail Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Activity income	1,603	2,934	(1,331)	6,339	8,502	(2,163)	33,119
Other income	118	133	(15)	479	508	(29)	1,684
Waka Kotahi NZ Transport Agency operating funding	9,891	8,069	1,822	36,981	34,072	2,909	104,871
<b>Total operating income</b>	<b>11,612</b>	<b>11,136</b>	<b>476</b>	<b>43,799</b>	<b>43,082</b>	<b>717</b>	<b>139,674</b>
<b>Operating Expenditure</b>							
Personnel costs	461	627	166	1,905	2,532	627	7,760
Capitalised personnel costs	20	(13)	(33)	111	(100)	(211)	(83)
Public transport contracts	11,597	10,634	(963)	41,831	40,115	(1,716)	139,106
Contractors-maintenance	-	-	-	-	-	-	-
Professional services	35	7	(28)	99	29	(70)	425
Track access charges	2,764	3,172	408	12,256	12,317	61	41,942
Other expenditure	1,114	1,106	(8)	4,383	4,408	25	10,624
Finance costs	2,425	2,424	(1)	9,640	9,642	2	28,454
<b>Total operating expenditure</b>	<b>18,416</b>	<b>17,957</b>	<b>(459)</b>	<b>70,225</b>	<b>68,943</b>	<b>(1,282)</b>	<b>228,228</b>
Depreciation and amortisation	3,810	3,756	(54)	15,421	14,974	(447)	45,339
<b>Surplus/(deficit) from Operations</b>	<b>(10,614)</b>	<b>(10,577)</b>	<b>(37)</b>	<b>(41,847)</b>	<b>(40,835)</b>	<b>(1,012)</b>	<b>(133,893)</b>
Internal support costs	2,776	2,709	(67)	10,967	9,867	(1,100)	37,156
<b>Surplus/(deficit)</b>	<b>(13,390)</b>	<b>(13,286)</b>	<b>(104)</b>	<b>(52,814)</b>	<b>(50,702)</b>	<b>(2,112)</b>	<b>(171,049)</b>

## Section 2b – Bus Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Activity income	4,645	6,039	(1,394)	18,656	20,267	(1,611)	70,935
Other income	999	788	211	3,026	2,879	147	11,149
Waka Kotahi NZ Transport Agency operating funding	18,724	15,301	3,423	85,534	63,916	21,618	184,514
<b>Total operating income</b>	<b>24,368</b>	<b>22,128</b>	<b>2,240</b>	<b>107,216</b>	<b>87,062</b>	<b>20,154</b>	<b>266,598</b>
<b>Operating Expenditure</b>							
Personnel costs	300	354	54	974	1,368	394	4,276
Capitalised personnel costs	309	(154)	(463)	714	(771)	(1,485)	(1,660)
Public transport contracts	31,263	32,552	1,289	125,395	128,143	2,748	391,917
Contractors-maintenance	119	110	(9)	423	442	19	1,450
Professional Services	59	191	132	383	505	122	2,128
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	3,149	2,543	(606)	12,686	10,296	(2,390)	32,175
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>35,199</b>	<b>35,596</b>	<b>397</b>	<b>140,575</b>	<b>139,983</b>	<b>(592)</b>	<b>430,286</b>
Depreciation and amortisation	627	603	(24)	2,390	2,343	(47)	7,575
<b>Surplus/(deficit) from Operations</b>	<b>(11,458)</b>	<b>(14,071)</b>	<b>2,613</b>	<b>(35,749)</b>	<b>(55,264)</b>	<b>19,515</b>	<b>(171,263)</b>
Internal support costs	5,233	5,107	(126)	20,676	18,603	(2,074)	70,052
<b>Surplus/(deficit)</b>	<b>(16,691)</b>	<b>(19,178)</b>	<b>2,487</b>	<b>(56,425)</b>	<b>(73,867)</b>	<b>17,441</b>	<b>(241,315)</b>



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## Section 2b – Ferry Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Operator access fees	559	597	(38)	1,954	2,140	(186)	7,371
Activity income	534	1,225	(691)	1,997	3,750	(1,753)	14,130
Other income	87	93	(6)	408	374	34	1,119
Waka Kotahi NZ Transport Agency operating funding	2,177	1,367	810	6,401	6,424	(23)	17,006
<b>Total operating income</b>	<b>3,357</b>	<b>3,282</b>	<b>75</b>	<b>10,760</b>	<b>12,688</b>	<b>(1,928)</b>	<b>39,626</b>
<b>Operating Expenditure</b>							
Personnel costs	130	115	(15)	412	468	56	1,420
Capitalised personnel costs	(43)	(48)	(5)	(137)	(206)	(69)	(552)
Public transport contracts	4,076	3,660	(416)	15,136	14,555	(581)	44,017
Contractors-maintenance	-	-	-	1	-	(1)	-
Professional Services	-	-	-	-	-	-	-
Ferry access charges	36	35	(1)	153	154	1	462
Other expenditure	708	656	(52)	2,611	2,562	(49)	8,055
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>4,907</b>	<b>4,418</b>	<b>(489)</b>	<b>18,176</b>	<b>17,533</b>	<b>(643)</b>	<b>53,402</b>
Depreciation and amortisation	482	471	(11)	1,897	1,872	(25)	5,719
<b>Surplus/(deficit) from Operations</b>	<b>(2,032)</b>	<b>(1,607)</b>	<b>(425)</b>	<b>(9,313)</b>	<b>(6,717)</b>	<b>(2,596)</b>	<b>(19,495)</b>
Internal support costs	649	634	(16)	2,566	2,309	(257)	8,694
<b>Surplus/(deficit)</b>	<b>(2,681)</b>	<b>(2,241)</b>	<b>(441)</b>	<b>(11,879)</b>	<b>(9,026)</b>	<b>(2,853)</b>	<b>(28,189)</b>

## Section 2b – Other PT Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Other income	897	685	212	3,476	3,654	(178)	8,995
Waka Kotahi NZ Transport Agency operating funding	1,770	1,731	39	6,064	6,736	(672)	21,225
<b>Total operating income</b>	<b>2,667</b>	<b>2,416</b>	<b>251</b>	<b>9,540</b>	<b>10,390</b>	<b>(850)</b>	<b>30,220</b>
<b>Operating Expenditure</b>							
Personnel costs	2,675	2,412	(263)	10,519	9,613	(906)	30,456
Capitalised personnel costs	(417)	(175)	242	(778)	(1,242)	(464)	(2,308)
Public transport contracts	-	-	-	17	-	(17)	-
Contractors-maintenance	1,106	931	(175)	3,982	3,723	(259)	12,968
Professional Services	560	498	(62)	1,552	2,294	742	5,581
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	50	52	2	245	207	(38)	622
Other expenditure	968	1,311	343	3,824	4,894	1,070	17,904
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>4,942</b>	<b>5,029</b>	<b>87</b>	<b>19,361</b>	<b>19,489</b>	<b>128</b>	<b>65,223</b>
Depreciation and amortisation	439	478	39	1,766	1,890	124	5,847
<b>Surplus/(deficit) from Operations</b>	<b>(2,714)</b>	<b>(3,091)</b>	<b>377</b>	<b>(11,587)</b>	<b>(10,989)</b>	<b>(598)</b>	<b>(40,850)</b>
Internal support costs	793	774	(19)	3,134	2,820	(314)	10,618
<b>Surplus/(deficit)</b>	<b>(3,507)</b>	<b>(3,865)</b>	<b>358</b>	<b>(14,721)</b>	<b>(13,809)</b>	<b>(912)</b>	<b>(51,468)</b>

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## Section 2b – Parking Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Parking Fees	3,478	4,591	(1,113)	12,955	16,611	(3,656)	50,906
Other income	158	48	110	1,158	191	967	590
<b>Total operating income</b>	<b>3,636</b>	<b>4,639</b>	<b>(1,003)</b>	<b>14,113</b>	<b>16,802</b>	<b>(2,689)</b>	<b>51,496</b>
<b>Operating Expenditure</b>							
Personnel costs	266	253	(13)	1,009	1,027	18	3,120
Capitalised personnel costs	(20)	(26)	(6)	(69)	(116)	(47)	(312)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	168	136	(32)	554	577	23	1,796
Professional Services	3	12	9	101	45	(56)	130
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	674	651	(23)	2,930	2,695	(235)	8,381
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>1,091</b>	<b>1,026</b>	<b>(65)</b>	<b>4,525</b>	<b>4,228</b>	<b>(297)</b>	<b>13,115</b>
Depreciation and amortisation	917	808	(109)	3,638	3,219	(419)	9,753
<b>Surplus/(deficit) from Operations</b>	<b>1,628</b>	<b>2,805</b>	<b>(1,177)</b>	<b>5,950</b>	<b>9,355</b>	<b>(3,405)</b>	<b>28,628</b>
Internal support costs	160	156	(4)	630	567	(63)	2,135
<b>Surplus/(deficit)</b>	<b>1,468</b>	<b>2,649</b>	<b>(1,181)</b>	<b>5,320</b>	<b>8,788</b>	<b>(3,468)</b>	<b>26,493</b>

## Section 2b – Enforcement Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Infringement income	4,049	5,823	(1,774)	15,656	23,130	(7,474)	74,483
Other income	4	-	4	18	-	18	-
<b>Total operating income</b>	<b>4,053</b>	<b>5,823</b>	<b>(1,770)</b>	<b>15,674</b>	<b>23,130</b>	<b>(7,456)</b>	<b>74,483</b>
<b>Operating Expenditure</b>							
Personnel costs	1,201	1,090	(111)	4,539	4,317	(222)	13,249
Capitalised personnel costs	43	11	(32)	107	51	(56)	137
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	208	262	54	802	1,048	246	3,143
Professional Services	5	10	5	41	40	(1)	100
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	84	77	(7)	381	303	(78)	969
Movement in doubtful debts	167	402	235	104	1,595	1,491	5,133
Other expenditure	615	1,392	777	2,755	4,287	1,532	11,398
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>2,323</b>	<b>3,244</b>	<b>921</b>	<b>8,729</b>	<b>11,641</b>	<b>2,912</b>	<b>34,129</b>
Depreciation and amortisation	93	99	6	372	382	10	1,257
<b>Surplus/(deficit) from Operations</b>	<b>1,637</b>	<b>2,480</b>	<b>(843)</b>	<b>6,573</b>	<b>11,107</b>	<b>(4,534)</b>	<b>39,097</b>
Internal support costs	415	405	(10)	1,640	1,476	(164)	5,556
<b>Surplus/(deficit)</b>	<b>1,222</b>	<b>2,075</b>	<b>(853)</b>	<b>4,933</b>	<b>9,631</b>	<b>(4,698)</b>	<b>33,541</b>

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## Section 2b – Roading and Footpaths Operations

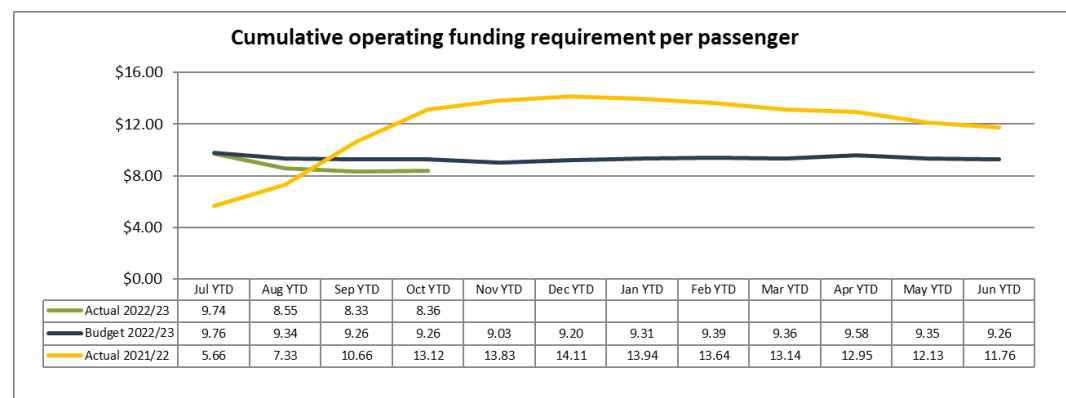
	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Petrol tax	654	893	(239)	2,543	3,839	(1,296)	10,848
Other income	838	751	87	4,222	4,222	-	10,418
Waka Kotahi NZ Transport Agency operating funding	4,370	4,558	(188)	18,684	18,628	56	51,932
<b>Total operating income</b>	<b>5,862</b>	<b>6,202</b>	<b>(340)</b>	<b>25,449</b>	<b>26,689</b>	<b>(1,240)</b>	<b>73,198</b>
<b>Operating Expenditure</b>							
Personnel costs	3,777	3,424	(353)	14,058	13,761	(297)	42,257
Capitalised personnel costs	(1,018)	(1,176)	(158)	(4,172)	(4,894)	(722)	(14,457)
Public transport contracts	35	-	(35)	35	-	(35)	-
Contractors-maintenance	5,862	7,153	1,291	28,039	30,076	2,037	86,052
Professional Services	922	719	(203)	2,004	2,768	764	7,752
Track and ferry access charges	-	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	2,010	3,218	1,208	8,096	9,079	983	24,403
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>11,588</b>	<b>13,338</b>	<b>1,750</b>	<b>48,060</b>	<b>50,790</b>	<b>2,730</b>	<b>146,007</b>
Depreciation and amortisation	34,250	26,707	(7,543)	136,580	103,873	(32,707)	335,274
<b>Surplus/(deficit) from Operations</b>	<b>(39,976)</b>	<b>(33,843)</b>	<b>(6,133)</b>	<b>(159,191)</b>	<b>(127,974)</b>	<b>(31,217)</b>	<b>(408,083)</b>
Internal support costs	1,776	1,733	(43)	7,016	6,312	(704)	23,770
<b>Surplus/(deficit)</b>	<b>(41,752)</b>	<b>(35,576)</b>	<b>(6,176)</b>	<b>(166,207)</b>	<b>(134,286)</b>	<b>(31,921)</b>	<b>(431,853)</b>

## Section 2b – Internal Support

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Rental income	579	679	(100)	2,450	2,912	(462)	8,242
Other income	199	499	(300)	2,695	2,309	386	6,234
Waka Kotahi NZ Transport Agency operating funding	3,273	4,355	(1,082)	12,666	19,217	(6,551)	44,738
<b>Total operating income</b>	<b>4,051</b>	<b>5,533</b>	<b>(1,482)</b>	<b>17,811</b>	<b>24,438</b>	<b>(6,627)</b>	<b>59,214</b>
<b>Operating Expenditure</b>							
Personnel costs	9,648	10,117	469	38,640	39,787	1,147	124,503
Capitalised personnel costs	(2,920)	(2,992)	(72)	(11,012)	(12,856)	(1,844)	(36,323)
Public transport contracts	-	(1)	(1)	-	(3)	(3)	(10)
Contractors-maintenance	48	99	51	244	469	225	2,107
Professional services	773	1,306	533	4,038	4,536	498	15,145
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	3,248	3,848	600	12,604	15,321	2,717	46,714
Directors fees	33	43	10	155	172	17	515
Other expenditure	2,369	1,885	(484)	8,872	8,587	(285)	28,553
Finance costs	3	3	-	12	14	2	41
<b>Total operating expenditure</b>	<b>13,202</b>	<b>14,308</b>	<b>1,106</b>	<b>53,553</b>	<b>56,027</b>	<b>2,474</b>	<b>181,245</b>
Depreciation and amortisation	2,651	2,743	92	10,888	10,364	(524)	35,951
<b>Surplus/(deficit) from Operations</b>	<b>(11,802)</b>	<b>(11,518)</b>	<b>(284)</b>	<b>(46,630)</b>	<b>(41,953)</b>	<b>(4,677)</b>	<b>(157,982)</b>
Internal support allocated	11,802	11,518	(284)	46,630	41,953	(4,677)	157,982
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## Section 2c – Operational funding requirement per passenger for the four months ended 31 October 2022



The operational cost (net of third party revenue) of \$8.36 per passenger on the PT Network is lower than the budget of \$9.26 mainly due to higher than expected patronage.

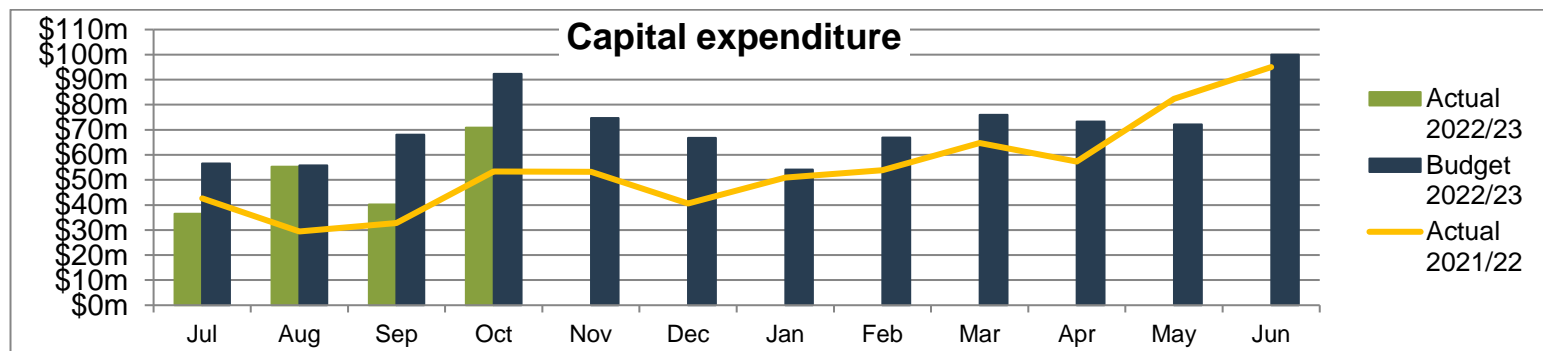
It is important to recognise that the July to October external revenues reflect the 50% discount in fares recovered from passengers. The budget was set with the 50% fare discount ending in August 2022 however the 50% fare discount was subsequently extended to the end of January 2023.

	Current month				Year to date				Full year
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %	Budget
<b>Rail, Bus and Ferry operations:</b>									
Operating expenditure \$000	56,097	55,547	(550)	(1%)	219,336	216,817	(2,519)	(1%)	683,462
Less external revenues \$000	8,545	11,809	(3,264)	(28%)	32,859	38,420	(5,561)	(14%)	139,507
<b>Operating funding requirement \$000</b>	<b>47,552</b>	<b>43,738</b>	<b>(3,814)</b>	<b>(9%)</b>	<b>186,477</b>	<b>178,397</b>	<b>(8,080)</b>	<b>(5%)</b>	<b>543,955</b>
Patronage 000's	5,617	4,728	889	19%	22,301	19,275	3,026	16%	58,765
<b>Operating funding requirement per passenger</b>	<b>\$8.47</b>	<b>\$9.25</b>	<b>\$0.78</b>	<b>8%</b>	<b>\$8.36</b>	<b>\$9.26</b>	<b>\$0.89</b>	<b>10%</b>	<b>\$9.26</b>

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## Section 3a – Summary of Capital Expenditure

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Regional Land Transport Plan (RLTP) grouping</b>							
Active Modes	5,727	9,227	3,500	12,220	27,415	15,195	91,053
Asset Management	22,090	21,591	(499)	59,155	60,758	1,603	219,734
Bus Projects	9,952	2,770	(7,182)	16,338	13,159	(3,179)	42,111
Corridor Improvements	1,418	2,335	917	4,741	14,619	9,878	32,009
Ferry, Multi-modal, and Park and Ride	3,316	2,954	(362)	14,987	11,273	(3,714)	44,458
Local Board Priorities	967	1,380	413	5,628	4,720	(908)	17,205
Network Capacity and Performance	1,370	399	(971)	4,992	5,885	893	9,302
Operational Programmes	2,482	3,158	676	10,461	12,845	2,384	29,195
Population Growth	2,148	2,533	385	6,730	9,503	2,773	44,577
Rapid Transit: Bus Projects	12,965	12,652	(313)	37,824	52,565	14,741	180,803
Rapid Transit: Rail Projects	505	24,611	24,106	2,750	31,282	28,532	58,602
Safety	7,067	6,438	(629)	25,799	25,150	(649)	68,241
Sustainability Projects that are in addition to travel choice projects	685	712	27	1,129	2,029	900	4,676
Climate Action Targeted Rate	29	1,500	1,471	29	1,500	1,471	14,765
Renewals	184	-	(184)	184	-	(184)	-
<b>Total direct capital</b>	<b>70,905</b>	<b>92,260</b>	<b>21,355</b>	<b>202,967</b>	<b>272,703</b>	<b>69,736</b>	<b>856,731</b>



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

## Section 3b – Capital Expenditure Funding

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Direct capital funding</b>							
Waka Kotahi NZ Transport Agency new capital co-investment	9,339	46,919	(37,580)	51,501	109,196	(57,695)	329,125
Waka Kotahi NZ Transport Agency renewal co-investment	10,673	10,787	(114)	27,140	29,499	(2,359)	105,335
Other capital grants	-	225	(225)	-	1,012	(1,012)	6,227
Auckland Council capital grant	50,894	34,330	16,564	124,326	132,997	(8,671)	416,043
<b>Total direct capital funding</b>	<b>70,906</b>	<b>92,261</b>	<b>(21,355)</b>	<b>202,967</b>	<b>272,704</b>	<b>(69,737)</b>	<b>856,730</b>

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## Section 3c – RFT Capital and Operational Expenditure

### RFT Capital and Operating Expenditure

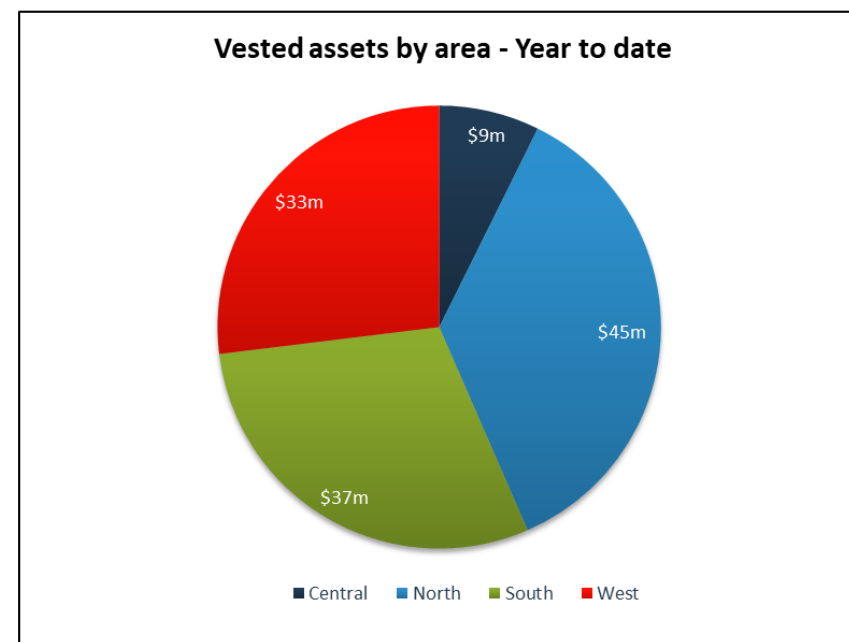
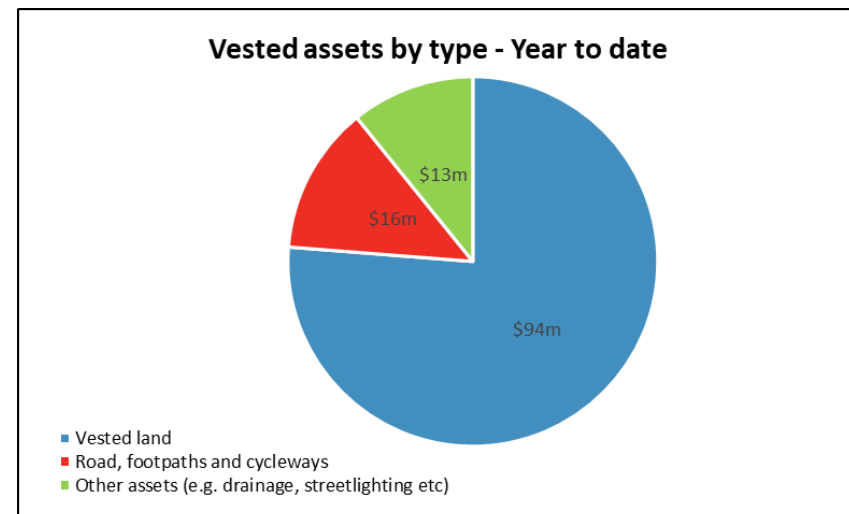
	Year to date			Full year		
	Actual Not RFT Enabled \$000	Actual RFT Enabled \$000	Actual Total \$000	Budget Not RFT Enabled \$000	Budget RFT Enabled \$000	Budget Total \$000
<b>Capital expenditure</b>	<b>123,794</b>	<b>79,173</b>	<b>202,967</b>	<b>498,754</b>	<b>357,976</b>	<b>856,730</b>
<b>Funding</b>						
Waka Kotahi NZ Transport Agency	46,336	32,305	78,641	268,339	166,121	434,460
Others (ACC,Crown, others)	-	-	-	6,227	-	6,227
Auckland Council	77,458	46,868	124,326	224,188	191,855	416,043
<b>Total funding</b>	<b>123,794</b>	<b>79,173</b>	<b>202,967</b>	<b>498,754</b>	<b>357,976</b>	<b>856,730</b>
<b>Programme of capital projects supported by the RFT scheme</b>						
Project 1: Bus priority improvements		2,698			23,314	
Project 2: City centre bus infrastructure		2,785			3,200	
Project 3: Improving airport access		3,219			8,379	
Project 4: Eastern Busway		32,385			136,462	
Project 5: Park-and-ride facilities		40			-	
Project 6: Electric trains and stabling		799			41,598	
Project 7: Downtown ferry terminal and redevelopment		7,963			30,430	
Project 8: Road safety		20,473			54,710	
Project 9: Active transport		1,927			21,161	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		-			-	
Project 12: Road corridor improvements		3,334			21,028	
Project 13: Network capacity and performance improvement		2,806			6,347	
Project 14: Growth-related transport infrastructure		745			11,347	
<b>Total</b>		<b>79,173</b>			<b>357,976</b>	
<b>Operating expenditure</b>		<b>250</b>			<b>1,515</b>	
<i>Note: Fully funded by Auckland Council</i>						
<b>Programme of operating projects supported by the Auckland RFT scheme</b>						
Project 8: Road safety		250			1,515	
<b>Total</b>		<b>250</b>			<b>1,515</b>	

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## Section 3d – Vested Assets

As at 31 October 2022

	Current month	Year to date
	Actual \$000	Actual \$000
<b>Vested Assets - Top 10 Suburbs</b>		
Milldale	37,883	37,883
Hobsonville	19,567	26,959
Drury	-	9,871
Pukekohe	-	9,660
Mount Roskill	72	8,944
Northcote	-	5,530
Clarks Beach	2,053	4,802
Glenbrook	3,004	3,004
Patumahoe	2,587	2,587
New Lynn	2,467	2,467
Other	843	11,717
<b>Total Vested Asset</b>	<b>68,475</b>	<b>123,425</b>



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## Section 4a – Statement of Financial Position

As at 31 October 2022

	Note	Actual 31 October 2022 \$000	Actual 30 September 2022 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	4,751	3,021
Receivables	2	541,905	539,698
Inventories		11,778	11,767
Other assets		26,749	24,460
Non-current assets held for sale		1,608	1,608
Derivative financial instruments		13	763
<b>Total current assets</b>		<b>586,804</b>	<b>581,317</b>
<b>Non-current assets</b>			
Property, plant and equipment (PPE)		25,585,933	25,517,695
Intangible assets		124,568	122,764
Work in progress (PPE and intangible assets)	3	877,475	851,497
Derivative financial instruments		-	1,603
<b>Total non-current assets</b>		<b>26,587,976</b>	<b>26,493,559</b>
<b>Total assets</b>		<b>27,174,780</b>	<b>27,074,876</b>



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## Section 4a – Statement of Financial Position (continued)

As at 31 October 2022

	Note	Actual 31 October 2022 \$000	Actual 30 September 2022 \$000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and accruals	4	240,994	237,968
Employee entitlements	5	24,909	23,400
Derivative financial instruments		388	242
Borrowings	6	9,081	9,058
Total current liabilities		275,372	270,668
<b>Non-current liabilities</b>			
Payables and accruals	4	2,413	2,688
Employee entitlements	5	289	289
Derivative financial instruments		4,139	41
Borrowings	6	468,118	468,903
Total non-current liabilities		474,959	471,921
<b>Total liabilities</b>		<b>750,331</b>	<b>742,589</b>
<b>Net assets</b>		<b>26,424,449</b>	<b>26,332,287</b>
<b>Equity</b>			
Contributed capital		13,222,390	13,222,390
Accumulated funds		4,996,795	4,904,633
Other reserves		8,205,264	8,205,264
<b>Total equity</b>		<b>26,424,449</b>	<b>26,332,287</b>

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## Section 4b – Notes to the Financial Statements

As at 31 October 2022

	Actual 31 October 2022	Actual 30 September 2022
	\$000	\$000
<b>1 Cash and cash equivalents</b>		
Cash at bank	4,520	2,784
Till floats	231	237
<b>Total cash and cash equivalents</b>	<b>4,751</b>	<b>3,021</b>

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

<b>2 Receivables</b>		
Trade and other debtors	4,998	4,893
Infringement receivable	47,561	46,813
Amounts due from related parties	425,928	439,172
Accrued revenue	85,365	70,601
	<b>563,852</b>	<b>561,479</b>
Less provision for impairment of receivables	(21,947)	(21,781)
<b>Total current receivables</b>	<b>541,905</b>	<b>539,698</b>

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.

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

As at 31 October 2022

The ageing profile of receivables is detailed below:

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Amounts due from related parties	Total
	\$000	\$000	\$000	\$000	\$000
Not past due	3,740	3,156	-	425,163	432,059
Past due 1 - 30 days	247	2,762	-	40	3,049
Past due 31 - 60 days	92	2,014	-	334	2,440
Past due 61 - 90 days	84	1,676	-	383	2,143
Past due > 90 days	835	2,313	35,640	8	38,796
	<b>4,998</b>	<b>11,921</b>	<b>35,640</b>	<b>425,928</b>	<b>478,487</b>
Impairment	(381)	(539)	(21,027)	-	(21,947)
	<b>4,617</b>	<b>11,382</b>	<b>14,613</b>	<b>425,928</b>	<b>456,540</b>

All receivables greater than 30 days in age are considered to be past due.

The provision for impairment of receivables has been calculated on an individual basis. The provision is based on a review of significant debtor balances. Receivables are assessed as impaired due to significant financial difficulties being experienced by the debtor, and AT management concluding that it is remote that the overdue amounts will be recovered.

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Total
	\$000	\$000	\$000	\$000
Balance at 30 June 2022	381	1,426	20,036	21,843
Additional/(Reversal) provisions made	-	-	991	991
Provisions reversed	-	(887)	-	(887)
Provisions relating to receivables written-off	-	-	-	-
Balance at 31 October 2022	<b>381</b>	<b>539</b>	<b>21,027</b>	<b>21,947</b>

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

As at 31 October 2022

	Opening balance 1 July 2022 \$000	Acquisition YTD 31 October 2022 \$000	Capitalisation YTD 31 October 2022 \$000	Closing balance 31 October 2022 \$000
<b>3 Work in Progress (WIP)</b>				
<b>WIP by activity</b>				
Roads and footpaths	495,346	79,181	-46,136	528,391
Public Transport	289,255	72,708	-12,879	349,084
<b>Total WIP</b>	<b>784,601</b>	<b>151,889</b>	<b>-59,015</b>	<b>877,475</b>
<b>WIP by status</b>				
Current WIP (completion in future)				698,214
Due for capitalisation within policy				23,176
Due for capitalisation not within policy				155,218
Forecast completion date not yet provided (new projects)				867
<b>Total WIP</b>				<b>877,475</b>
<b>Top 10 Programmes</b>				<b>WIP Closing balance 31 October 2022</b>
Eastern Busway				135,985
Safety Programme				63,099
Supporting Growth				61,218
Rosedale and Constellation Bus Stations				45,456
Matakana Link Road				41,467
Urban Cycleways Programme				38,423
Connected Communities				35,974
Wolverton Culverts				33,069
Customer and Business				27,649
Public Transport Safety				22,906
<b>Total</b>				<b>505,247</b>

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

As at 31 October 2022

	Actual 31 October 2022	Actual 30 September 2022
	\$000	\$000
<b>4 Payables and accruals</b>		
<b>Current portion</b>		
Creditors	20,591	27,222
Goods and services tax	1,032	8,750
Accrued expenses	169,154	162,963
Retentions	24,077	23,288
Amounts due to related parties	15,759	13,840
Revenue in advance	10,381	1,905
<b>Total current payables</b>	<b>240,994</b>	<b>237,968</b>
<b>Non-current portion</b>		
Amounts due to related parties	2,413	2,688
<b>Total non-current payables</b>	<b>2,413</b>	<b>2,688</b>

Creditors and other payables are non-interest bearing and are normally settled on 20 day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

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

As at 31 October 2022

	Actual 31 October 2022 \$000	Actual 30 September 2022 \$000
<b>5 Employee entitlements</b>		
<b>Current portion</b>		
Accrued salaries and wages	8,478	8,010
Accrued leave	16,431	15,390
<b>Total current employee entitlements</b>	<b>24,909</b>	<b>23,400</b>
<b>Non-current portion</b>		
Retirement gratuities	253	253
Long service leave	36	36
<b>Total non-current employee entitlements</b>	<b>289</b>	<b>289</b>
<b>6 Borrowings</b>		
<b>Current portion</b>		
Finance lease	1,154	1,154
Loans from Auckland Council	7,927	7,904
<b>Total current borrowings</b>	<b>9,081</b>	<b>9,058</b>
<b>Non-current portion</b>		
Finance lease	2,439	2,528
Loans from Auckland Council	465,679	466,375
<b>Total non-current borrowings</b>	<b>468,118</b>	<b>468,903</b>
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$474 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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## Section 5 – Cashflow

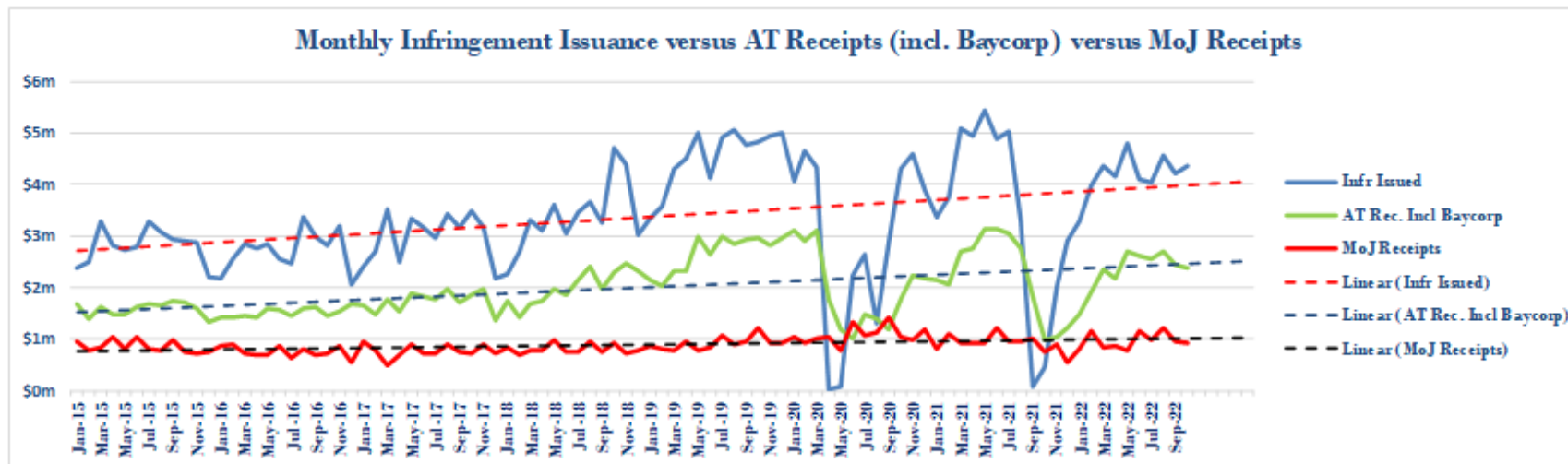
	Year to Date		Full year
	Actual \$000	Budget \$000	Budget \$000
<b>Cash flows from operating activities</b>			
<b>Total cash provided</b>	<b>628,824</b>	<b>664,716</b>	<b>2,018,764</b>
<b>Cash applied to</b>			
Payments to suppliers and employees	364,818	359,841	1,125,754
Interest paid	8,486	9,656	28,495
Goods and services tax	1,154	-	-
<b>Total cash applied</b>	<b>374,458</b>	<b>369,497</b>	<b>1,154,249</b>
<b>Net cash from operating activities</b>	<b>254,366</b>	<b>295,219</b>	<b>864,515</b>
<b>Cash flows from investing activities</b>			
<b>Cash provided from</b>			
Sale of property, plant and equipment	177	-	-
<b>Cash applied to:</b>			
Purchase of property, plant and equipment	251,312	292,703	856,730
<b>Net cash from investing activities</b>	<b>(251,135)</b>	<b>(292,703)</b>	<b>(856,730)</b>
<b>Cash flows from financing activities</b>			
<b>Cash applied to</b>			
Repayments of EMU loan from Auckland Council	2,517	2,516	7,785
Repayments of finance lease principal	353	-	-
<b>Net cash from financing activities</b>	<b>(2,870)</b>	<b>(2,516)</b>	<b>(7,785)</b>
<b>Net (decrease)/increase in cash and cash equivalent</b>	<b>361</b>	<b>-</b>	<b>-</b>
Opening cash and cash equivalents	4,390	-	-
<b>Closing cash balance</b>	<b>4,751</b>	<b>-</b>	<b>-</b>

	Actual \$000
<b>Reconciliation of surplus after tax to net cash from operating activities</b>	
<b>Surplus after tax</b>	<b>160,619</b>
<b>Add/(less) non-cash items</b>	
Depreciation and amortisation	172,952
Vested asset income	(123,425)
Gain on disposal of property, plant and equipment	(144)
(Gains)/losses on derivatives	2,070
	<b>51,453</b>
<b>Add/(less) movements in balance sheet items</b>	
Receivables	44,448
Inventories	1,578
Other assets	(16,473)
Non-current assets held for sale	(1,451)
Payables and accruals	6,770
Employee entitlements	7,422
	<b>42,294</b>
<b>Net cash from operating activities</b>	<b>254,366</b>


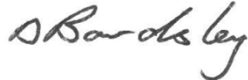
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## Section 6 – Infringement Overview

Over 94 months (January 2015 to October 2022), the trend for both infringements issued and receipted (including Baycorp) is positive and increasing while the trend for receipts by Ministry of Justice has remained relatively static, despite the fact that more matters have been lodged with them.



## Te pou whenua tuhinga / Document ownership

<b>Submitted by</b>	Sam Ho <b>Financial Reporting Manager</b>	
<b>Recommended by</b>	David Bardsley <b>Group Manager Finance</b>	
<b>Approved for submission</b>	Mark Laing <b>Executive General Manager Finance</b>	