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Results for the Seven Months Ended 31 January 2022

For decision: For noting:

Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

- a) Receives the report.

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Section 1 – Te whakarāpopototanga matua / Executive summary

The full year budget was prepared on the assumption of Auckland being at COVID-19 pandemic (COVID-19) Alert Level 1 for the full financial year. Ongoing COVID-19 lockdowns and subsequent restrictions with the move to the traffic light system on 3 December 2021, mean that achievement of the full year budget is unrealistic in the absence of a central Government top up of public transport (PT) revenues. In December, Waka Kotahi New Zealand Transport Agency (Waka Kotahi) agreed to continue funding lost PT farebox revenue at 51% FAR this financial year and Auckland Council has approved additional operating funding of up to \$50 million for this financial year.

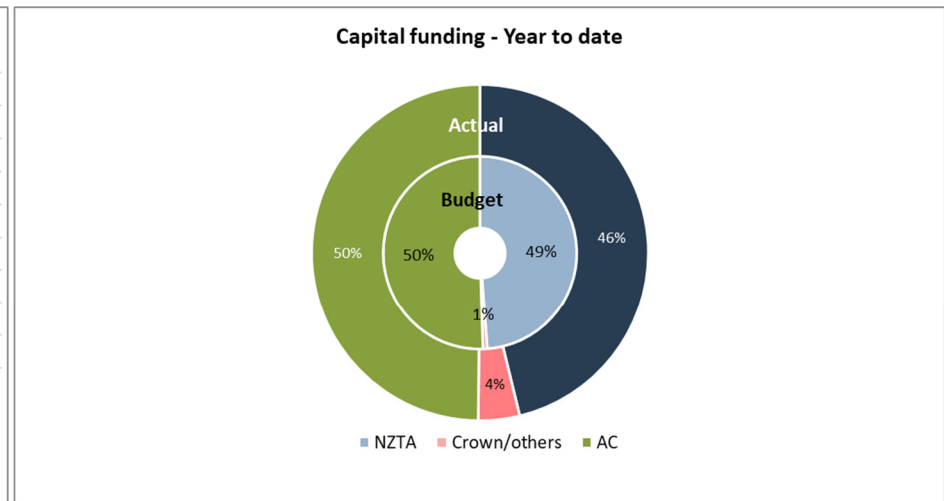
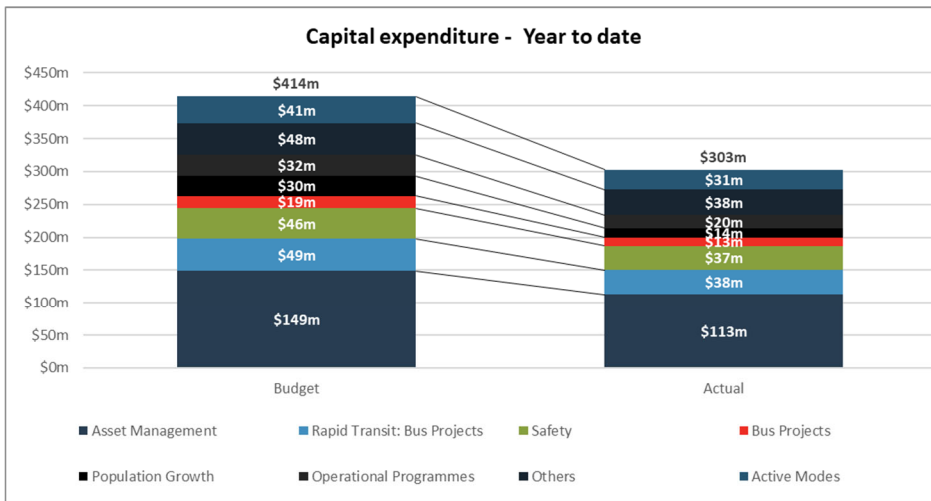
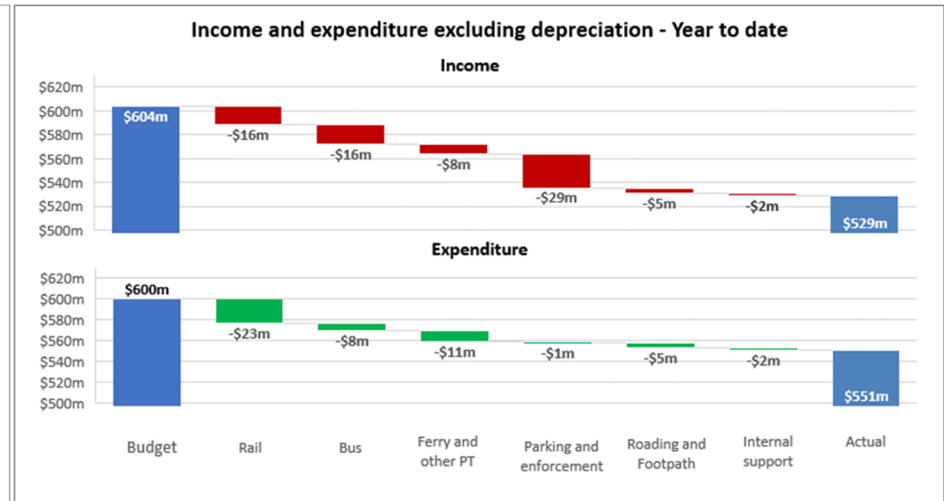
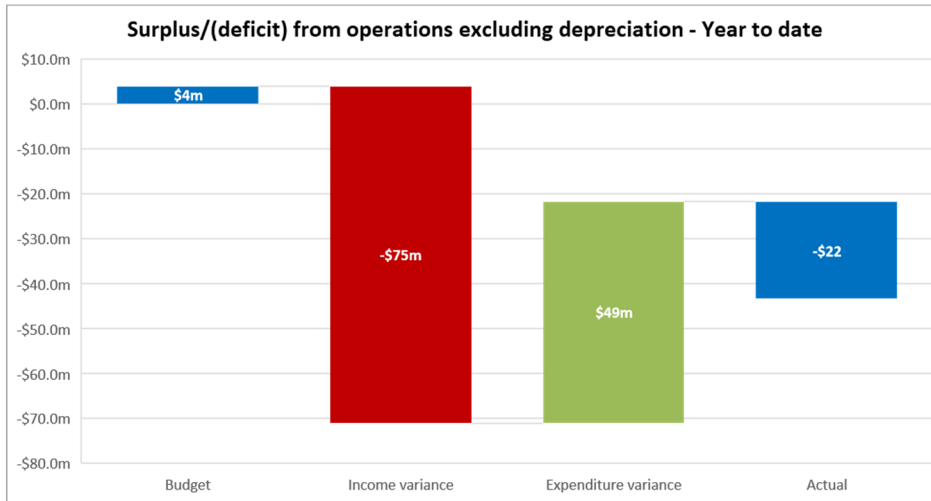
1. **Deficit from operations** is \$7.4 million favourable to budget in January and \$19.7 million unfavourable year to date (YTD). The favourable result in January reflects \$7.0 million of one offs relating to Public Transport contract costs, \$1 million lower Public Transport contract costs reflect operating at a weekend timetable (savings are expected to cease when the weekday timetable resumes in February) and a \$6.1 million favourable variance in depreciation and amortisation primarily due to an increase in the useful life of Britomart as a result of CRL improvements.
2. The full year result remains sensitive to COVID-19 impacts, PT patronage recovery and Waka Kotahi funding and the recent Omicron outbreak mean that AT's full year operating result may be more than \$60 million adverse to budget.
3. **YTD deficit from operations excluding depreciation** of \$21.7 million is \$25.8 million unfavourable to budget mainly due to the impact of the COVID-19 lockdown on revenue. Operating income is down \$75.2 million YTD against budget, over half of which is offset by a \$49.4 million reduction in operating expenditure. The underlying run rate is \$14.0 million worse when one offs (Transdev wash up and KiwiRail reimbursement) are taken into consideration. Items to note:
 - Waka Kotahi funding is \$3.7 million favourable to budget mainly due to claims for higher net PT expenditure, partially offset by lower capital activity and administration subsidies.
 - Parking and enforcement revenue is unfavourable to budget mainly due to lower parking occupancy and infringement ticket issuances as a result of the COVID-19 lockdown and subsequent delays in the implementation of the next tranche of special vehicle lanes.
 - PT income is unfavourable to budget due to lower than expected patronage. PT patronage recovery stalled due to the change to the red traffic light as a result of the Omicron variant, with patronage decreasing from 44% in December to 42% in January (of pre-COVID-19 levels).
 - Other revenue is unfavourable to budget mainly due to lower than expected fuel tax income and ferry operator access fees.
 - Operating expenditure includes \$4.0 million reclassification of Software as a Service (SaaS) costs from capital to operational expenditure in line with recent technical accounting changes. The full year impact is expected to be around \$8 million of SaaS costs reclassified from capex to opex which was not budgeted nor included in the additional Auckland Council funding of up to \$50 million.

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- Personnel cost is favourable to budget primarily due to budgeted positions not yet filled.
 - Capitalised personnel cost is lower than budget due to vacant positions and SaaS capitalised labour cost of \$1 million reclassified to opex in December 2021.
 - PT contract costs are favourable to budget due to reduced rail operating costs from favourable prior and current year cost wash-ups, reduced train service kilometres and utilities costs, lower ferry indexation and KPI savings on bus contracts driven by the bus driver shortage. KPI's were suspended after the change to a weekend timetable under Alert Levels 4 and 3. AT resumed a weekday timetable at the beginning of February.
 - Contractor maintenance is favourable to budget mainly from a reduction in stormwater charges, towing costs and reduced activity as a result of COVID-19 impacts.
 - Professional fees is favourable to budget mainly due to budget phasing.
 - Track and ferry access charges are favourable due to reimbursement of prior year charges by KiwiRail.
 - Other expenditure is favourable to budget primarily due to lower than expected unplanned facilities maintenance (e.g. stations, carparks etc), AT delivered events and training, mobility and public transport concessions and advertising costs.
4. **Loss on disposal of assets** - City Rail Link Limited transferred Britomart Station Works including the Chief Post Office (CPO, C1 SP3) through Auckland Council to AT for \$161.9 million in September. An independent valuation of Britomart including the CPO was obtained resulting in an impairment of \$32.7 million.
 5. **Capital expenditure** of \$303 million (73% delivery) is \$111 million lower than budget. Programmes and projects across the board are behind planned spend due to the impacts of COVID-19 on public consultations, consenting, procurement, tendering processes and broader supply chain constraints. AT are expecting to deliver a full year capital programme of circa \$650 million to \$700 million.
 6. **Waka Kotahi capital funding YTD** of 46% is lower than the budget of 49%. The budget assumption for the full year is 50% with the full year forecast expected to be less than 50% based on a lower capital spend.
 7. **Regional Fuel Tax (RFT) enabled capital spend** as at January YTD is \$80 million versus a full year planned spend of \$251 million which is approximately 32% of the full year RFT enabled capital budget.

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



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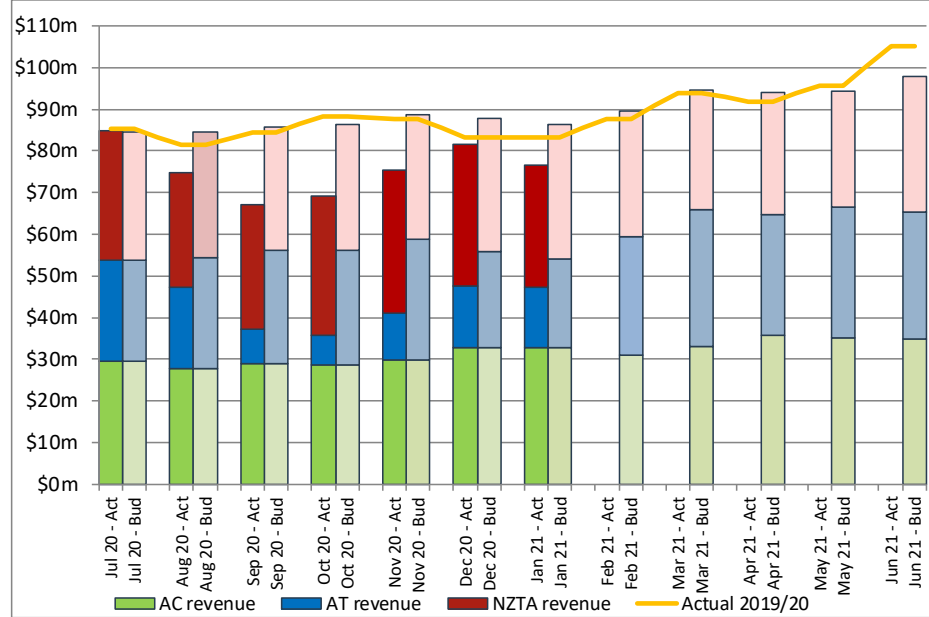
Section 2 – Financial results for the seven months ended 31 January 2022

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating income							
Auckland Council funding	32,743	32,743	-	209,961	209,961	-	379,855
Waka Kotahi NZ Transport Agency operating funding	29,179	32,210	(3,031)	218,618	214,927	3,691	363,288
Parking and enforcement income	6,248	6,551	(303)	30,562	59,112	(28,550)	108,605
Public transport income	6,140	12,335	(6,195)	52,935	100,728	(47,793)	190,896
Other revenue incl. other grants and subsidies	2,301	2,469	(168)	16,971	19,524	(2,553)	31,912
Total operating income	76,611	86,308	(9,697)	529,047	604,252	(75,205)	1,074,556
Operating expenditure							
Personnel costs	13,371	14,708	1,337	112,276	117,767	5,491	208,709
Capitalised personnel costs	(2,037)	(2,976)	(939)	(22,778)	(29,347)	(6,569)	(51,217)
Public transport contracts	33,829	42,920	9,091	267,725	288,924	21,199	512,588
Contractors-maintenance	6,565	7,252	687	49,521	53,490	3,969	93,075
Professional services	3,631	2,821	(810)	21,758	23,738	1,980	42,971
Track and ferry access charges	3,926	3,674	(252)	13,917	22,976	9,059	40,014
Other expenditure	12,985	14,887	1,902	91,228	105,465	14,237	192,140
Finance costs	2,458	2,457	(1)	17,110	17,102	(8)	28,946
Total operating expenditure excluding depreciation	74,728	85,743	11,015	550,757	600,115	49,358	1,067,226
Surplus/(deficit) from operations excluding depreciation	1,883	565	1,318	(21,710)	4,137	(25,847)	7,330
Depreciation and amortisation	29,636	35,695	6,059	233,018	239,205	6,187	425,920
Surplus/(deficit) from operations	(27,753)	(35,130)	7,377	(254,728)	(235,068)	(19,660)	(418,590)
Income for capital projects							
Waka Kotahi NZ Transport Agency capital co-investment	24,467	34,544	(10,077)	139,591	202,250	(62,659)	406,206
Auckland Council capital grant	26,496	15,637	10,859	151,348	209,182	(57,834)	403,908
Other capital grants	-	1,115	(1,115)	12,050	3,000	9,050	10,000
Vested asset income	9,588	23,822	(14,234)	122,923	162,618	(39,695)	275,000
Total income for capital projects	60,551	75,118	(14,567)	425,912	577,050	(151,138)	1,095,114
Net surplus/(deficit) before tax and derivatives	32,798	39,988	(7,190)	171,184	341,982	(170,798)	676,524
Gains/(losses) on derivatives	4,135	-	4,135	5,703	-	5,703	-
Gain/(loss) on disposal of assets	-	-	-	(32,716)	-	(32,716)	-
Net surplus/(deficit) after tax and derivatives	36,933	39,988	(3,055)	144,171	341,982	(197,811)	676,524

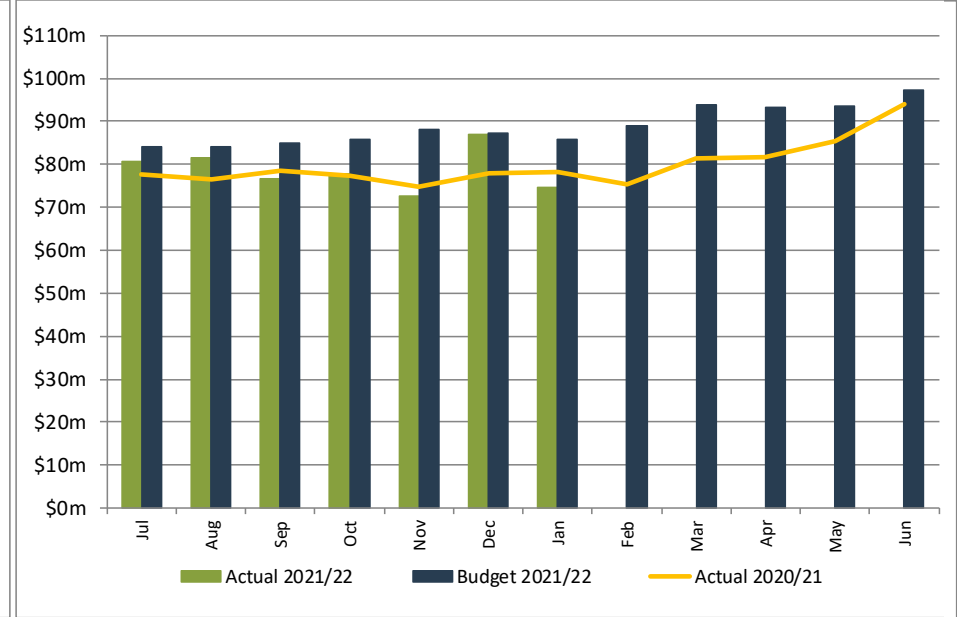
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Section 2 – Financial results for the seven months ended 31 January 2022 (continued)

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
Operating Income							
Rail	8,220	11,982	(3,762)	67,117	83,017	(15,900)	145,432
Bus	15,983	19,689	(3,706)	126,741	142,985	(16,244)	256,256
Ferry	1,889	3,260	(1,371)	13,933	19,427	(5,494)	35,694
Other public transport	2,378	1,973	405	14,591	17,176	(2,585)	30,076
Parking	3,040	3,687	(647)	14,617	28,041	(13,424)	49,350
Enforcement	3,209	2,864	345	15,945	31,072	(15,127)	59,255
Roading and footpaths	4,892	5,545	(653)	37,138	41,859	(4,721)	71,114
Internal support	4,258	4,563	(305)	29,004	30,716	(1,712)	47,523
Auckland Council operating funding	32,743	32,743	-	209,961	209,961	-	379,855
Total operating income	76,612	86,306	(9,694)	529,047	604,254	(75,207)	1,074,555
Operating Expenditure							
Rail	14,502	19,890	5,388	108,375	131,691	23,316	228,574
Bus	27,683	31,564	3,881	211,941	219,526	7,585	389,437
Ferry	3,208	4,223	1,015	20,935	25,766	4,831	48,418
Other public transport	4,598	4,302	(296)	30,826	36,633	5,807	66,898
Parking	1,013	1,078	65	7,167	7,739	572	13,244
Enforcement	2,097	1,817	(280)	15,327	15,621	294	27,686
Roading and footpaths	9,638	10,260	622	72,747	77,721	4,974	135,108
Internal support	11,990	12,607	617	83,444	85,420	1,976	157,860
Depreciation and amortisation	29,636	35,695	6,059	233,018	239,205	6,187	425,920
Total operating expenditure	104,365	121,436	17,071	783,780	839,322	55,542	1,493,145
Surplus/(deficit) from Operations	(27,753)	(35,130)	7,377	(254,733)	(235,068)	(19,665)	(418,590)

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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
Operating Income							
Activity income	682	2,948	(2,266)	9,384	25,161	(15,777)	46,509
Other income	47	159	(112)	351	1,114	(763)	1,908
Waka Kotahi NZ Transport Agency operating funding	7,491	8,875	(1,384)	57,382	56,742	640	97,015
Total operating income	8,220	11,982	(3,762)	67,117	83,017	(15,900)	145,432
Operating Expenditure							
Personnel costs	260	643	383	3,664	5,051	1,387	8,834
Capitalised personnel costs	86	(6)	(92)	846	(305)	(1,151)	(603)
Public transport contracts	6,114	10,645	4,531	58,864	70,061	11,197	121,676
Contractors-maintenance	80	12	(68)	280	87	(193)	150
Professional services	213	1	(212)	772	10	(762)	411
Track access charges	3,869	3,638	(231)	13,691	22,725	9,034	39,583
Other expenditure	1,426	2,503	1,077	13,175	16,981	3,806	29,613
Finance costs	2,454	2,454	-	17,083	17,081	(2)	28,910
Total operating expenditure	14,502	19,890	5,388	108,375	131,691	23,316	228,574
Depreciation and amortisation	(3,574)	4,287	7,861	27,347	29,451	2,104	51,288
Surplus/(deficit) from Operations	(2,708)	(12,195)	9,487	(68,605)	(78,125)	9,520	(134,430)
Internal support costs	2,683	3,003	320	18,857	19,970	1,113	39,423
Surplus/(deficit)	(5,391)	(15,198)	9,807	(87,462)	(98,095)	10,633	(173,853)

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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
Operating Income							
Activity income	3,835	6,199	(2,364)	28,871	52,292	(23,421)	100,745
Other income	184	285	(101)	4,217	4,633	(416)	8,892
Waka Kotahi NZ Transport Agency operating funding	11,964	13,205	(1,241)	93,653	86,060	7,593	146,619
Total operating income	15,983	19,689	(3,706)	126,741	142,985	(16,244)	256,256
Operating Expenditure							
Personnel costs	388	422	34	3,003	3,487	484	6,099
Capitalised personnel costs	1	(61)	(62)	414	(826)	(1,240)	(1,501)
Public transport contracts	25,408	28,846	3,438	192,966	198,641	5,675	352,488
Contractors-maintenance	83	99	16	609	694	85	1,190
Professional Services	310	107	(203)	655	1,048	393	2,269
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	1,493	2,151	658	14,293	16,482	2,189	28,892
Finance costs	-	-	-	1	-	(1)	-
Total operating expenditure	27,683	31,564	3,881	211,941	219,526	7,585	389,437
Depreciation and amortisation	562	624	62	3,868	4,036	168	7,391
Surplus/(deficit) from Operations	(12,262)	(12,499)	237	(89,068)	(80,577)	(8,491)	(140,572)
Internal support costs	4,571	5,117	546	32,128	34,024	1,896	67,167
Surplus/(deficit)	(16,833)	(17,616)	783	(121,196)	(114,601)	(6,595)	(207,739)

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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
Operating Income							
Operator access fees	503	629	(126)	2,710	3,917	(1,207)	6,935
Activity income	139	1,232	(1,093)	1,452	6,202	(4,750)	13,191
Other income	131	91	40	601	640	(39)	1,099
Waka Kotahi NZ Transport Agency operating funding	1,116	1,308	(192)	9,170	8,668	502	14,469
Total operating income	1,889	3,260	(1,371)	13,933	19,427	(5,494)	35,694
Operating Expenditure							
Personnel costs	247	156	(91)	1,249	1,169	(80)	2,130
Capitalised personnel costs	(20)	28	48	(452)	194	646	334
Public transport contracts	2,281	3,368	1,087	15,666	19,729	4,063	37,629
Contractors-maintenance	-	-	-	10	-	(10)	-
Professional Services	-	11	11	(13)	67	80	362
Ferry access charges	57	36	(21)	226	251	25	431
Other expenditure	643	624	(19)	4,249	4,356	107	7,532
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	3,208	4,223	1,015	20,935	25,766	4,831	48,418
Depreciation and amortisation	1,093	354	(739)	3,756	2,457	(1,299)	4,241
Surplus/(deficit) from Operations	(2,412)	(1,317)	(1,095)	(10,758)	(8,796)	(1,962)	(16,965)
Internal support costs	568	636	68	3,994	4,230	236	8,351
Surplus/(deficit)	(2,980)	(1,953)	(1,027)	(14,752)	(13,026)	(1,726)	(25,316)

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Section 2b – Other Public Transport Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Other income	619	791	(172)	5,349	6,769	(1,420)	11,616
Waka Kotahi NZ Transport Agency operating funding	1,759	1,182	577	9,242	10,407	(1,165)	18,460
Total operating income	2,378	1,973	405	14,591	17,176	(2,585)	30,076
Operating Expenditure							
Personnel costs	1,783	1,719	(64)	13,940	13,786	(154)	24,507
Capitalised personnel costs	35	259	224	485	771	286	1,314
Public transport contracts	26	61	35	229	499	270	805
Contractors-maintenance	1,124	684	(440)	7,520	6,870	(650)	13,032
Professional Services	855	494	(361)	4,037	5,055	1,018	8,964
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	118	55	(63)	606	296	(310)	526
Other expenditure	657	1,030	373	4,009	9,356	5,347	17,750
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	4,598	4,302	(296)	30,826	36,633	5,807	66,898
Depreciation and amortisation	598	650	52	4,224	4,423	199	7,597
Surplus/(deficit) from Operations	(2,818)	(2,979)	161	(20,459)	(23,880)	3,421	(44,419)
Internal support costs	785	879	94	5,519	5,845	326	11,538
Surplus/(deficit)	(3,603)	(3,858)	255	(25,978)	(29,725)	3,747	(55,957)

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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
Operating Income							
Parking Fees	2,767	3,638	(871)	13,767	27,692	(13,925)	48,720
Other income	273	49	224	850	349	501	630
Total operating income	3,040	3,687	(647)	14,617	28,041	(13,424)	49,350
Operating Expenditure							
Personnel costs	201	193	(8)	1,517	1,582	65	2,782
Capitalised personnel costs	(3)	(13)	(10)	(72)	(156)	(84)	(269)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	147	145	(2)	848	1,014	166	1,738
Professional Services	4	11	7	132	75	(57)	129
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	664	742	78	4,742	5,224	482	8,864
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	1,013	1,078	65	7,167	7,739	572	13,244
Depreciation and amortisation	839	664	(175)	5,843	4,626	(1,217)	7,961
Surplus/(deficit) from Operations	1,188	1,945	(757)	1,607	15,676	(14,069)	28,145
Internal support costs	155	174	19	1,093	1,157	64	2,284
Surplus/(deficit)	1,033	1,771	(738)	514	14,519	(14,005)	25,861

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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
Operating Income							
Infringement income	3,206	2,864	342	15,943	31,072	(15,129)	59,255
Other income	3	-	3	2	-	2	-
Total operating income	3,209	2,864	345	15,945	31,072	(15,127)	59,255
Operating Expenditure							
Personnel costs	1,132	837	(295)	7,825	6,990	(835)	12,316
Capitalised personnel costs	(3)	5	8	(39)	55	94	95
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	154	212	58	924	1,862	938	3,305
Professional Services	8	8	-	127	58	(69)	100
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	63	79	16	1,027	556	(471)	953
Movement in doubtful debts	271	196	(75)	982	1,373	391	2,355
Other expenditure	472	480	8	4,481	4,727	246	8,562
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	2,097	1,817	(280)	15,327	15,621	294	27,686
Depreciation and amortisation	146	207	61	1,041	1,273	232	2,424
Surplus/(deficit) from Operations	966	840	126	(423)	14,178	(14,601)	29,145
Internal support costs	325	364	39	2,284	2,419	135	4,775
Surplus/(deficit)	641	476	165	(2,707)	11,759	(14,466)	24,370

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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
Operating Income							
Petrol tax	713	844	(131)	3,419	6,112	(2,693)	10,448
Other income	474	592	(118)	4,774	5,819	(1,045)	9,312
Waka Kotahi NZ Transport Agency operating funding	3,705	4,109	(404)	28,945	29,928	(983)	51,354
Total operating income	4,892	5,545	(653)	37,138	41,859	(4,721)	71,114
Operating Expenditure							
Personnel costs	2,726	2,596	(130)	21,177	21,184	7	37,418
Capitalised personnel costs	(724)	(1,080)	(356)	(7,263)	(7,644)	(381)	(12,935)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	4,955	6,030	1,075	39,863	42,323	2,460	72,556
Professional Services	775	1,109	334	6,006	9,402	3,396	16,096
Track and ferry access charges	-	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	1,906	1,605	(301)	12,964	12,456	(508)	21,973
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	9,638	10,260	622	72,747	77,721	4,974	135,108
Depreciation and amortisation	27,030	25,004	(2,026)	166,356	168,194	1,838	298,515
Surplus/(deficit) from Operations	(31,776)	(29,719)	(2,057)	(201,965)	(204,056)	2,091	(362,509)
Internal support costs	1,586	1,775	189	11,146	11,804	658	23,302
Surplus/(deficit)	(33,362)	(31,494)	(1,868)	(213,111)	(215,860)	2,749	(385,811)

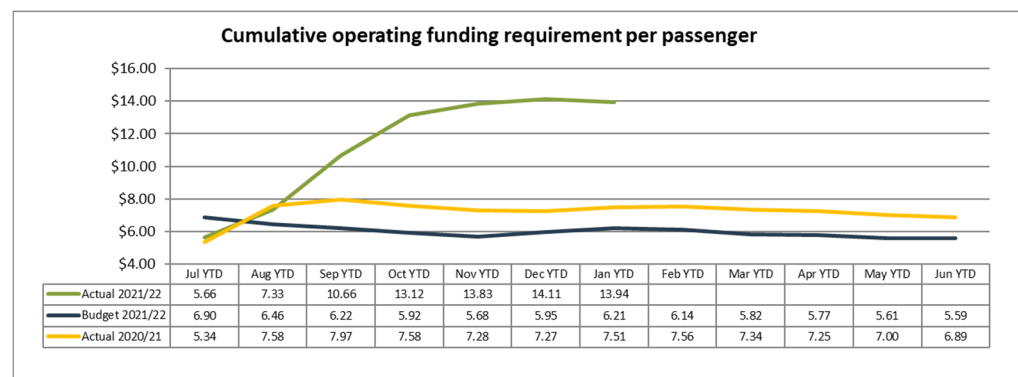
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Section 2b – Internal Support

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Rental income	838	709	129	5,128	4,960	168	7,390
Other income	276	324	(48)	3,650	2,634	1,016	4,762
Waka Kotahi NZ Transport Agency operating funding	3,144	3,530	(386)	20,226	23,122	(2,896)	35,371
Total operating income	4,258	4,563	(305)	29,004	30,716	(1,712)	47,523
Operating Expenditure							
Personnel costs	6,634	8,142	1,508	59,903	64,517	4,614	114,622
Capitalised personnel costs	(1,409)	(2,107)	(698)	(16,696)	(21,436)	(4,740)	(37,652)
Public transport contracts	-	(1)	(1)	-	(6)	(6)	(10)
Contractors-maintenance	23	69	46	(533)	640	1,173	1,103
Professional services	1,466	1,080	(386)	10,042	8,024	(2,018)	14,641
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	3,361	2,806	(555)	18,657	19,482	825	33,990
Directors fees	44	42	(2)	306	296	(10)	508
Other expenditure	1,867	2,573	706	11,738	13,882	2,144	30,621
Finance costs	4	3	(1)	27	21	(6)	37
Total operating expenditure	11,990	12,607	617	83,444	85,420	1,976	157,860
Depreciation and amortisation	2,942	3,905	963	20,582	24,745	4,163	46,503
Surplus/(deficit) from Operations	(10,674)	(11,949)	1,275	(75,022)	(79,449)	4,427	(156,840)
Internal support allocated	10,674	11,949	1,275	75,022	79,449	4,427	156,840
Surplus/(deficit)	-	-	-	-	-	-	-

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Section 2c – Operational funding requirement per passenger for the seven months ended 31 January 2022



The operational cost (net of third party revenue) of \$13.94 per passenger on the PT Network is higher than the budget of \$6.22 due to COVID-19 restrictions from 18 August 2021 driving lower than expected patronage and external revenue. This is partly offset by optimising public transport operating expenditure where possible whilst accommodating the lower patronage.

	Current month				Year to date				Full year
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %	Budget
Rail, Bus and Ferry operations:									
Operating expenditure \$000	42,939	53,223	10,284	19%	324,168	359,902	35,734	10%	637,519
Less external revenues \$000	5,521	11,543	(6,022)	(52%)	47,586	93,959	(46,373)	(49%)	179,279
Operating funding requirement \$000	37,418	41,680	4,262	10%	276,582	265,943	(10,639)	(4%)	458,240
Patronage 000's	2,898	5,114	(2,216)	(43%)	19,844	42,789	(22,945)	(54%)	82,000
Operating funding requirement per passenger	\$12.91	\$8.15	(\$4.76)	(58%)	\$13.94	\$6.22	(\$7.72)	(124%)	\$5.59

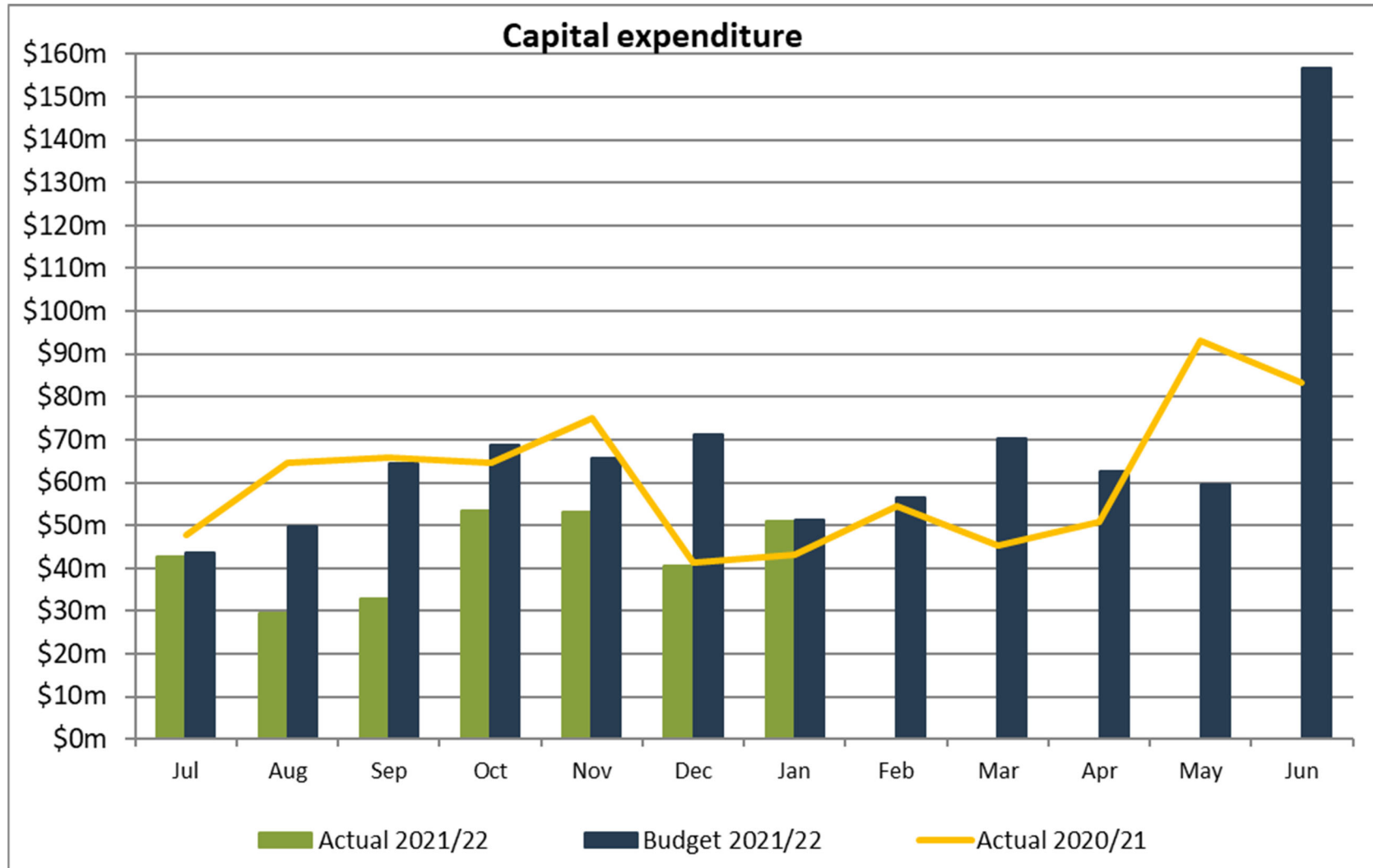
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Section 3a – Summary of Capital Expenditure

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Regional Land Transport Plan (RLTP) grouping							
Active Modes	2,961	4,420	1,459	30,776	41,043	10,267	72,228
Asset Management	17,890	20,212	2,322	112,674	148,959	36,285	252,394
Bus Projects	773	3,012	2,239	12,680	18,871	6,191	58,266
Corridor Improvements	520	1,015	495	4,188	6,921	2,733	27,513
Ferry, Multi-modal, and Park and Ride	1,228	1,711	483	10,028	13,838	3,810	33,101
Local Board Priorities	269	1,199	930	3,110	6,949	3,839	27,799
Network Capacity and Performance	217	559	342	5,436	8,438	3,002	14,000
Operational Programmes	1,963	2,708	745	20,447	31,909	11,462	49,580
Population Growth	1,733	5,203	3,470	13,999	30,357	16,358	68,941
Rapid Transit: Bus Projects	5,603	3,993	(1,610)	37,591	48,925	11,334	97,069
Rapid Transit: Rail Projects	11,868	1,064	(10,804)	15,186	8,570	(6,616)	25,151
Safety	5,697	5,601	(96)	36,659	46,280	9,621	86,360
Sustainability Projects that are in addition to travel choice projects	238	597	359	205	3,371	3,166	7,712
Corridor Improvement	2	-	(2)	10	-	(10)	-
Total direct capital	50,962	51,294	332	302,989	414,431	111,442	820,114

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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 \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Direct capital funding							
Waka Kotahi NZ Transport Agency new capital co-investment	16,669	22,335	(5,666)	89,556	127,527	(37,971)	286,646
Waka Kotahi NZ Transport Agency renewal co-investment	7,798	12,209	(4,411)	50,035	74,723	(24,688)	119,560
Other capital grants	-	1,115	(1,115)	12,050	3,000	9,050	10,000
Auckland Council capital grant	26,496	15,637	10,859	151,348	209,182	(57,834)	403,908
Total direct capital funding	50,963	51,296	(333)	302,989	414,432	(111,443)	820,114

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Section 3c – 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 Not RFT Enabled \$000	Budget RFT Enabled \$000	Budget Total \$000
Capital expenditure	223,225	79,764	302,989	568,719	251,395	820,114
Funding						
Waka Kotahi NZ Transport Agency	98,976	40,615	139,591	300,112	106,095	406,206
Others (ACC,Crown, others)	263	11,787	12,050	-	10,000	10,000
Auckland Council	123,987	27,361	151,348	268,607	135,300	403,908
Total funding	223,225	79,764	302,989	568,719	251,395	820,114
Programme of capital projects supported by the RFT scheme						
Project 1: Bus priority improvements		4,298			28,016	
Project 2: City centre bus infrastructure		847			3,030	
Project 3: Improving airport access		6,381			11,517	
Project 4: Eastern Busway		21,202			62,544	
Project 5: Park-and-ride facilities		-			101	
Project 6: Electric trains and stabling		5			5,000	
Project 7: Downtown ferry terminal and redevelopment		567			-	
Project 8: Road safety		28,742			71,560	
Project 9: Active transport		8,016			14,680	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		3			-	
Project 12: Road corridor improvements		7,094			37,698	
Project 13: Network capacity and performance improvement		2,602			7,740	
Project 14: Growth-related transport infrastructure		7			9,508	
Total		79,764			251,395	

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RFT Operating Expenditure

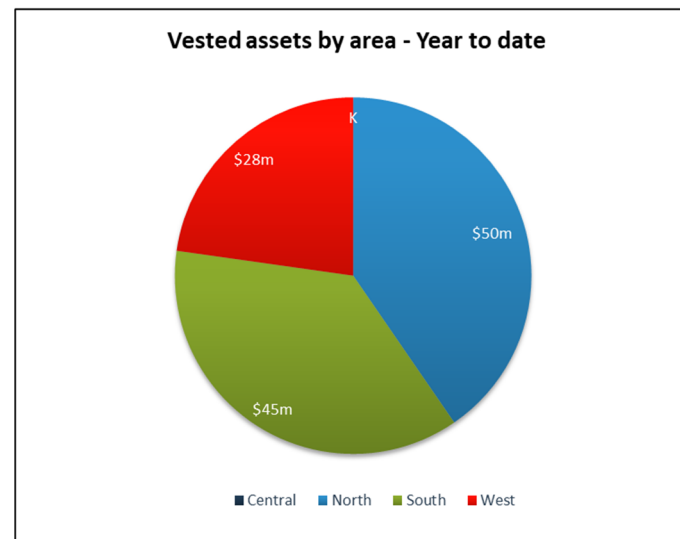
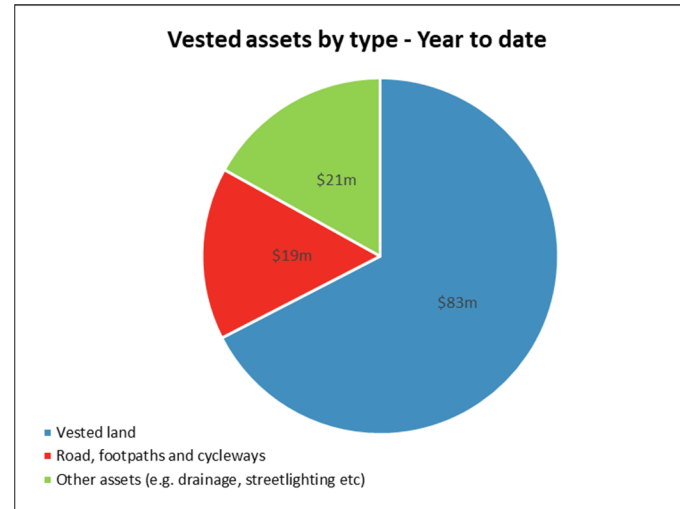
	Year to date			Full year		
	Actual Not RFT Enabled	Actual RFT Enabled	Actual Total	Budget Not RFT Enabled	Budget RFT Enabled	Budget Total
Operating expenditure		779			1,480	
<i>Note: Fully funded by Auckland Council</i>						
Programme of operating projects supported by the Auckland RFT scheme						
Project 8: Road safety		779			1,480	
Total		779			1,480	

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Section 3d – Vested Assets

As at 31 January 2022

	Current month	Year to date
	Actual \$000	Actual \$000
Vested Assets - Top 10 Suburbs		
Milldale	-	24,967
Flat Bush	4,834	20,043
Hobsonville	-	13,917
Pukekohe	-	8,509
Massey	-	8,038
Drury	-	7,252
Warkworth	-	6,837
Matakana	-	5,335
Silverdale	3,804	5,205
Northcote	-	4,996
Other	950	17,823
Total Vested Asset	9,588	122,923



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Section 4a – Statement of Financial Position

As at 31 January 2022

	Note	Actual 31 January 2022 \$000	Actual 31 December 2021 \$000
Assets			
Current assets			
Cash and cash equivalents	1	6,251	15,874
Receivables	2	517,764	497,522
Inventories		13,096	13,106
Other assets		12,550	18,727
Derivative financial instruments		622	-
Total current assets		550,283	545,229
Non-current assets			
Property, plant and equipment (PPE)		21,380,781	21,019,603
Intangible assets		136,841	139,258
Work in progress (PPE and intangible assets)	3	824,503	1,152,298
Derivative financial instruments		2,939	-
Total non-current assets		22,345,064	22,311,159
Total assets		22,895,347	22,856,388

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Section 4a – Statement of Financial Position (continued)

As at 31 January 2022

	Note	Actual 31 January 2022 \$000	Actual 31 December 2021 \$000
Liabilities			
Current liabilities			
Payables and accruals	4	219,314	215,253
Employee entitlements	5	16,534	17,394
Derivative financial instruments		283	582
Borrowings	6	8,633	8,611
Total current liabilities		244,764	241,840
Non-current liabilities			
Payables and accruals	4	4,836	5,112
Employee entitlements	5	328	328
Borrowings	6	475,069	475,745
Total non-current liabilities		480,233	481,185
Total liabilities		724,997	723,025
Net assets		22,170,350	22,133,363
Equity			
Contributed capital		13,159,440	13,159,387
Accumulated funds		4,554,042	4,517,108
Other reserves		4,456,868	4,456,868
Total equity		22,170,350	22,133,363

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Section 4b – Notes to the Financial Statements

As at 31 January 2022

	Actual 31 January 2022 \$000	Actual 31 December 2021 \$000
1 Cash and cash equivalents		
Cash at bank	6,023	15,646
Till floats	228	228
Total cash and cash equivalents	6,251	15,874

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

2 Receivables		
Trade and other debtors	6,899	6,884
Infringement receivable	42,609	41,753
Amounts due from related parties	424,446	404,586
Accrued revenue	66,340	66,498
Goods and services tax	-	61
	540,294	519,782
Less provision for impairment of receivables	(22,530)	(22,260)
Total current receivables	517,764	497,522

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

As at 31 January 2022

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	2,671	3,108	-	424,232	430,011
Past due 1 - 30 days	3,200	1,198	-	58	4,456
Past due 31 - 60 days	117	897	-	-	1,014
Past due 61 - 90 days	61	312	-	-	373
Past due > 90 days	850	139	36,955	156	38,100
	6,899	5,654	36,955	424,446	473,954
Impairment	(499)	(228)	(21,803)	-	(22,530)
	6,400	5,426	15,152	424,446	451,424

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.

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

As at 31 January 2022

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2020	499	1,539	19,511	21,549
Additional/(Reversal) provisions made	-	-	2,292	2,292
Provisions reversed	-	(1,311)	-	(1,311)
Provisions relating to receivables written-off	-	-	-	-
Balance at 31 January 2022	499	228	21,803	22,530

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

As at 31 January 2022

	Opening balance 1 July 2021 \$000	Acquisition YTD 31 January 2022 \$000	Capitalisation YTD 31 January 2022 \$000	Closing balance 31 January 2022 \$000
3 Work in Progress (WIP)				
WIP by activity				
Roads and footpaths	649,141	139,979	(221,493)	567,627
Public Transport	465,355	47,234	(285,512)	227,078
Parking operations	6,762	1,698	(4,715)	3,745
Internal support	31,106	16,335	(21,387)	26,053
Total WIP	1,152,364	205,247	(533,107)	824,504
WIP by status				
Current WIP (completion in future)				662,542
Due for capitalisation within policy				54,516
Due for capitalisation not within policy				106,256
Forecast completion date not yet provided (new projects)				1,191
Total WIP				824,504

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

As at 31 January 2022

Top 10 Programmes	WIP Closing balance 31 January 2022 \$000
AMETI	106,049
New Northern Busway Station & Park&Ride	51,994
SGA Network Growth	51,562
New Lynn to Avondale Scheme C/Way	42,080
Warkworth Matakana Link (SH1 to Matakana	33,110
Wolverton Culvert Emergency Work	24,407
Tech-Corporate Prog	23,969
Wynyard Quarter Programme	23,749
Integrated Corridor	22,457
Tamaki Drive (Plumer St to Ngapipi Rd)	21,136
Total	400,512

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

As at 31 January 2022

	Actual 31 January 2022 \$000	Actual 31 December 2021 \$000
4 Payables and accruals		
Current portion		
Creditors	23,982	34,249
Goods and services tax	2,240	-
Accrued expenses	139,380	129,244
Retentions	20,598	19,904
Amounts due to related parties	25,132	23,090
Revenue in advance	7,982	8,766
Total current payables	219,314	215,253
Non-current portion		
Amounts due to related parties	4,836	5,112
Total non-current payables	4,836	5,112

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 January 2022

	Actual 31 January 2022 \$000	Actual 31 December 2021 \$000
5 Employee entitlements		
Current portion		
Accrued salaries and wages	4,174	3,748
Accrued leave	12,360	13,646
Total current employee entitlements	16,534	17,394
Non-current portion		
Retirement gratuities	253	253
Long service leave	75	75
Total non-current employee entitlements	328	328

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

As at 31 January 2022

	Actual 31 January 2022 \$000	Actual 31 December 2021 \$000
6 Borrowings		
Current portion		
Finance lease	1,057	1,057
Loans from Auckland Council	7,576	7,554
Total current borrowings	8,633	8,611
Non-current portion		
Finance lease	3,328	3,416
Loans from Auckland Council	471,741	472,329
Total non-current borrowings	475,069	475,745
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$479 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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Section 5 – Cashflow

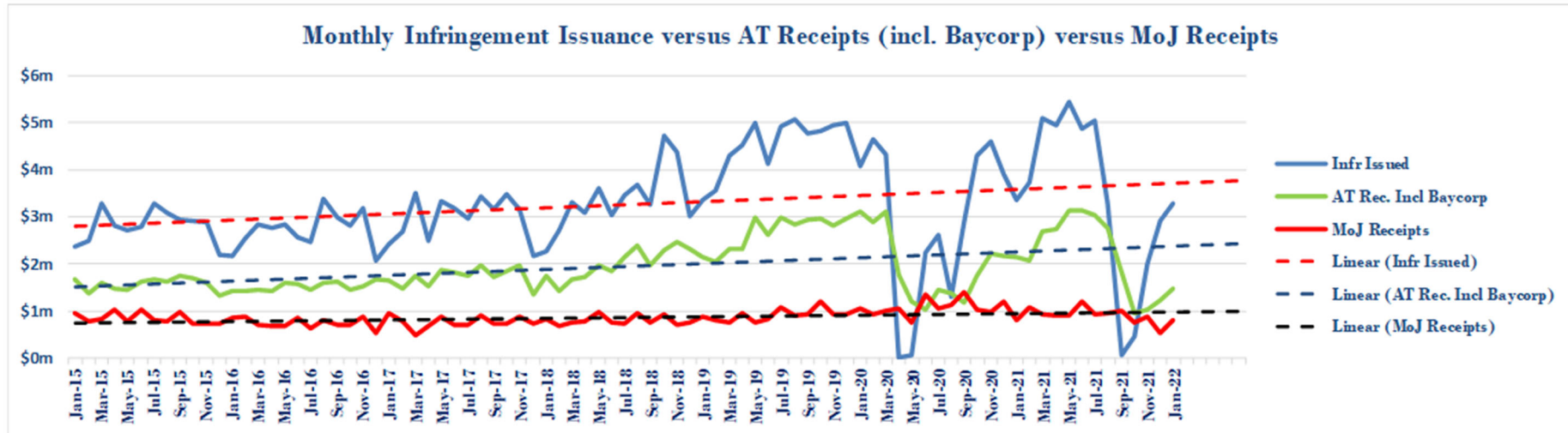
	Year to Date		Full year
	Actual \$000	Budget \$000	Budget \$000
Cash flows from operating activities			
Total cash provided	981,685	1,039,668	1,896,483
Cash applied to			
Payments to suppliers and employees	619,106	583,998	1,040,092
Interest paid	15,130	17,102	28,947
Goods and services tax	4,930	-	-
Total cash applied	639,166	601,100	1,069,039
Net cash from operating activities	342,519	438,568	827,444
Cash flows from investing activities			
Cash provided from			
Sale of property, plant and equipment	1,300	-	-
Cash applied to:			
Purchase of property, plant and equipment	338,517	434,432	820,114
Net cash from investing activities	(337,217)	(434,432)	(820,114)
Cash flows from financing activities			
Cash applied to			
Repayments of EMU loan from Auckland Council	4,136	4,136	7,330
Repayments of finance lease principal	612	-	-
Net cash from financing activities	(4,748)	(4,136)	(7,330)
Net (decrease)/increase in cash and cash equivalent	554	-	-
Opening cash and cash equivalents	5,697	-	-
Closing cash balance	6,251	-	-

Reconciliation of surplus after tax to net cash from operating activities	
	Actual \$000
Surplus after tax	144,171
Add/(less) non-cash items	
Depreciation and amortisation	233,018
Vested asset income	(122,923)
Gain on disposal of property, plant and equipment	(1,046)
(Gains)/losses on derivatives	(3,794)
Impairment	33,762
	139,017
Add/(less) movements in balance sheet items	
Receivables	143,383
Inventories	(2,370)
Other assets	(8,058)
Payables and accruals	(73,067)
Employee entitlements	(557)
	59,331
Net cash from operating activities	342,519


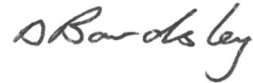
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Section 6 – Infringement Overview

Over 85 months (January 2015 to January 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

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