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Results for the Twelve Months Ended 30 June 2022

For decision: For noting:

Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

- a) Receives the report.

Table of Contents

Section 1 – Executive summary

Section 2 – Financial results

Section 2a – Summary of financial results by activity

Section 2b – Summary by activity

Section 2c – Operating funding requirement per passenger

Section 3a – Summary of capital expenditure

Section 3b – Capital expenditure funding

Section 3c – Regional Fuel Tax capital and operational expenditure

Section 3d – Vested assets

Section 4a – Statement of financial position

Section 4b – Notes to the financial statements

Section 5 – Cashflow

Section 6 – Infringement overview

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Section 1 – Te whakarāpopototanga matua / Executive summary

The 2021/22 budget was prepared on the assumption of Auckland being at COVID-19 pandemic (COVID-19) Alert Level 1 for the full financial year, with little COVID-19 in the community. Ongoing COVID-19 impacts and changes in customer behaviour mean that achievement of the full year operating and capital budgets was unrealistic. In December 2021, Waka Kotahi New Zealand Transport Agency (Waka Kotahi) agreed to continue funding lost public transport (PT) farebox revenue at 51% Funding Assistance Rate (FAR) this financial year and Auckland Council (AC) approved additional operating funding of up to \$50 million for this financial year.

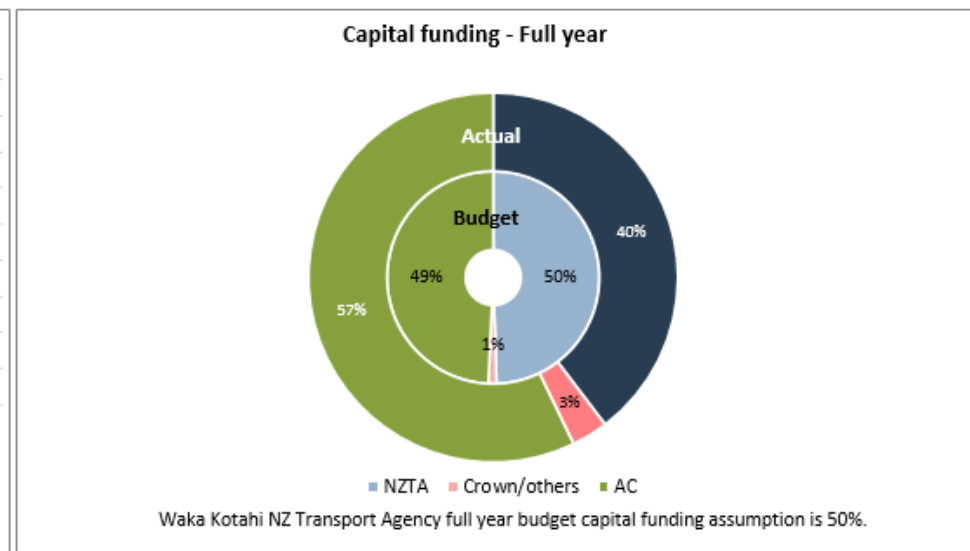
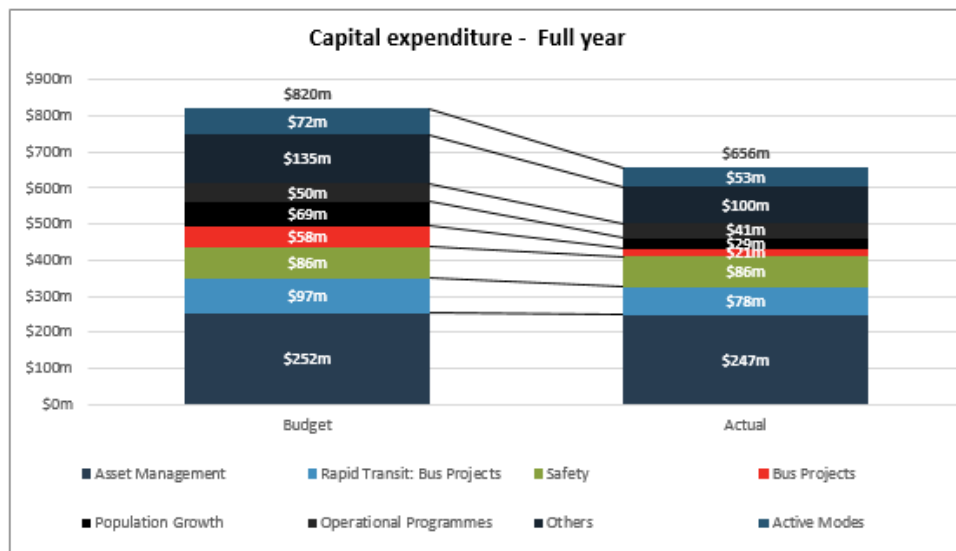
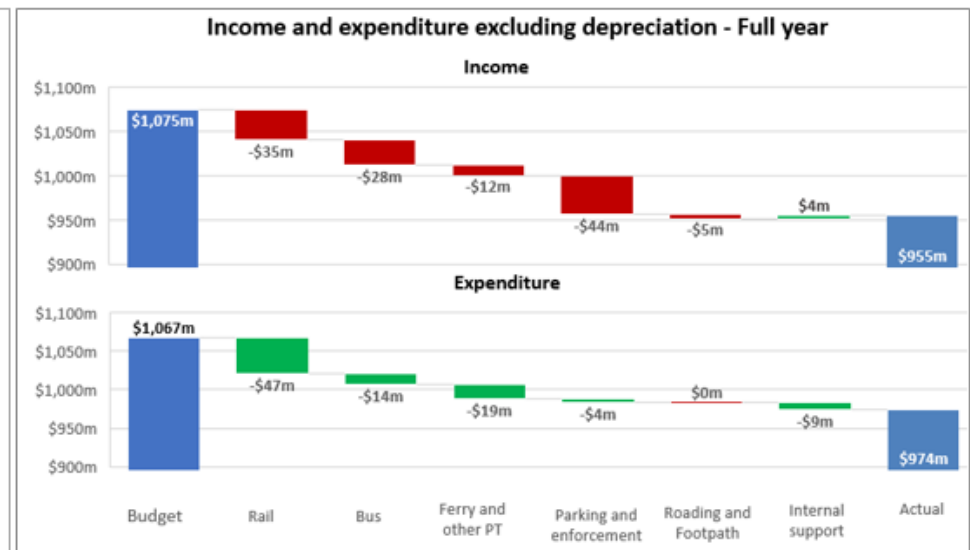
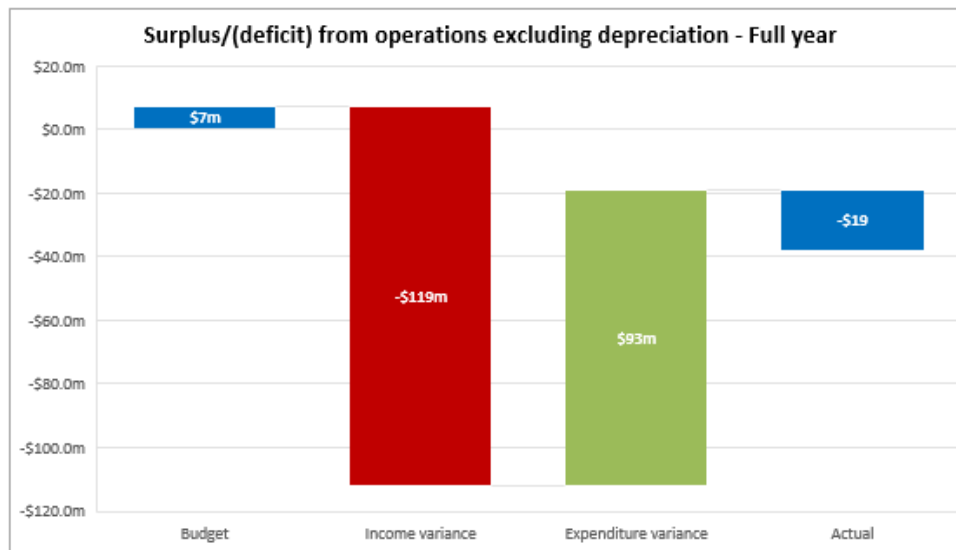
1. **Deficit from operations** is \$8.0 million unfavourable to budget, which, given the circumstances, is a very good accomplishment.
2. **Full year deficit from operations excluding depreciation** (\$19.0 million) is \$26.3 million unfavourable to budget mainly due to the ongoing COVID-19 impacts on revenue. Operating income is down \$119.4 million against budget, more than three quarters of which is offset by a \$93.0 million reduction in operating expenditure. Items to note:
 - Waka Kotahi funding is \$23.2 million favourable to budget mainly due to claims for higher net PT expenditure, partially offset by lower capital activity and administration subsidies. Waka Kotahi are supporting the centrally funded 50% PT fare reduction from April 2022 to January 2023 and funding 51% of the PT shortfall due to COVID-19 this financial year. They have also indicated ongoing support to fund the PT shortfall for this National Land Transport Plan period.
 - Parking and enforcement revenue is unfavourable to budget mainly due to lower parking occupancy and infringement ticket issuances as a result of COVID-19 impacts and subsequent delays in the implementation of the next tranche of special vehicle lanes. June enforcement revenue was lower than expected with exemptions granted to support the Matariki public holiday.
 - PT income is unfavourable to budget due to lower than expected patronage. PT patronage started to recover at the beginning of the financial year, however subsequently declined due to the Delta and Omicron variants of COVID-19 being wide spread in the community. Patronage began to recover in April and has continued to increase from 55% (of pre-COVID-19 levels) in May to 59% in June. It is important to recognise that April to June monthly PT income reflects the 50% discount in fares recovered from passengers.
 - Other revenue is unfavourable to budget mainly due to lower than expected petrol tax income, advertising income and ferry operator access fees.
 - Full year operating expenditure includes \$8.7 million reclassification of Software as a Service (SaaS) costs from capital to operational expenditure in line with recent technical accounting changes.
 - Personnel cost is favourable to budget primarily due to budgeted positions not filled.
 - Capitalised personnel cost is lower than budget due to vacant positions and software as a service (SaaS) capitalised labour costs reclassified to opex.

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- 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 than expected Transdev exit cost, lower ferry indexation, deferral of new ferry services and Key Performance Indicator (KPI) savings on bus contracts driven by a bus driver shortage. KPIs were suspended after the change to a weekend timetable under Alert Levels 4 and 3. Auckland Transport (AT) resumed a weekday timetable at the beginning of February 2022.
 - 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 in line with budget. The catch up in professional services in June is primarily in roading asset management, business technology and customer experience activity.
 - Track and ferry access charges are favourable primarily due to reimbursement of prior year charges by KiwiRail and lower than expected block of line and power charges.
 - 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, security, mobility and public transport concessions and advertising costs.
3. **Loss on disposal of assets** includes a \$34.2 million disposal of old Britomart assets as a results of the physical works performed by City Rail Link Limited (CRL) and transfer of Britomart Station Works including the Chief Post Office (CPO, C1 SP3) from CRL through AC to AT for \$161.9 million in September and other asset write-off's as part of the financial year end WIP review.
 4. **Capital expenditure** of \$656.2 million (80% delivery) is \$163.9 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.
 5. **Waka Kotahi and other Crown capital funding YTD** of 43% is lower than the budget of 51%. AT did not receive any targeted enhanced funding assistance rates from Waka Kotahi in 2021/22. Recent indications from Waka Kotahi is that funding remains constrained.
 6. **Regional Fuel Tax (RFT) enabled capital spend** for the year is \$210.9 million versus a full year planned spend of \$284 million which is approximately 74% of the full year RFT enabled capital budget.

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



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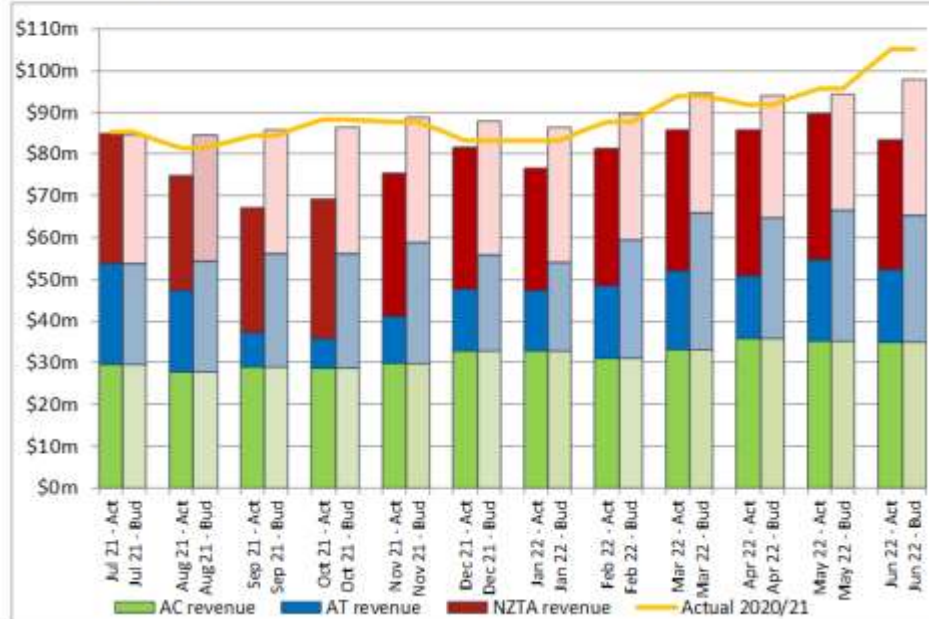
Section 2 – Financial results for the twelve months ended 30 June 2022

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating income						
Auckland Council funding	34,810	34,810	-	379,855	379,855	-
Waka Kotahi NZ Transport Agency operating funding	31,024	32,479	(1,455)	386,447	363,288	23,159
Parking and enforcement income	6,840	10,011	(3,171)	64,545	108,605	(44,060)
Public transport income	8,234	18,134	(9,900)	93,014	190,896	(97,882)
Other revenue incl. other grants and subsidies	2,563	2,317	246	31,344	31,912	(568)
Total operating income	83,471	97,751	(14,280)	955,205	1,074,556	(119,351)
Operating expenditure						
Personnel costs	18,513	18,586	73	197,819	208,709	10,890
Capitalised personnel costs	(4,309)	(4,289)	20	(42,471)	(51,217)	(8,746)
Public transport contracts	42,694	46,000	3,306	471,579	512,588	41,009
Contractors-maintenance	8,376	8,620	244	89,039	93,075	4,036
Professional services	6,858	4,107	(2,751)	42,456	42,971	515
Track and ferry access charges	3,113	3,441	328	24,477	40,014	15,537
Other expenditure	16,869	18,321	1,452	162,367	192,140	29,773
Finance costs	2,362	2,364	2	28,954	28,946	(8)
Total operating expenditure excluding depreciation	94,476	97,150	2,674	974,220	1,067,226	93,006
Surplus/(deficit) from operations excluding depreciation	(11,005)	601	(11,606)	(19,015)	7,330	(26,345)
Depreciation and amortisation	35,522	38,610	3,088	407,614	425,920	18,306
Surplus/(deficit) from operations	(46,527)	(38,009)	(8,518)	(426,629)	(418,590)	(8,039)
Income for capital projects						
Waka Kotahi NZ Transport Agency capital co-investment	25,596	68,077	(42,481)	260,190	406,206	(146,016)
Auckland Council capital grant	62,345	87,110	(24,765)	375,285	403,908	(28,623)
Other capital grants	7,091	1,500	5,591	20,715	10,000	10,715
Vested asset income	21,369	10,256	11,113	232,031	275,000	(42,969)
Total income for capital projects	116,401	166,943	(50,542)	888,221	1,095,114	(206,893)
Net surplus/(deficit) before tax and derivatives	69,874	128,934	(59,060)	461,592	676,524	(214,932)
Gains/(losses) on derivatives	4,038	-	4,038	1,314	-	1,314
Gain/(loss) on disposal of assets	(8,239)	-	(8,239)	(68,262)	-	(68,262)
Net surplus/(deficit) after tax and derivatives	65,673	128,934	(63,261)	394,644	676,524	(281,880)

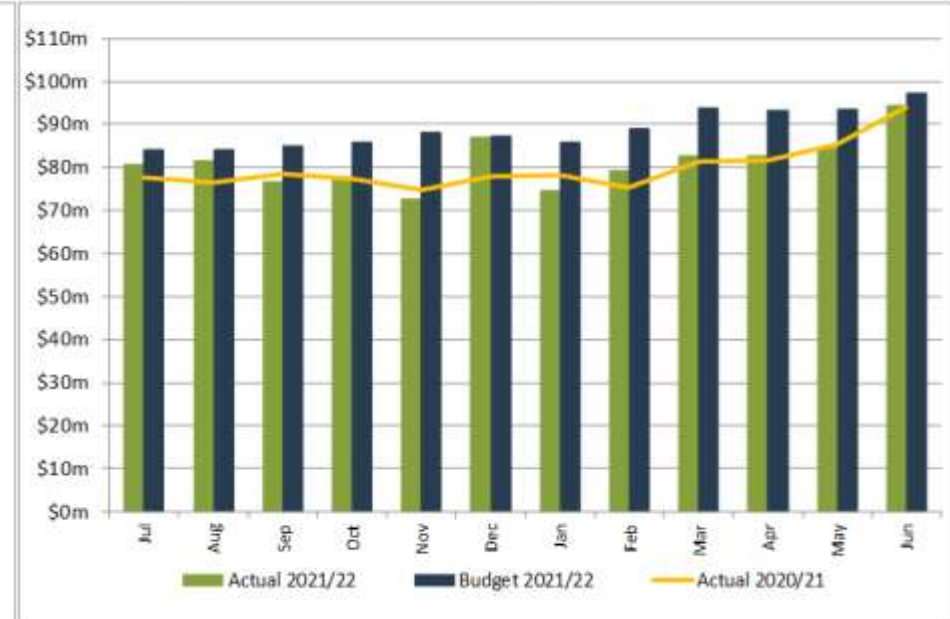
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Section 2 – Financial results for the twelve months ended 30 June 2022 (continued)

Operating income



Operating expenditure excluding depreciation



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Section 2a – Summary of Financial Results by Activity

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating Income						
Rail	9,516	12,569	(3,053)	110,784	145,432	(34,648)
Bus	21,452	26,236	(4,784)	228,236	256,256	(28,020)
Ferry	1,670	3,930	(2,260)	25,775	35,694	(9,919)
Other public transport	3,592	2,523	1,069	28,416	30,076	(1,660)
Parking	2,917	4,298	(1,381)	28,258	49,350	(21,092)
Enforcement	3,923	5,713	(1,790)	36,287	59,255	(22,968)
Roading and footpaths	4,003	5,983	(1,980)	66,411	71,114	(4,703)
Internal support	1,589	1,688	(99)	51,182	47,523	3,659
Auckland Council operating funding	34,810	34,810	-	379,855	379,855	-
Total operating income	83,472	97,750	(14,278)	955,204	1,074,555	(119,351)
Operating Expenditure						
Rail	16,741	20,063	3,322	182,009	228,574	46,565
Bus	33,460	34,743	1,283	375,508	389,437	13,929
Ferry	3,842	4,632	790	39,754	48,418	8,664
Other public transport	6,427	6,814	387	56,372	66,898	10,526
Parking	1,216	1,118	(98)	12,436	13,244	808
Enforcement	1,946	2,449	503	24,066	27,686	3,620
Roading and footpaths	15,305	11,829	(3,476)	135,339	135,108	(231)
Internal support	15,539	15,499	(40)	148,735	157,860	9,125
Depreciation and amortisation	35,522	38,610	3,088	407,614	425,920	18,306
Total operating expenditure	129,998	135,757	5,759	1,381,833	1,493,145	111,312
Surplus/(deficit) from Operations	(46,526)	(38,007)	(8,519)	(426,629)	(418,590)	(8,039)

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Section 2b – Rail Operations

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating Income						
Activity income	1,226	3,891	(2,665)	16,095	46,509	(30,414)
Other income	131	159	(28)	1,040	1,908	(868)
Waka Kotahi NZ Transport Agency operating funding	8,159	8,519	(360)	93,649	97,015	(3,366)
Total operating income	9,516	12,569	(3,053)	110,784	145,432	(34,648)
Operating Expenditure						
Personnel costs	550	769	219	5,973	8,834	2,861
Capitalised personnel costs	235	(59)	(294)	1,534	(603)	(2,137)
Public transport contracts	9,329	10,910	1,581	100,543	121,676	21,133
Contractors-maintenance	(5)	12	17	413	150	(263)
Professional services	(106)	79	185	838	411	(427)
Track access charges	3,071	3,405	334	24,031	39,583	15,552
Other expenditure	1,308	2,586	1,278	19,768	29,613	9,845
Finance costs	2,359	2,361	2	28,909	28,910	1
Total operating expenditure	16,741	20,063	3,322	182,009	228,574	46,565
Depreciation and amortisation	3,670	4,421	751	47,054	51,288	4,234
Surplus/(deficit) from Operations	(10,895)	(11,915)	1,020	(118,279)	(134,430)	16,151
Internal support costs	4,195	4,612	417	33,379	39,423	6,044
Surplus/(deficit)	(15,090)	(16,527)	1,437	(151,658)	(173,853)	22,195

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Section 2b – Bus Operations

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating Income						
Activity income	3,766	9,388	(5,622)	49,161	100,745	(51,584)
Other income	1,319	1,861	(542)	8,237	8,892	(655)
Waka Kotahi NZ Transport Agency operating funding	16,367	14,987	1,380	170,838	146,619	24,219
Total operating income	21,452	26,236	(4,784)	228,236	256,256	(28,020)
Operating Expenditure						
Personnel costs	188	532	344	4,345	6,099	1,754
Capitalised personnel costs	324	(130)	(454)	1,247	(1,501)	(2,748)
Public transport contracts	30,125	31,410	1,285	340,424	352,488	12,064
Contractors-maintenance	118	99	(19)	1,129	1,190	61
Professional Services	(271)	192	463	1,005	2,269	1,264
Track and ferry access charges	-	-	-	-	-	-
Other expenditure	2,976	2,640	(336)	27,357	28,892	1,535
Finance costs	-	-	-	1	-	(1)
Total operating expenditure	33,460	34,743	1,283	375,508	389,437	13,929
Depreciation and amortisation	588	703	115	6,733	7,391	658
Surplus/(deficit) from Operations	(12,596)	(9,210)	(3,386)	(154,005)	(140,572)	(13,433)
Internal support costs	7,147	7,858	710	56,870	67,167	10,297
Surplus/(deficit)	(19,743)	(17,068)	(2,676)	(210,875)	(207,739)	(3,136)

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Section 2b – Ferry Operations

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating Income						
Operator access fees	535	535	-	5,703	6,935	(1,232)
Activity income	262	1,252	(990)	2,693	13,191	(10,498)
Other income	98	93	5	1,151	1,099	52
Waka Kotahi NZ Transport Agency operating funding	775	2,050	(1,275)	16,228	14,469	1,759
Total operating income	1,670	3,930	(2,260)	25,775	35,694	(9,919)
Operating Expenditure						
Personnel costs	114	198	84	1,851	2,130	279
Capitalised personnel costs	(167)	29	196	(710)	334	1,044
Public transport contracts	3,184	3,619	435	30,378	37,629	7,251
Contractors-maintenance	-	-	-	11	-	(11)
Professional Services	34	71	37	21	362	341
Ferry access charges	43	36	(7)	448	431	(17)
Other expenditure	634	679	45	7,755	7,532	(223)
Finance costs	-	-	-	-	-	-
Total operating expenditure	3,842	4,632	790	39,754	48,418	8,664
Depreciation and amortisation	462	359	(103)	6,102	4,241	(1,861)
Surplus/(deficit) from Operations	(2,634)	(1,061)	(1,573)	(20,081)	(16,965)	(3,116)
Internal support costs	889	977	88	7,071	8,351	1,280
Surplus/(deficit)	(3,523)	(2,038)	(1,485)	(27,152)	(25,316)	(1,836)

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Section 2b – Other Public Transport Operations

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating Income						
Other income	898	956	(58)	8,933	11,616	(2,683)
Waka Kotahi NZ Transport Agency operating funding	2,694	1,567	1,127	19,483	18,460	1,023
Total operating income	3,592	2,523	1,069	28,416	30,076	(1,660)
Operating Expenditure						
Personnel costs	2,517	2,203	(314)	25,441	24,507	(934)
Capitalised personnel costs	(211)	84	295	(198)	1,314	1,512
Public transport contracts	55	61	6	234	805	571
Contractors-maintenance	1,035	1,911	876	12,493	13,032	539
Professional Services	975	809	(166)	7,030	8,964	1,934
Track and ferry access charges	-	-	-	(2)	-	2
IT costs	(2)	31	33	744	526	(218)
Other expenditure	2,058	1,715	(343)	10,630	17,750	7,120
Finance costs	-	-	-	-	-	-
Total operating expenditure	6,427	6,814	387	56,372	66,898	10,526
Depreciation and amortisation	466	651	185	6,832	7,597	765
Surplus/(deficit) from Operations	(3,301)	(4,942)	1,641	(34,788)	(44,419)	9,631
Internal support costs	1,228	1,350	122	9,769	11,538	1,769
Surplus/(deficit)	(4,529)	(6,292)	1,763	(44,557)	(55,957)	11,400

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Section 2b – Parking Operations

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating Income						
Parking Fees	2,727	4,241	(1,514)	26,772	48,720	(21,948)
Other income	190	57	133	1,486	630	856
Total operating income	2,917	4,298	(1,381)	28,258	49,350	(21,092)
Operating Expenditure						
Personnel costs	271	245	(26)	2,707	2,782	75
Capitalised personnel costs	(5)	(21)	(16)	(121)	(269)	(148)
Public transport contracts	-	-	-	-	-	-
Contractors-maintenance	119	145	26	1,481	1,738	257
Professional Services	53	11	(42)	321	129	(192)
Track and ferry access charges	-	-	-	-	-	-
Other expenditure	778	738	(40)	8,048	8,864	816
Finance costs	-	-	-	-	-	-
Total operating expenditure	1,216	1,118	(98)	12,436	13,244	808
Depreciation and amortisation	841	669	(172)	10,044	7,961	(2,083)
Surplus/(deficit) from Operations	860	2,511	(1,651)	5,778	28,145	(22,367)
Internal support costs	243	267	24	1,934	2,284	350
Surplus/(deficit)	617	2,244	(1,627)	3,844	25,861	(22,017)

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Section 2b – Enforcement Operations

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating Income						
Infringement income	3,920	5,713	(1,793)	36,252	59,255	(23,003)
Other income	3	-	3	35	-	35
Total operating income	3,923	5,713	(1,790)	36,287	59,255	(22,968)
Operating Expenditure						
Personnel costs	1,157	1,085	(72)	13,193	12,316	(877)
Capitalised personnel costs	8	8	-	(33)	95	128
Public transport contracts	-	-	-	-	-	-
Contractors-maintenance	181	280	99	2,141	3,305	1,164
Professional Services	8	8	-	205	100	(105)
Track access charges	-	-	-	-	-	-
Debt forgiven/written off by MOJ	194	79	(115)	1,755	953	(802)
Movement in doubtful debts	(187)	196	383	413	2,355	1,942
Other expenditure	585	793	208	6,392	8,562	2,170
Finance costs	-	-	-	-	-	-
Total operating expenditure	1,946	2,449	503	24,066	27,686	3,620
Depreciation and amortisation	143	245	102	1,765	2,424	659
Surplus/(deficit) from Operations	1,834	3,019	(1,185)	10,456	29,145	(18,689)
Internal support costs	508	559	51	4,043	4,775	732
Surplus/(deficit)	1,326	2,460	(1,134)	6,413	24,370	(17,957)

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Section 2b – Roothing and Footpaths Operations

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating Income						
Petrol tax	725	875	(150)	7,420	10,448	(3,028)
Other income	820	695	125	8,556	9,312	(756)
Waka Kotahi NZ Transport Agency operating funding	2,458	4,413	(1,955)	50,435	51,354	(919)
Total operating income	4,003	5,983	(1,980)	66,411	71,114	(4,703)
Operating Expenditure						
Personnel costs	3,432	3,321	(111)	37,900	37,418	(482)
Capitalised personnel costs	(1,222)	(1,041)	181	(13,363)	(12,935)	428
Public transport contracts	-	-	-	-	-	-
Contractors-maintenance	6,792	6,082	(710)	71,543	72,556	1,013
Professional Services	2,903	1,404	(1,499)	14,195	16,096	1,901
Track and ferry access charges	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-
Other expenditure	3,400	2,063	(1,337)	25,064	21,973	(3,091)
Finance costs	-	-	-	-	-	-
Total operating expenditure	15,305	11,829	(3,476)	135,339	135,108	(231)
Depreciation and amortisation	26,613	27,026	413	293,841	298,515	4,674
Surplus/(deficit) from Operations	(37,915)	(32,872)	(5,043)	(362,769)	(362,509)	(260)
Internal support costs	2,480	2,726	246	19,730	23,302	3,572
Surplus/(deficit)	(40,395)	(35,598)	(4,797)	(382,499)	(385,811)	3,312

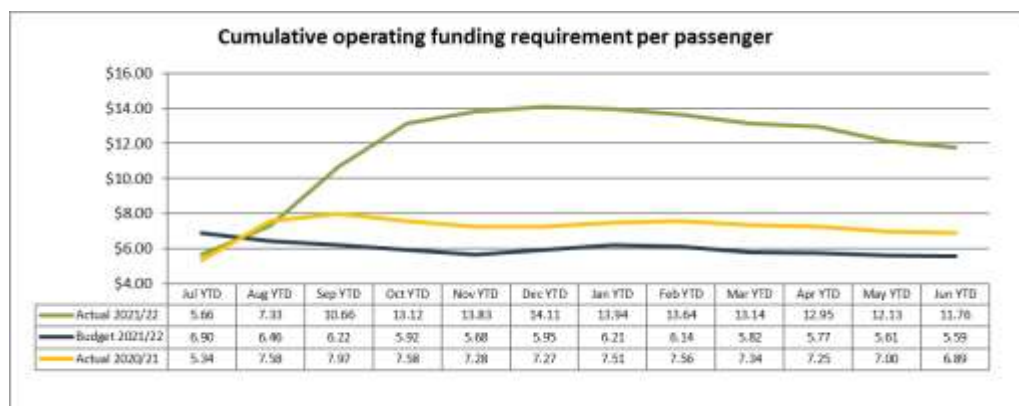
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Section 2b – Internal Support

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Operating Income						
Rental income	377	337	40	8,866	7,390	1,476
Other income	641	409	232	6,503	4,762	1,741
Waka Kotahi NZ Transport Agency operating funding	571	942	(371)	35,813	35,371	442
Total operating income	1,589	1,688	(99)	51,182	47,523	3,659
Operating Expenditure						
Personnel costs	10,284	10,234	(50)	106,409	114,622	8,213
Capitalised personnel costs	(3,270)	(3,159)	111	(30,828)	(37,652)	(6,824)
Public transport contracts	-	(1)	(1)	-	(10)	(10)
Contractors-maintenance	136	91	(45)	(172)	1,103	1,275
Professional services	3,262	1,532	(1,730)	18,842	14,641	(4,201)
Track and ferry access charges	-	-	-	-	-	-
IT costs	2,733	2,930	197	32,610	33,990	1,380
Directors fees	39	42	3	501	508	7
Other expenditure	2,352	3,827	1,475	21,329	30,621	9,292
Finance costs	3	3	-	44	37	(7)
Total operating expenditure	15,539	15,499	(40)	148,735	157,860	9,125
Depreciation and amortisation	2,739	4,537	1,798	35,243	46,503	11,260
Surplus/(deficit) from Operations	(16,689)	(18,348)	1,659	(132,796)	(156,840)	24,044
Internal support allocated	16,689	18,348	1,659	132,796	156,840	24,044
Surplus/(deficit)	-	-	-	-	-	-

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Section 2c – Operational funding requirement per passenger for the twelve months ended 30 June 2022



The operational cost (net of third party revenue) of \$11.76 per passenger on the PT Network is higher than the budget of \$5.59 due to COVID-19 restrictions from 18 August 2021 driving lower than expected patronage and external revenue. This is partly offset by optimising PT operating expenditure where possible whilst accommodating the lower patronage. It is important to recognise that April to June external revenues reflect the 50% discount in fares recovered from passengers

	Current month				Full year			
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %
Rail, Bus and Ferry operations:								
Operating expenditure \$000	51,684	57,077	5,393	9%	568,362	637,519	69,157	11%
Less external revenues \$000	7,337	17,179	(9,842)	(57%)	84,080	179,279	(95,199)	(53%)
Operating funding requirement \$000	44,347	39,898	(4,449)	(11%)	484,282	458,240	(26,042)	(6%)
Patronage 000's	4,932	7,367	(2,435)	(33%)	41,191	82,000	(40,809)	(50%)
Operating funding requirement per passenger	\$8.99	\$5.42	(\$3.58)	(66%)	\$11.76	\$5.59	(\$6.17)	(110%)

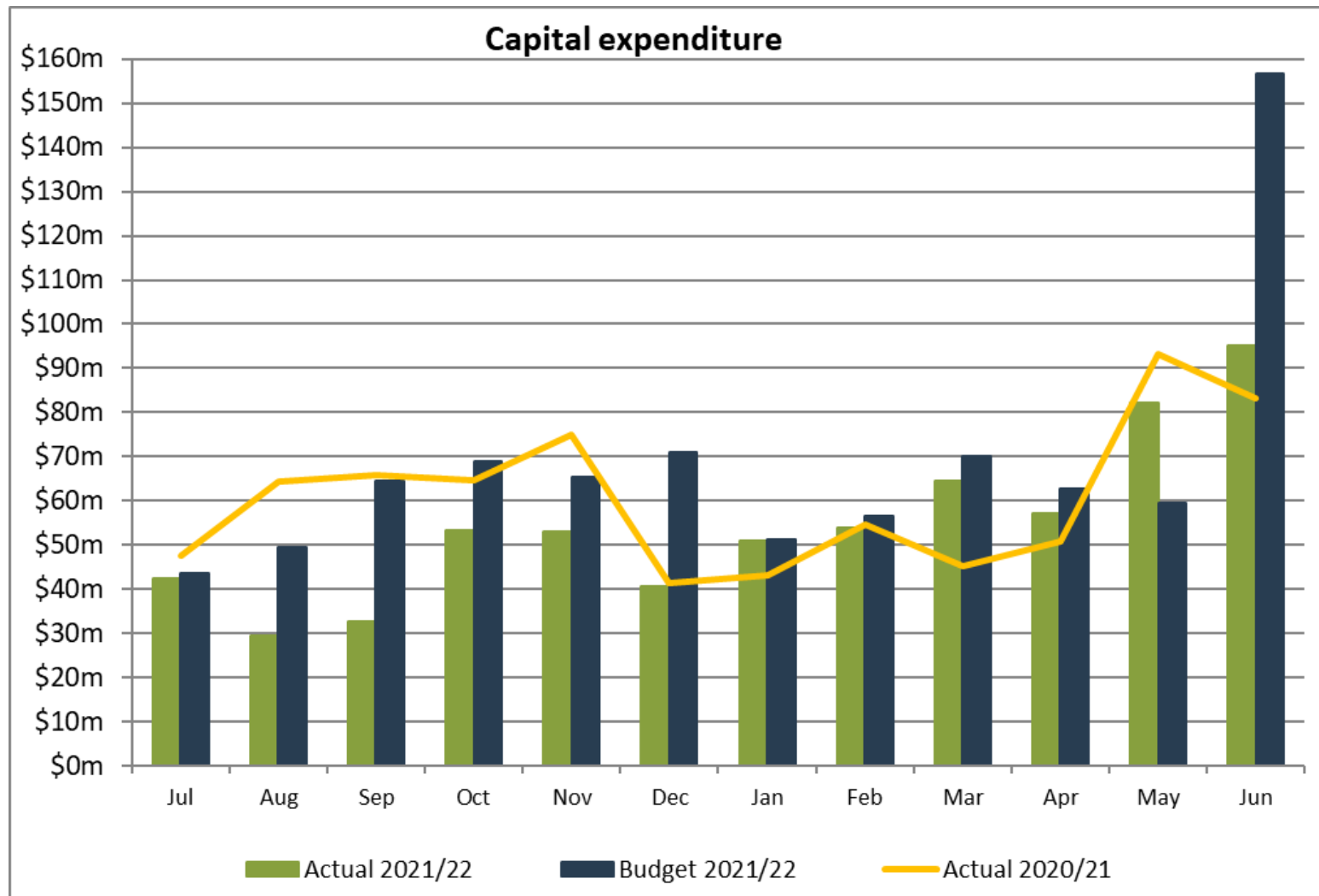
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Section 3a – Summary of Capital Expenditure

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Regional Land Transport Plan (RLTP) grouping						
Active Modes	8,475	12,049	3,574	53,170	72,228	19,058
Asset Management	28,932	23,696	(5,236)	247,287	252,394	5,107
Bus Projects	1,943	25,501	23,558	21,199	58,266	37,067
Corridor Improvements	4,391	11,550	7,159	18,089	27,513	9,424
Ferry, Multi-modal, and Park and Ride	10,622	5,733	(4,889)	37,811	33,101	(4,710)
Local Board Priorities	3,508	17,595	14,087	10,717	27,799	17,082
Network Capacity and Performance	4,057	1,722	(2,335)	15,168	14,000	(1,168)
Operational Programmes	6,567	5,469	(1,098)	41,054	49,580	8,526
Population Growth	4,175	20,694	16,519	29,272	68,941	39,669
Rapid Transit: Bus Projects	10,401	19,575	9,174	77,746	97,069	19,323
Rapid Transit: Rail Projects	180	5,231	5,051	17,356	25,151	7,795
Safety	11,539	5,919	(5,620)	86,181	86,360	179
Sustainability Projects that are in addition to travel choice projects	236	1,951	1,715	1,142	7,712	6,570
Total direct capital	95,026	156,685	61,659	656,192	820,114	163,922

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Section 3a – Summary of Capital Expenditure (continued)



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Section 3b – Capital Expenditure Funding

	Current month			Full year		
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000
Direct capital funding						
Waka Kotahi NZ Transport Agency new capital co-investment	20,828	61,568	(40,740)	160,281	286,646	(126,365)
Waka Kotahi NZ Transport Agency renewal co-investment	4,767	6,509	(1,742)	99,909	119,560	(19,651)
Other capital grants	7,091	1,500	5,591	20,715	10,000	10,715
Auckland Council capital grant	62,345	87,110	(24,765)	375,285	403,908	(28,623)
Total direct capital funding	95,031	156,687	(61,656)	656,190	820,114	(163,924)

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Section 3c – RFT Capital and Operational Expenditure

RFT Capital Expenditure

	Full year			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	445,272	210,918	656,190	535,993	284,121	820,114
Funding						
Waka Kotahi NZ Transport Agency	177,475	82,715	260,190	281,218	124,988	406,206
Others (ACC, Crown, others)	4,286	16,430	20,715	10,000	-	10,000
Auckland Council	263,511	111,773	375,285	244,775	159,133	403,908
Total funding	445,272	210,918	656,190	535,993	284,121	820,114
Programme of capital projects supported by the RFT scheme						
Project 1: Bus priority improvements		5,170			22,314	
Project 2: City centre bus infrastructure		3,358			3,030	
Project 3: Improving airport access		9,528			12,500	
Project 4: Eastern Busway		49,839			70,799	
Project 5: Park-and-ride facilities		24			101	
Project 6: Electric trains and stabling		11,496			15,000	
Project 7: Downtown ferry terminal and redevelopment		14,842			7,000	
Project 8: Road safety		67,756			70,644	
Project 9: Active transport		17,137			26,430	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		3			-	
Project 12: Road corridor improvements		20,075			37,818	
Project 13: Network capacity and performance improvement		9,771			8,976	
Project 14: Growth-related transport infrastructure		1,921			9,508	
Total		210,918			284,121	

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RFT Operating Expenditure

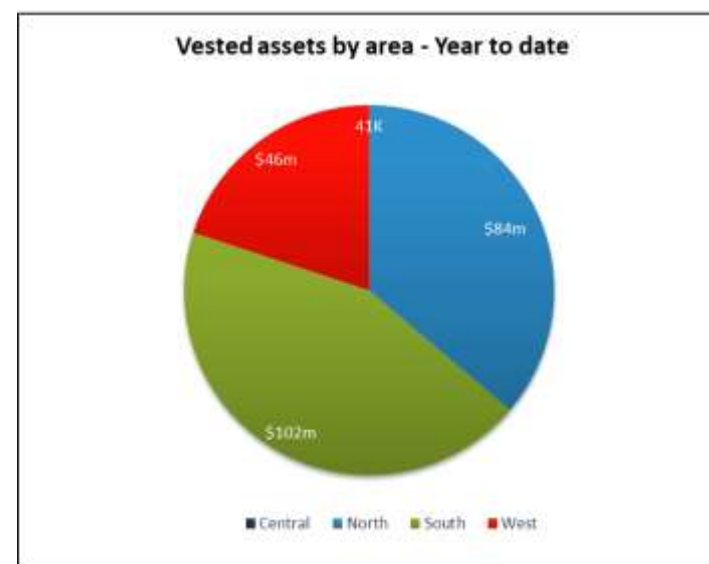
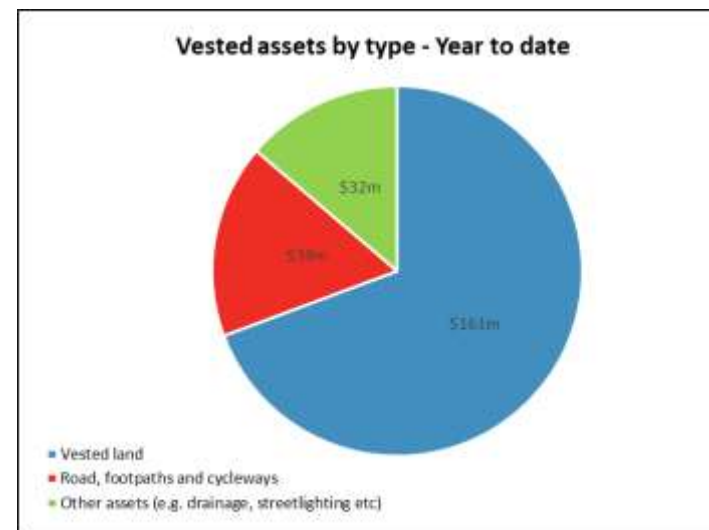
	Full year			Full year		
	Actual Not RFT Enabled	Actual RFT Enabled	Actual Total	Budget Not RFT Enabled	Budget RFT Enabled	Budget Total
Operating expenditure		1,161			1,480	
<i>Note: Fully funded by Auckland Council</i>						
Programme of operating projects supported by the Auckland RFT scheme						
Project 8: Road safety		1,161			1,480	
Total		1,161			1,480	

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Section 3d – Vested Assets

As at 30 June 2022

	Current month	Year to date
	Actual \$000	Actual \$000
Vested Assets - Top 10 Suburbs		
Flat Bush	4,839	44,155
Huapai	-	27,246
Milldale	138	25,147
Hobsonville	-	24,013
Massey	1,842	12,775
Drury	2,597	11,930
Pukekohe	-	8,947
Warkworth	-	7,925
Matakana	-	7,389
Glenbrook	-	6,701
Other	11,953	55,804
Total Vested Asset	21,369	232,031



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Section 4a – Statement of Financial Position**As at 30 June 2022**

	Note	Actual 30 June 2022 \$000	Actual 31 May 2022 \$000
Assets			
Current assets			
Cash and cash equivalents	1	4,390	11,361
Receivables	2	586,353	565,827
Inventories		13,356	13,147
Other assets		10,276	5,116
Non-current assets held for sale		157	-
Total current assets		614,532	595,451
Non-current assets			
Property, plant and equipment (PPE)		25,524,825	21,623,233
Intangible assets		123,359	125,045
Work in progress (PPE and intangible assets)	3	784,601	831,974
Total non-current assets		26,432,785	22,580,252
Total assets		27,047,317	23,175,703

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Section 4a – Statement of Financial Position (continued)**As at 30 June 2022**

	Note	Actual 30 June 2022 \$000	Actual 31 May 2022 \$000
Liabilities			
Current liabilities			
Payables and accruals	4	281,567	245,701
Employee entitlements	5	17,487	22,696
Derivative financial instruments		401	850
Borrowings	6	8,847	8,815
Total current liabilities		308,302	278,062
Non-current liabilities			
Payables and accruals	4	3,505	3,771
Employee entitlements	5	289	328
Derivative financial instruments		2,043	5,365
Borrowings	6	471,222	471,941
Total non-current liabilities		477,059	481,405
Total liabilities		785,361	759,467
Net assets		26,261,956	22,416,236
Equity			
Contributed capital		13,220,520	13,220,520
Accumulated funds		4,836,172	4,770,502
Other reserves		8,205,264	4,425,214
Total equity		26,261,956	22,416,236

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Section 4b – Notes to the Financial Statements

As at 30 June 2022

	Actual 30 June 2022 \$000	Actual 31 May 2022 \$000
1 Cash and cash equivalents		
Cash at bank	4,155	11,131
Till floats	235	230
Total cash and cash equivalents	4,390	11,361

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

2 Receivables		
Trade and other debtors	4,774	4,765
Infringement receivable	45,782	45,764
Amounts due from related parties	481,277	464,377
Accrued revenue	76,366	73,069
	608,198	587,975
Less provision for impairment of receivables	(21,845)	(22,148)
Total current receivables	586,353	565,827

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

As at 30 June 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	3,101	3,261	-	480,464	486,826
Past due 1 - 30 days	394	2,796	-	447	3,637
Past due 31 - 60 days	293	1,838	-	366	2,497
Past due 61 - 90 days	152	1,782	-	-	1,934
Past due > 90 days	834	2,145	33,960	-	36,939
	4,774	11,822	33,960	481,277	531,833
Impairment	(381)	(1,427)	(20,037)	-	(21,845)
	4,393	10,395	13,923	481,277	509,988

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 30 June 2022**

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Total
	\$000	\$000	\$000	\$000
Balance at 30 June 2021	499	1,539	19,511	21,549
Additional/(Reversal) provisions made	129	-	526	655
Provisions reversed	(120)	(112)	-	(232)
Provisions relating to receivables written-off	(127)	-	-	(127)
Balance at 30 June 2022	381	1,427	20,037	21,845

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

As at 30 June 2022

	Opening balance 1 July 2021 \$000	Acquisition YTD 30 June 2022 \$000	Capitalisation YTD 30 June 2022 \$000	Closing balance 30 June 2022 \$000
3 Work in Progress (WIP)				
WIP by activity				
Roads and footpaths	649,465	313,106	(422,918)	539,653
Public Transport	465,032	100,277	(363,778)	201,531
Parking operations	6,762	2,501	(4,971)	4,291
Internal support	31,106	35,407	(27,387)	39,126
Total WIP	1,152,364	451,290	(819,053)	784,601
WIP by status				
Current WIP (completion in future)				705,693
Due for capitalisation within policy				40,623
Due for capitalisation not within policy				38,285
Forecast completion date not yet provided (new projects)				-
Total WIP				784,601

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Section 4b – Notes to the Financial Statements (continued)**As at 30 June 2022**

Top 10 Programmes	WIP Closing balance 30 June 2022 \$000
AMETI	129,693
SGA Network Growth	57,171
New Northern Busway Station & Park&Ride	45,132
Warkworth Matakana Link (SH1 to Matakana	39,862
Wolverton Culvert Emergency Work	33,784
Tech-Corporate Programme	28,936
Integrated Corridor	20,328
High Risk Urban Programme	16,519
Walking And Cycling	14,688
STAAI (Puhinui Bus & Mangere Cycling)	14,623
Total	400,737

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

As at 30 June 2022

	Actual 30 June 2022 \$000	Actual 31 May 2022 \$000
4 Payables and accruals		
Current portion		
Creditors	70,541	28,606
Goods and services tax	2,186	36
Accrued expenses	164,021	167,806
Retentions	21,245	20,162
Amounts due to related parties	22,445	26,534
Revenue in advance	1,129	2,557
Total current payables	281,567	245,701
Non-current portion		
Amounts due to related parties	3,505	3,771
Total non-current payables	3,505	3,771

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 30 June 2022

	Actual 30 June 2022 \$000	Actual 31 May 2022 \$000
5 Employee entitlements		
Current portion		
Accrued salaries and wages	2,819	8,435
Accrued leave	14,668	14,261
Total current employee entitlements	17,487	22,696
Non-current portion		
Retirement gratuities	253	253
Long service leave	36	75
Total non-current employee entitlements	289	328

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Section 4b – Notes to the Financial Statements (continued)**As at 30 June 2022**

	Actual 30 June 2022 \$000	Actual 31 May 2022 \$000
6 Borrowings		
Current portion		
Finance lease	1,062	1,061
Loans from Auckland Council	7,785	7,754
Total current borrowings	8,847	8,815
Non-current portion		
Finance lease	2,884	2,973
Loans from Auckland Council	468,338	468,968
Total non-current borrowings	471,222	471,941
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$476 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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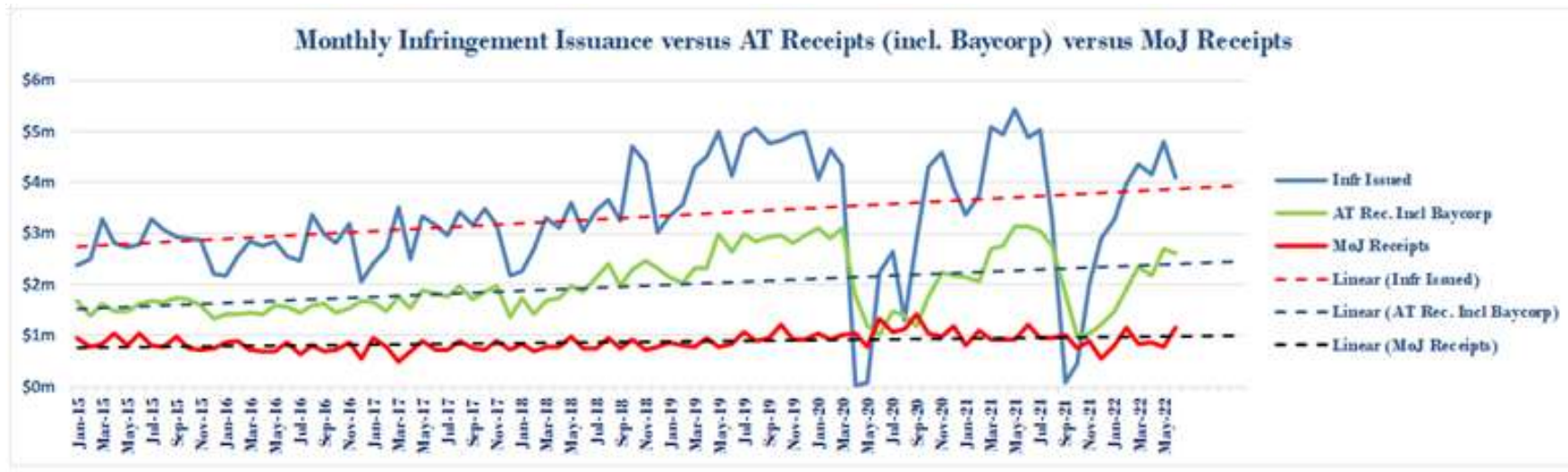
Section 5 – Cashflow

	Actual \$000	Budget \$000		Actual \$000
Cash flows from operating activities			Reconciliation of surplus after tax to net cash from operating activities	
Total cash provided	1,686,819	1,896,483		
Cash applied to				
Payments to suppliers and employees	1,019,011	1,040,092	Surplus after tax	394,642
Interest paid	25,725	28,947	Add/(less) non-cash items	
Goods and services tax	4,984	-	Depreciation and amortisation	407,614
Total cash applied	1,049,720	1,069,039	Vested asset income	(232,031)
Net cash from operating activities	637,099	827,444	Loss on disposal of property, plant and equipment	68,288
			(Gains)/losses on derivatives	1,927
Cash flows from investing activities				245,798
Cash provided from			Add/(less) movements in balance sheet items	
Sale of property, plant and equipment	3,758	-	Receivables	74,794
Cash applied to:			Inventories	(2,630)
Purchase of property, plant and equipment	633,783	820,114	Other assets	(5,784)
Net cash from investing activities	(630,025)	(820,114)	Payables and accruals	(70,078)
			Employee entitlements	357
Cash flows from financing activities				(3,341)
Cash applied to			Net cash from operating activities	637,099
Repayments of EMU loan from Auckland Council	7,330	7,330		
Repayments of finance lease principal	1,051	-		
Net cash from financing activities	(8,381)	(7,330)		
Net (decrease)/increase in cash and cash equivalents	(1,307)	-		
Opening cash and cash equivalents	5,697	-		
Closing cash balance	4,390	-		


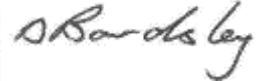
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Section 6 – Infringement Overview

Over 90 months (January 2015 to June 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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