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Results for the Eleven Months Ended 31 May 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 impacts 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 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 has approved additional operating funding of up to \$50 million for this financial year.

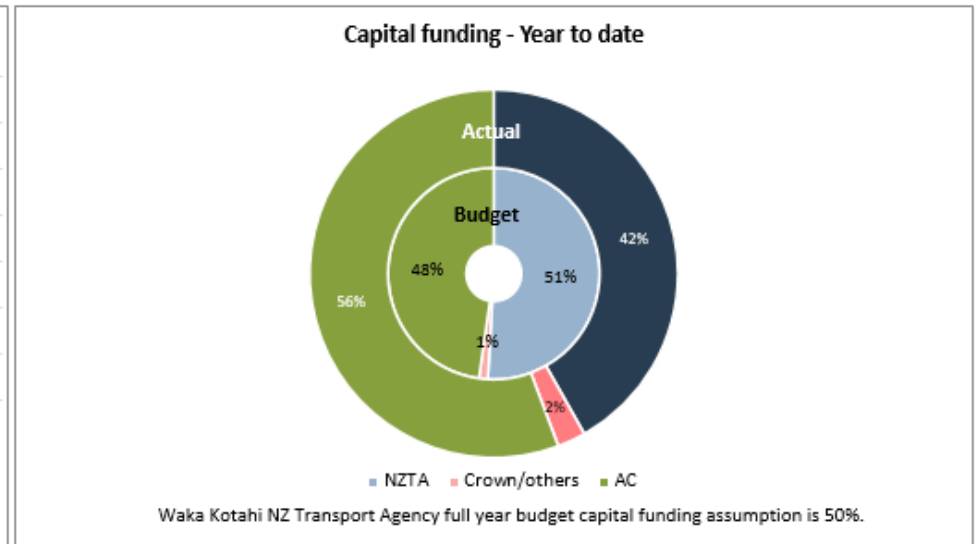
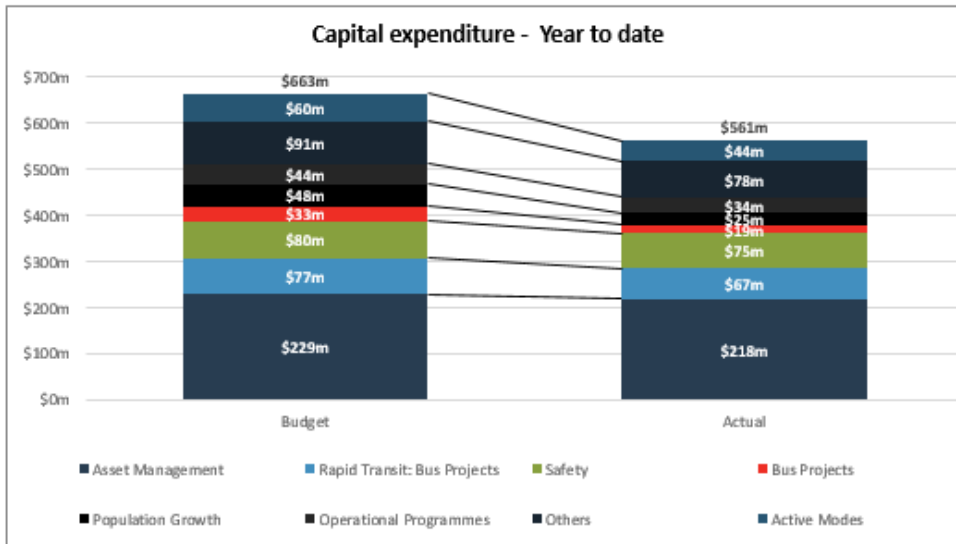
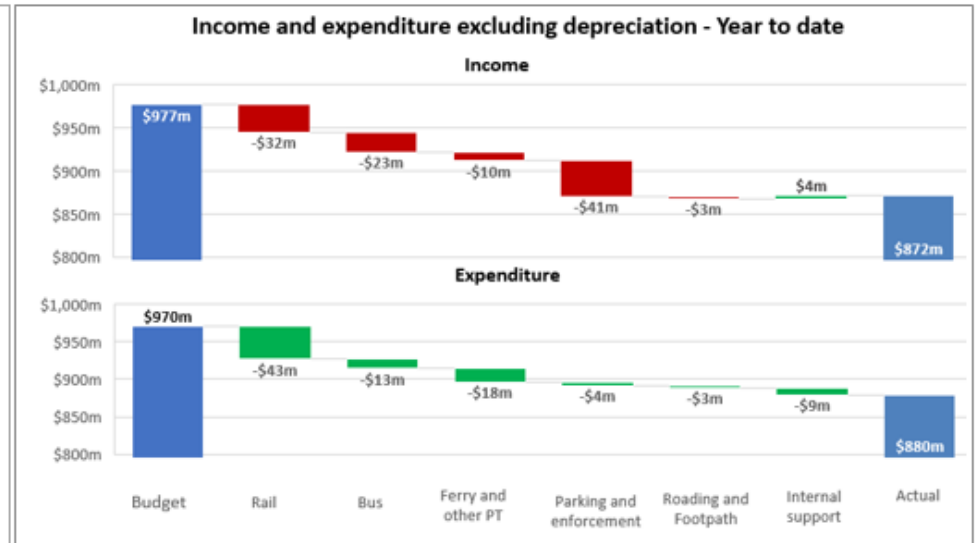
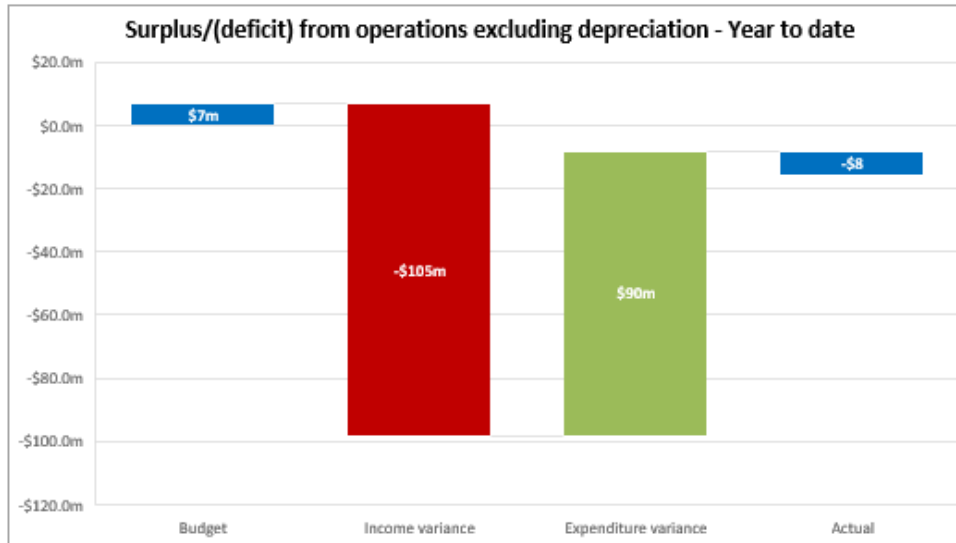
1. **Deficit from operations** is \$6.2 million favourable to budget in May and in line with budget year to date (YTD). The favourable result in May is mainly due to lower than budgeted PT contract costs, material reductions in other opex and lower depreciation from lower than planned capital activity. PT costs (including track access charges) have been positively impacted by finalisation of cost estimates for historical block of line costs, lower electricity costs as well as the ongoing impact of Omicron on bus driver and service availability.
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 Auckland Transport's (AT's) full year operating result (excluding depreciation) may be around \$15 million to \$20 million adverse to budget. The improved forecast reflects the hard work we are doing to identify further cost savings to minimise the financial impact of COVID-19 along with a potential upside in patronage from half price fares (which are being subsidised by Central Government).
3. **YTD deficit from operations excluding depreciation** of \$8.0 million is \$14.7 million unfavourable to budget mainly due to ongoing COVID-19 impacts on revenue. Operating income is down \$105.1 million YTD against budget, more than three quarters of which is offset by a \$90.3 million reduction in operating expenditure. The underlying run rate is \$20 million worse when one offs (Transdev wash up and KiwiRail reimbursement) are taken into consideration. Items to note:
 - Waka Kotahi funding is \$24.6 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 to August and funding 51% of the PT shortfall due to COVID-19 this financial year, and indicated ongoing support for this NLTP 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.
 - PT income is unfavourable to budget due to lower than expected patronage. PT patronage started to recover at the beginning of the financial year, stalled and declined due to the emergence of the Omicron variant of COVID-19, begun to recover again in April and has continued to increase from 48% (of pre-COVID-19 levels) in April to 55% in May. 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.

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- YTD operating expenditure includes \$4 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 capitalised labour costs (\$1 million) reclassified to opex in December.
 - 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 KPI savings on bus contracts driven by a bus driver shortage. KPI's were suspended after the change to a weekend timetable under Alert Level 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.
 - 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.
4. **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 Auckland Council to AT for \$161.9 million in September and other asset write-off's as part of the financial year end WIP review
 5. **Capital expenditure** of \$561 million (85% delivery) is \$102 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.
 6. **Waka Kotahi capital funding YTD** of 42% is lower than the budget of 50%. 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 May YTD is \$147 million versus a full year planned spend of \$262 million which is approximately 56% of the full year RFT enabled capital budget.

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



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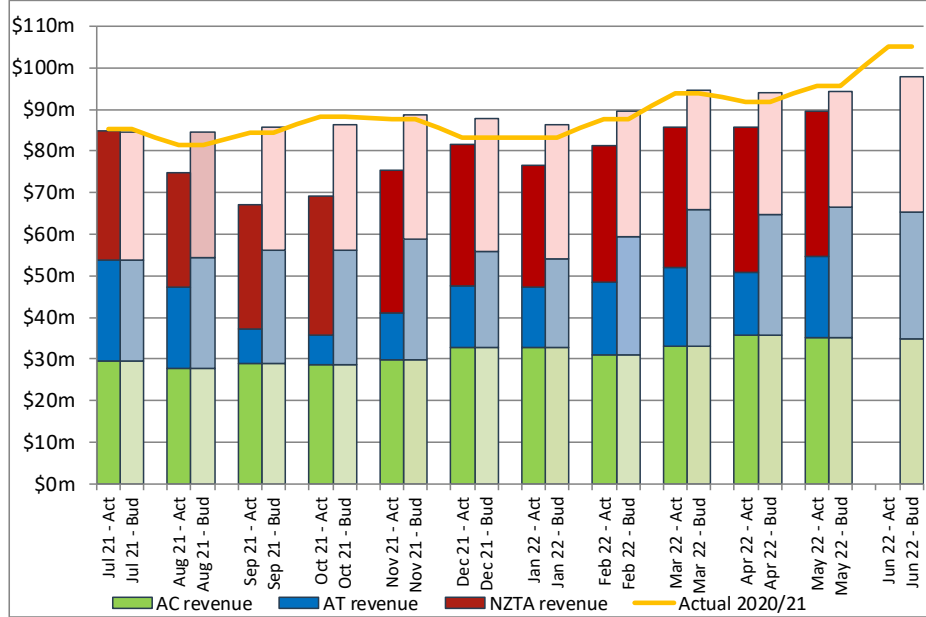
Section 2 – Financial results for the eleven months ended 31 May 2022

	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	35,097	35,097	-	345,045	345,045	-	379,855
Waka Kotahi NZ Transport Agency operating funding	34,934	27,768	7,166	355,423	330,809	24,614	363,288
Parking and enforcement income	7,848	9,916	(2,068)	57,705	98,594	(40,889)	108,605
Public transport income	8,134	19,187	(11,053)	84,780	172,762	(87,982)	190,896
Other revenue incl. other grants and subsidies	3,458	2,299	1,159	28,781	29,595	(814)	31,912
Total operating income	89,471	94,267	(4,796)	871,734	976,805	(105,071)	1,074,556
Operating expenditure							
Personnel costs	17,249	18,413	1,164	179,307	190,122	10,815	208,709
Capitalised personnel costs	(4,460)	(4,886)	(426)	(38,163)	(46,928)	(8,765)	(51,217)
Public transport contracts	40,635	44,968	4,333	428,886	466,588	37,702	512,588
Contractors-maintenance	9,240	7,656	(1,584)	80,663	84,454	3,791	93,075
Professional services	4,008	4,009	1	35,598	38,863	3,265	42,971
Track and ferry access charges	1,651	3,396	1,745	21,364	36,573	15,209	40,014
Other expenditure	13,673	17,628	3,955	145,499	173,820	28,321	192,140
Finance costs	2,444	2,442	(2)	26,592	26,582	(10)	28,946
Total operating expenditure excluding depreciation	84,440	93,626	9,186	879,746	970,074	90,328	1,067,226
Surplus/(deficit) from operations excluding depreciation	5,031	641	4,390	(8,012)	6,731	(14,743)	7,330
Depreciation and amortisation	35,918	37,764	1,846	372,091	387,311	15,220	425,920
Surplus/(deficit) from operations	(30,887)	(37,123)	6,236	(380,103)	(380,580)	477	(418,590)
Income for capital projects							
Waka Kotahi NZ Transport Agency capital co-investment	28,218	28,599	(381)	234,594	338,129	(103,535)	406,206
Auckland Council capital grant	54,084	29,429	24,655	312,940	316,798	(3,858)	403,908
Other capital grants	-	1,500	(1,500)	13,625	8,500	5,125	10,000
Vested asset income	37,989	11,154	26,835	210,662	264,744	(54,082)	275,000
Total income for capital projects	120,291	70,682	49,609	771,821	928,171	(156,350)	1,095,114
Net surplus/(deficit) before tax and derivatives	89,404	33,559	55,845	391,718	547,591	(155,873)	676,524
Gains/(losses) on derivatives	872	-	872	(2,724)	-	(2,724)	-
Gain/(loss) on disposal of assets	(21,299)	-	(21,299)	(60,023)	-	(60,023)	-
Net surplus/(deficit) after tax and derivatives	68,977	33,559	35,418	328,971	547,591	(218,620)	676,524

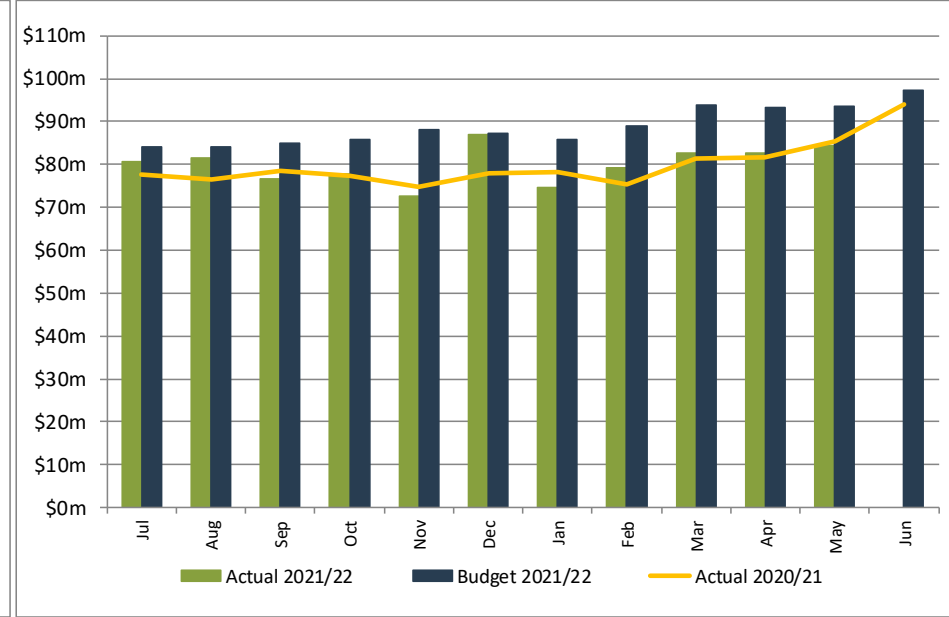
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Section 2 – Financial results for the eleven months ended 31 May 2022 (continued)

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	8,475	13,065	(4,590)	101,269	132,864	(31,595)	145,432
Bus	20,631	22,139	(1,508)	206,785	230,021	(23,236)	256,256
Ferry	3,609	2,942	667	24,105	31,765	(7,660)	35,694
Other public transport	2,752	2,740	12	24,824	27,553	(2,729)	30,076
Parking	3,438	4,298	(860)	25,341	45,052	(19,711)	49,350
Enforcement	4,410	5,618	(1,208)	32,364	53,542	(21,178)	59,255
Roading and footpaths	6,657	5,799	858	62,407	65,130	(2,723)	71,114
Internal support	4,404	2,568	1,836	49,593	45,834	3,759	47,523
Auckland Council operating funding	35,097	35,097	-	345,045	345,045	-	379,855
Total operating income	89,473	94,266	(4,793)	871,733	976,806	(105,073)	1,074,555
Operating Expenditure							
Rail	14,568	19,866	5,298	165,268	208,509	43,241	228,574
Bus	32,334	33,937	1,603	342,049	354,695	12,646	389,437
Ferry	4,467	4,611	144	35,913	43,786	7,873	48,418
Other public transport	4,786	5,894	1,108	49,944	60,084	10,140	66,898
Parking	1,115	1,098	(17)	11,220	12,125	905	13,244
Enforcement	2,229	2,414	185	22,120	25,237	3,117	27,686
Roading and footpaths	12,188	11,334	(854)	120,033	123,277	3,244	135,108
Internal support	12,755	14,471	1,716	133,197	142,361	9,164	157,860
Depreciation and amortisation	35,918	37,764	1,846	372,091	387,311	15,220	425,920
Total operating expenditure	120,360	131,389	11,029	1,251,835	1,357,385	105,550	1,493,145
Surplus/(deficit) from Operations	(30,887)	(37,123)	6,236	(380,102)	(380,579)	477	(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	1,498	4,811	(3,313)	14,869	42,618	(27,749)	46,509
Other income	189	159	30	910	1,749	(839)	1,908
Waka Kotahi NZ Transport Agency operating funding	6,788	8,095	(1,307)	85,490	88,497	(3,007)	97,015
Total operating income	8,475	13,065	(4,590)	101,269	132,864	(31,595)	145,432
Operating Expenditure							
Personnel costs	470	766	296	5,423	8,065	2,642	8,834
Capitalised personnel costs	93	(62)	(155)	1,299	(544)	(1,843)	(603)
Public transport contracts	8,571	10,739	2,168	91,214	110,766	19,552	121,676
Contractors-maintenance	20	12	(8)	418	137	(281)	150
Professional services	(50)	134	184	944	332	(612)	411
Track access charges	1,619	3,360	1,741	20,960	36,178	15,218	39,583
Other expenditure	1,404	2,478	1,074	18,460	27,027	8,567	29,613
Finance costs	2,441	2,439	(2)	26,550	26,548	(2)	28,910
Total operating expenditure	14,568	19,866	5,298	165,268	208,509	43,241	228,574
Depreciation and amortisation	4,759	4,394	(365)	43,384	46,867	3,483	51,288
Surplus/(deficit) from Operations	(10,852)	(11,195)	343	(107,383)	(122,512)	15,129	(134,430)
Internal support costs	2,823	4,114	1,290	29,184	34,811	5,627	39,423
Surplus/(deficit)	(13,675)	(15,309)	1,633	(136,567)	(157,323)	20,756	(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	4,201	10,717	(6,516)	45,395	91,357	(45,962)	100,745
Other income	414	323	91	6,919	7,032	(113)	8,892
Waka Kotahi NZ Transport Agency operating funding	16,016	11,099	4,917	154,471	131,632	22,839	146,619
Total operating income	20,631	22,139	(1,508)	206,785	230,021	(23,236)	256,256
Operating Expenditure							
Personnel costs	206	531	325	4,157	5,568	1,411	6,099
Capitalised personnel costs	284	(148)	(432)	923	(1,370)	(2,293)	(1,501)
Public transport contracts	28,618	30,534	1,916	310,299	321,077	10,778	352,488
Contractors-maintenance	107	99	(8)	1,011	1,091	80	1,190
Professional Services	197	213	16	1,276	2,077	801	2,269
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	2,922	2,708	(214)	24,382	26,252	1,870	28,892
Finance costs	-	-	-	1	-	(1)	-
Total operating expenditure	32,334	33,937	1,603	342,049	354,695	12,646	389,437
Depreciation and amortisation	565	687	122	6,144	6,689	545	7,391
Surplus/(deficit) from Operations	(12,268)	(12,485)	217	(141,408)	(131,363)	(10,045)	(140,572)
Internal support costs	4,811	7,009	2,198	49,723	59,310	9,586	67,167
Surplus/(deficit)	(17,079)	(19,494)	2,415	(191,131)	(190,673)	(459)	(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	685	590	95	5,168	6,399	(1,231)	6,935
Activity income	320	1,477	(1,157)	2,432	11,940	(9,508)	13,191
Other income	57	91	(34)	1,052	1,007	45	1,099
Waka Kotahi NZ Transport Agency operating funding	2,547	784	1,763	15,453	12,419	3,034	14,469
Total operating income	3,609	2,942	667	24,105	31,765	(7,660)	35,694
Operating Expenditure							
Personnel costs	111	195	84	1,738	1,933	195	2,130
Capitalised personnel costs	(2)	29	31	(543)	305	848	334
Public transport contracts	3,446	3,635	189	27,194	34,009	6,815	37,629
Contractors-maintenance	-	-	-	11	-	(11)	-
Professional Services	-	91	91	(12)	291	303	362
Ferry access charges	34	36	2	405	395	(10)	431
Other expenditure	878	625	(253)	7,120	6,853	(267)	7,532
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	4,467	4,611	144	35,913	43,786	7,873	48,418
Depreciation and amortisation	468	358	(110)	5,640	3,882	(1,758)	4,241
Surplus/(deficit) from Operations	(1,326)	(2,027)	701	(17,448)	(15,903)	(1,545)	(16,965)
Internal support costs	598	871	273	6,182	7,374	1,192	8,351
Surplus/(deficit)	(1,924)	(2,898)	974	(23,630)	(23,277)	(353)	(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	769	1,018	(249)	8,035	10,660	(2,625)	11,616
Waka Kotahi NZ Transport Agency operating funding	1,983	1,722	261	16,789	16,893	(104)	18,460
Total operating income	2,752	2,740	12	24,824	27,553	(2,729)	30,076
Operating Expenditure							
Personnel costs	2,447	2,155	(292)	22,924	22,304	(620)	24,507
Capitalised personnel costs	(339)	30	369	13	1,230	1,217	1,314
Public transport contracts	-	61	61	179	744	565	805
Contractors-maintenance	964	1,002	38	11,458	11,121	(337)	13,032
Professional Services	664	844	180	6,054	8,155	2,101	8,964
Track and ferry access charges	(2)	-	2	(2)	-	2	-
IT costs	113	32	(81)	746	495	(251)	526
Other expenditure	939	1,770	831	8,572	16,035	7,463	17,750
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	4,786	5,894	1,108	49,944	60,084	10,140	66,898
Depreciation and amortisation	464	643	179	6,366	6,946	580	7,597
Surplus/(deficit) from Operations	(2,498)	(3,797)	1,299	(31,486)	(39,477)	7,991	(44,419)
Internal support costs	826	1,204	378	8,542	10,188	1,647	11,538
Surplus/(deficit)	(3,324)	(5,001)	1,677	(40,028)	(49,665)	9,638	(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	3,342	4,241	(899)	24,045	44,479	(20,434)	48,720
Other income	96	57	39	1,296	573	723	630
Total operating income	3,438	4,298	(860)	25,341	45,052	(19,711)	49,350
Operating Expenditure							
Personnel costs	255	244	(11)	2,436	2,537	101	2,782
Capitalised personnel costs	(15)	(27)	(12)	(115)	(248)	(133)	(269)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	143	145	2	1,362	1,593	231	1,738
Professional Services	30	11	(19)	267	117	(150)	129
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	702	725	23	7,270	8,126	856	8,864
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	1,115	1,098	(17)	11,220	12,125	905	13,244
Depreciation and amortisation	840	668	(172)	9,204	7,292	(1,912)	7,961
Surplus/(deficit) from Operations	1,483	2,532	(1,049)	4,917	25,635	(20,718)	28,145
Internal support costs	164	238	75	1,691	2,017	326	2,284
Surplus/(deficit)	1,319	2,294	(974)	3,226	23,618	(20,392)	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	4,403	5,618	(1,215)	32,332	53,542	(21,210)	59,255
Other income	7	-	7	32	-	32	-
Total operating income	4,410	5,618	(1,208)	32,364	53,542	(21,178)	59,255
Operating Expenditure							
Personnel costs	1,070	1,085	15	12,036	11,232	(804)	12,316
Capitalised personnel costs	(13)	9	22	(41)	87	128	95
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	277	275	(2)	1,960	3,025	1,065	3,305
Professional Services	11	8	(3)	197	91	(106)	100
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	117	79	(38)	1,561	874	(687)	953
Movement in doubtful debts	228	196	(32)	600	2,158	1,558	2,355
Other expenditure	539	762	223	5,807	7,770	1,963	8,562
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	2,229	2,414	185	22,120	25,237	3,117	27,686
Depreciation and amortisation	143	237	94	1,622	2,178	556	2,424
Surplus/(deficit) from Operations	2,038	2,967	(929)	8,622	26,127	(17,505)	29,145
Internal support costs	342	498	156	3,535	4,216	682	4,775
Surplus/(deficit)	1,696	2,469	(773)	5,087	21,911	(16,823)	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	922	884	38	6,694	9,572	(2,878)	10,448
Other income	814	669	145	7,736	8,617	(881)	9,312
Waka Kotahi NZ Transport Agency operating funding	4,921	4,246	675	47,977	46,941	1,036	51,354
Total operating income	6,657	5,799	858	62,407	65,130	(2,723)	71,114
Operating Expenditure							
Personnel costs	3,289	3,300	11	34,468	34,097	(371)	37,418
Capitalised personnel costs	(1,409)	(1,081)	328	(12,142)	(11,895)	247	(12,935)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	7,672	6,023	(1,649)	64,751	66,474	1,723	72,556
Professional Services	909	1,331	422	11,292	14,691	3,399	16,096
Track and ferry access charges	-	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	1,727	1,761	34	21,664	19,910	(1,754)	21,973
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	12,188	11,334	(854)	120,033	123,277	3,244	135,108
Depreciation and amortisation	25,796	26,315	519	267,228	271,489	4,261	298,515
Surplus/(deficit) from Operations	(31,327)	(31,850)	523	(324,854)	(329,636)	4,782	(362,509)
Internal support costs	1,669	2,432	763	17,251	20,576	3,326	23,302
Surplus/(deficit)	(32,996)	(34,282)	1,286	(342,105)	(350,212)	8,108	(385,811)

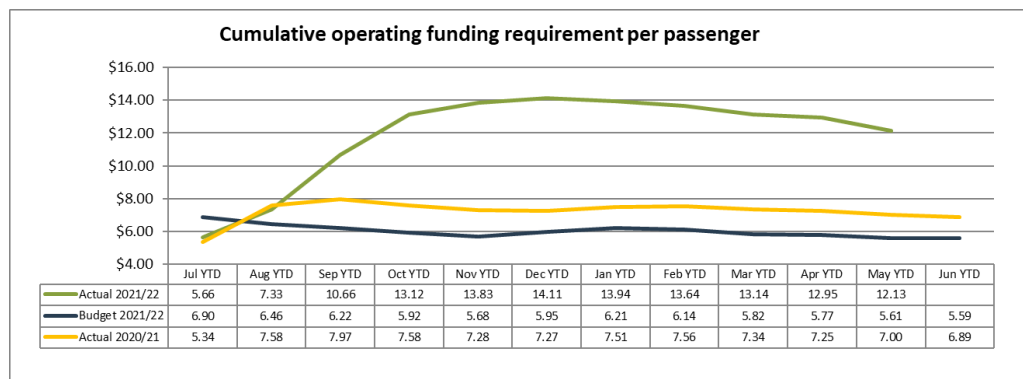
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Section 2b – Internal Support

	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	1,065	337	728	8,490	7,052	1,438	7,390
Other income	658	409	249	5,861	4,354	1,507	4,762
Waka Kotahi NZ Transport Agency operating funding	2,681	1,822	859	35,242	34,428	814	35,371
Total operating income	4,404	2,568	1,836	49,593	45,834	3,759	47,523
Operating Expenditure							
Personnel costs	9,402	10,136	734	96,125	104,388	8,263	114,622
Capitalised personnel costs	(3,058)	(3,636)	(578)	(27,558)	(34,493)	(6,935)	(37,652)
Public transport contracts	-	(1)	(1)	-	(9)	(9)	(10)
Contractors-maintenance	58	99	41	(308)	1,012	1,320	1,103
Professional services	2,246	1,377	(869)	15,580	13,109	(2,471)	14,641
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	2,938	2,928	(10)	29,877	31,060	1,183	33,990
Directors fees	39	42	3	462	465	3	508
Other expenditure	1,127	3,523	2,396	18,978	26,795	7,817	30,621
Finance costs	3	3	-	41	34	(7)	37
Total operating expenditure	12,755	14,471	1,716	133,197	142,361	9,164	157,860
Depreciation and amortisation	2,882	4,463	1,581	32,504	41,966	9,462	46,503
Surplus/(deficit) from Operations	(11,233)	(16,366)	5,133	(116,108)	(138,493)	22,385	(156,840)
Internal support allocated	11,233	16,366	5,133	116,108	138,493	22,385	156,840
Surplus/(deficit)	-	-	-	-	-	-	-

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Section 2c – Operational funding requirement per passenger for the eleven months ended 31 May 2022



The operational cost (net of third party revenue) of \$12.13 per passenger on the PT Network is higher than the budget of \$5.61 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				Year to date				Full year
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %	Budget
Rail, Bus and Ferry operations:									
Operating expenditure \$000	48,928	55,975	7,047	13%	516,680	580,442	63,762	11%	637,519
Less external revenues \$000	7,364	18,168	(10,804)	(59%)	76,745	162,102	(85,357)	(53%)	179,279
Operating funding requirement \$000	41,564	37,807	(3,757)	(10%)	439,935	418,340	(21,595)	(5%)	458,240
Patronage 000's	5,500	8,713	(3,214)	(37%)	36,259	74,633	(38,374)	(51%)	82,000
Operating funding requirement per passenger	\$7.56	\$4.34	(\$3.22)	(74%)	\$12.13	\$5.61	(\$6.53)	(116%)	\$5.59

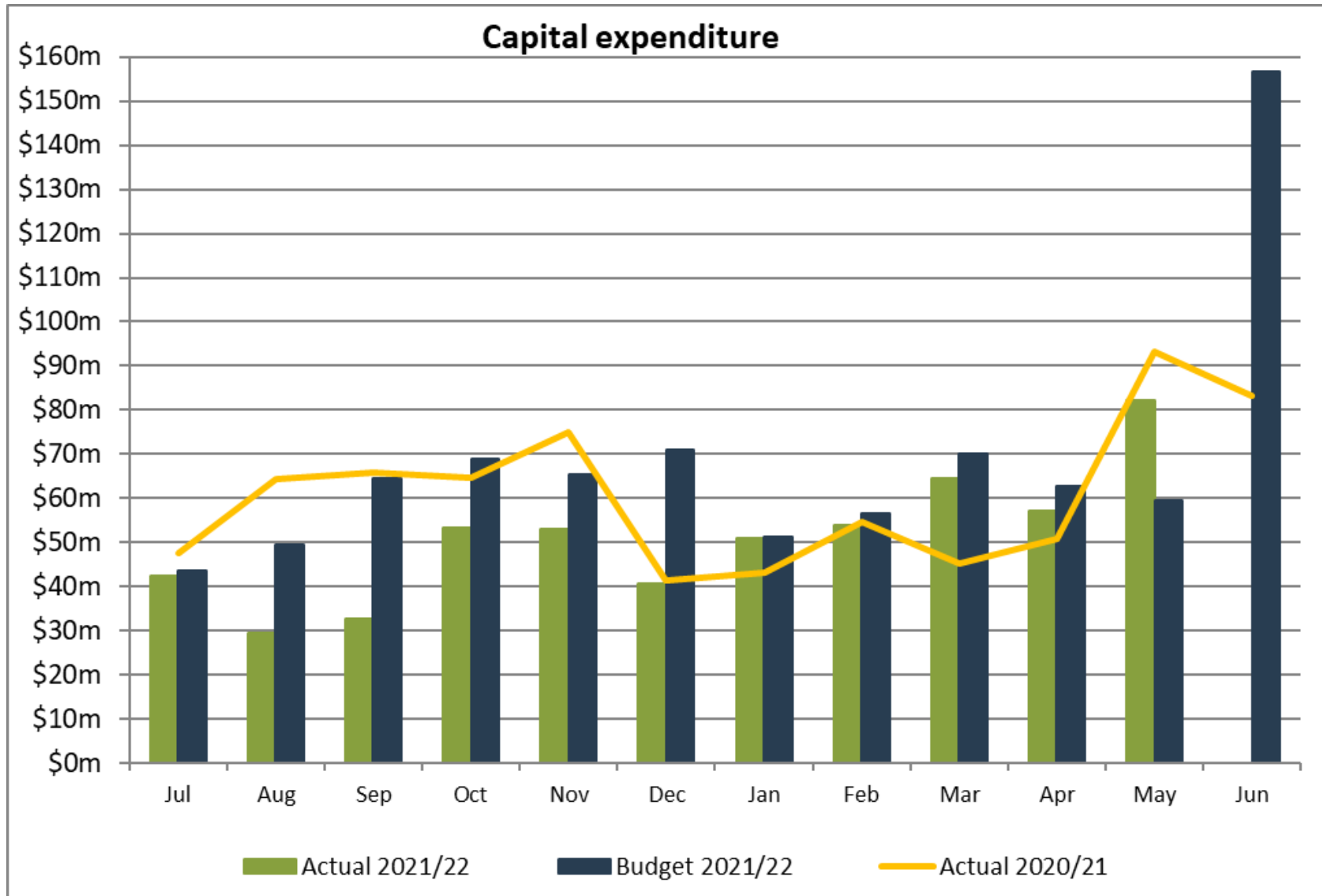
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Section 3a – Summary of Capital Expenditure

	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	2,263	4,725	2,462	44,457	60,179	15,722	72,228
Asset Management	28,963	18,983	(9,980)	218,356	228,698	10,342	252,394
Bus Projects	2,420	3,716	1,296	19,255	32,765	13,510	58,266
Corridor Improvements	3,409	2,921	(488)	13,698	15,963	2,265	27,513
Ferry, Multi-modal, and Park and Ride	2,753	3,680	927	27,426	27,368	(58)	33,101
Local Board Priorities	1,169	642	(527)	7,209	10,204	2,995	27,799
Network Capacity and Performance	1,644	1,044	(600)	11,111	12,278	1,167	14,000
Operational Programmes	3,809	2,320	(1,489)	34,487	44,111	9,624	49,580
Population Growth	3,656	3,881	225	25,097	48,247	23,150	68,941
Rapid Transit: Bus Projects	16,011	5,049	(10,962)	67,345	77,493	10,148	97,069
Rapid Transit: Rail Projects	883	3,242	2,359	17,171	19,920	2,749	25,151
Safety	15,064	8,728	(6,336)	74,642	80,441	5,799	86,360
Sustainability Projects that are in addition to travel choice projects	259	597	338	906	5,761	4,855	7,712
Total direct capital	82,303	59,528	(22,775)	561,160	663,428	102,268	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	16,539	24,065	(7,526)	139,453	225,078	(85,625)	286,646
Waka Kotahi NZ Transport Agency renewal co-investment	11,679	4,533	7,146	95,142	113,051	(17,909)	119,560
Other capital grants	-	1,500	(1,500)	13,625	8,500	5,125	10,000
Auckland Council capital grant	54,084	29,429	24,655	312,940	316,798	(3,858)	403,908
Total direct capital funding	82,302	59,527	22,775	561,160	663,427	(102,267)	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	414,321	146,838	561,159	558,343	261,771	820,114
Funding						
Waka Kotahi NZ Transport Agency	171,206	63,388	234,594	299,092	107,115	406,206
Others (ACC,Crown, others)	263	13,362	13,625	-	10,000	10,000
Auckland Council	242,852	70,088	312,940	259,251	144,657	403,908
Total funding	414,321	146,838	561,159	558,343	261,771	820,114
Programme of capital projects supported by the RFT scheme						
Project 1: Bus priority improvements		6,594			30,016	
Project 2: City centre bus infrastructure		2,142			3,030	
Project 3: Improving airport access		6,753			11,517	
Project 4: Eastern Busway		42,761			70,799	
Project 5: Park-and-ride facilities		8			101	
Project 6: Electric trains and stabling		26			5,000	
Project 7: Downtown ferry terminal and redevelopment		21			-	
Project 8: Road safety		58,728			71,560	
Project 9: Active transport		10,694			14,680	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		3			-	
Project 12: Road corridor improvements		12,291			37,819	
Project 13: Network capacity and performance improvement		6,588			7,740	
Project 14: Growth-related transport infrastructure		229			9,508	
Total		146,838			261,771	

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RFT Operating Expenditure

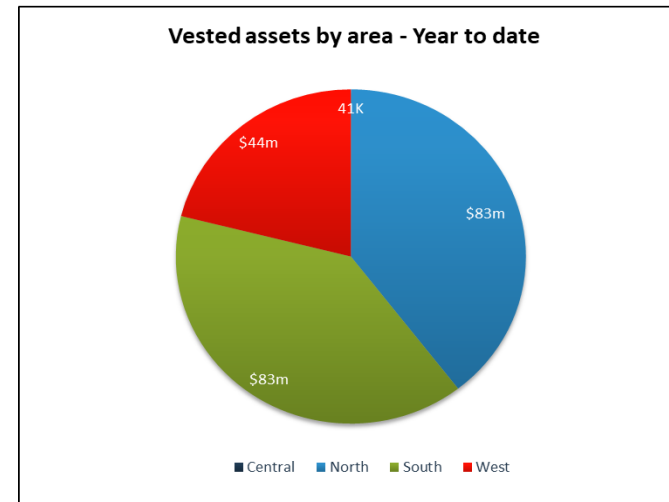
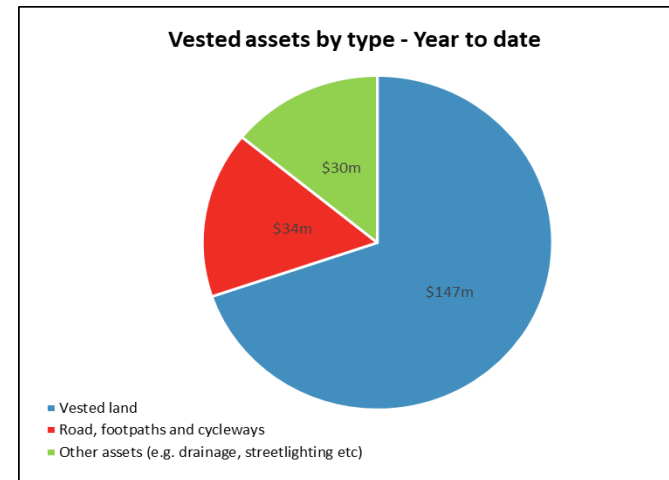
	Year to date			Full year		
	Actual Not RFT Enabled	Actual RFT Enabled	Actual Total	Budget Not RFT Enabled	Budget RFT Enabled	Budget Total
Operating expenditure		885			1,480	
<i>Note: Fully funded by Auckland Council</i>						
Programme of operating projects supported by the Auckland RFT scheme						
Project 8: Road safety		885			1,480	
Total		885			1,480	

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Section 3d – Vested Assets

As at 31 May 2022

	Current month	Year to date
	Actual \$000	Actual \$000
Vested Assets - Top 10 Suburbs		
Flat Bush	2,906	39,315
Huapai	26,899	27,246
Milldale	42	25,009
Hobsonville	3,340	24,013
Massey	-	10,933
Drury	2,081	9,333
Pukekohe	-	8,947
Warkworth	480	7,925
Matakana	-	7,389
Glenbrook	-	6,701
Other	2,242	43,851
Total Vested Asset	37,989	210,662



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Section 4a – Statement of Financial Position

As at 31 May 2022

	Note	Actual 31 May 2022 \$000	Actual 30 April 2022 \$000
Assets			
Current assets			
Cash and cash equivalents	1	11,361	4,530
Receivables	2	565,827	536,441
Inventories		13,147	13,109
Other assets		5,116	7,342
Total current assets		595,451	561,422
Non-current assets			
Property, plant and equipment (PPE)		21,623,233	21,488,306
Intangible assets		125,045	127,202
Work in progress (PPE and intangible assets)	3	831,974	883,816
Total non-current assets		22,580,252	22,499,324
Total assets		23,175,703	23,060,746

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Section 4a – Statement of Financial Position (continued)

As at 31 May 2022

	Note	Actual 31 May 2022 \$000	Actual 30 April 2022 \$000
Liabilities			
Current liabilities			
Payables and accruals	4	245,701	217,912
Employee entitlements	5	22,696	20,791
Derivative financial instruments		850	1,001
Borrowings	6	8,815	8,767
Total current liabilities		278,062	248,471
Non-current liabilities			
Payables and accruals	4	3,771	4,046
Employee entitlements	5	328	328
Derivative financial instruments		5,365	5,810
Borrowings	6	471,941	472,718
Total non-current liabilities		481,405	482,902
Total liabilities		759,467	731,373
Net assets		22,416,236	22,329,373
Equity			
Contributed capital		13,220,520	13,202,643
Accumulated funds		4,770,502	4,701,516
Other reserves		4,425,214	4,425,214
Total equity		22,416,236	22,329,373

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Section 4b – Notes to the Financial Statements

As at 31 May 2022

	Actual 31 May 2022 \$000	Actual 30 April 2022 \$000
1 Cash and cash equivalents		
Cash at bank	11,131	4,300
Till floats	230	230
Total cash and cash equivalents	11,361	4,530

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

2 Receivables		
Trade and other debtors	4,765	7,439
Infringement receivable	45,764	44,739
Amounts due from related parties	464,377	440,320
Accrued revenue	73,070	65,864
	587,976	558,362
Less provision for impairment of receivables	(22,149)	(21,921)
Total current receivables	565,827	536,441

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

As at 31 May 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	2,646	3,765	-	463,979	470,390
Past due 1 - 30 days	209	2,338	-	395	2,942
Past due 31 - 60 days	181	2,070	-	3	2,254
Past due 61 - 90 days	54	1,615	-	-	1,669
Past due > 90 days	1,675	1,463	34,513	-	37,651
	4,765	11,251	34,513	464,377	514,906
Impairment	(499)	(1,287)	(20,363)	-	(22,149)
	4,266	9,964	14,150	464,377	492,757

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 May 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	-	-	852	852
Provisions reversed	-	(252)	-	(252)
Provisions relating to receivables written-off	-	-	-	-
Balance at 31 May 2022	499	1,287	20,363	22,149

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

As at 31 May 2022

	Opening balance 1 July 2021 \$000	Acquisition YTD 31 May 2022 \$000	Capitalisation YTD 31 May 2022 \$000	Closing balance 31 May 2022 \$000
3 Work in Progress (WIP)				
WIP by activity				
Roads and footpaths	649,465	262,624	(321,396)	590,693
Public Transport	465,032	82,169	(343,344)	203,856
Parking operations	6,762	2,255	(4,959)	4,057
Internal support	31,106	28,921	(26,660)	33,367
Total WIP	1,152,364	375,969	(696,359)	831,974
WIP by status				
Current WIP (completion in future)				773,724
Due for capitalisation within policy				5,171
Due for capitalisation not within policy				50,795
Forecast completion date not yet provided (new projects)				2,284
Total WIP				831,974

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

As at 31 May 2022

Top 10 Programmes	WIP Closing balance 31 May 2022 \$000
AMETI	127,448
New Northern Busway Station & Park&Ride	58,785
SGA Network Growth	56,031
New Lynn to Avondale Scheme Cycleway	45,384
Warkworth Matakana Link (SH1 to Matakana	37,102
Wolverton Culvert Emergency Work	31,383
Tech-Corporate Programme	24,567
Wynyard Quarter Programme	23,799
Integrated Corridor	20,249
High Risk Urban Programme	15,855
Total	440,602

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

As at 31 May 2022

	Actual 31 May 2022 \$000	Actual 30 April 2022 \$000
4 Payables and accruals		
Current portion		
Creditors	28,606	11,797
Goods and services tax	36	624
Accrued expenses	167,806	156,674
Retentions	20,162	20,515
Amounts due to related parties	26,534	24,293
Revenue in advance	2,557	4,009
Total current payables	245,701	217,912
Non-current portion		
Amounts due to related parties	3,771	4,046
Total non-current payables	3,771	4,046

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 May 2022

	Actual 31 May 2022 \$000	Actual 30 April 2022 \$000
5 Employee entitlements		
Current portion		
Accrued salaries and wages	8,435	7,089
Accrued leave	14,261	13,702
Total current employee entitlements	22,696	20,791
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 May 2022

	Actual 31 May 2022 \$000	Actual 30 April 2022 \$000
6 Borrowings		
Current portion		
Finance lease	1,061	1,060
Loans from Auckland Council	7,754	7,707
Total current borrowings	8,815	8,767
Non-current portion		
Finance lease	2,973	3,062
Loans from Auckland Council	468,968	469,656
Total non-current borrowings	471,941	472,718
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$477 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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Section 5 – Cashflow

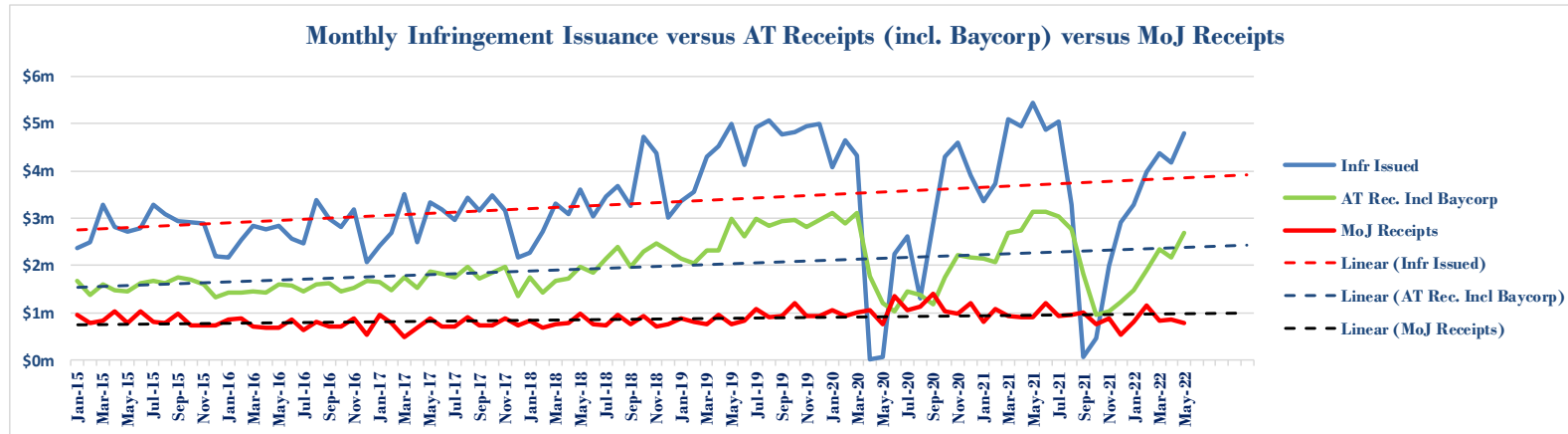
	Year to Date		Full year
	Actual \$000	Budget \$000	Budget \$000
Cash flows from operating activities			
Total cash provided	1,529,896	1,661,869	1,896,483
Cash applied to			
Payments to suppliers and employees	919,086	945,129	1,040,092
Interest paid	23,568	26,582	28,947
Goods and services tax	7,135	-	-
Total cash applied	949,789	971,711	1,069,039
Net cash from operating activities	580,107	690,158	827,444
Cash flows from investing activities			
Cash provided from			
Sale of property, plant and equipment	3,758	-	-
Cash applied to:			
Purchase of property, plant and equipment	570,507	683,427	820,114
Net cash from investing activities	(566,749)	(683,427)	(820,114)
Cash flows from financing activities			
Cash applied to			
Repayments of EMU loan from Auckland Council	6,731	6,731	7,330
Repayments of finance lease principal	963	-	-
Net cash from financing activities	(7,694)	(6,731)	(7,330)
Net (decrease)/increase in cash and cash equivalent	5,664	-	-
Opening cash and cash equivalents	5,697	-	-
Closing cash balance	11,361	-	-

	Actual \$000
Reconciliation of surplus after tax to net cash from operating activities	
Surplus after tax	328,971
Add/(less) non-cash items	
Depreciation and amortisation	372,092
Vested asset income	(210,662)
Loss on disposal of property, plant and equipment	60,049
(Gains)/losses on derivatives	5,699
	227,178
Add/(less) movements in balance sheet items	
Receivables	95,320
Inventories	(2,421)
Other assets	(624)
Payables and accruals	(73,922)
Employee entitlements	5,605
	23,958
Net cash from operating activities	580,107


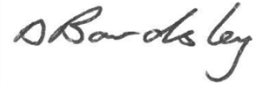
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Section 6 – Infringement Overview

Over 89 months (January 2015 to May 2022), the trend for both infringements issued and receipts (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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