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## Results for the Six Months Ended 31 December 2022

For decision:  For noting:

Reason for inclusion in closed board meeting session	
1. Please state why this report is being considered in the closed board meeting as opposed to the open board meeting. Please refer to the 'reasons for confidentiality' and provide a direct reference to one of these reasons.	To protect information that will soon be publicly available. <i>Auckland Transport cannot release any financial results to the public due to the Auckland Council Group NZX obligations which restrict releasing financial results to the public before the announcement of the Group results to the New Zealand Stock Exchange.</i>
2. Please provide an estimated date for release of this report.	March 2023

### Te tūhonga / Recommendation

That the Auckland Transport Board (board):

- a) Receives the report.

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## Section 1 – Te whakarāpopototanga matua / Executive summary

1. Year to date (YTD) **surplus from operations excluding depreciation** of \$9.7 million, is \$6.0 million favourable to budget mainly due to a \$14.4 million unbudgeted public transport (PT) top-up from Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and lower professional services, maintenance and other expenditure. These are partially offset by lower than budgeted parking and enforcement income and lower capitalised personnel costs. Results do not reflect any impact from the weather event which occurred from Friday 27 January causing significant damage across the transport network. Items to note:
  - Waka Kotahi funding is \$29.3 million favourable to budget mainly due to the \$14.4 million PT top-up and unbudgeted PT fare discount funding for the extension of half price fares to the end of June 2023.
  - Parking and enforcement revenue is unfavourable to budget mainly due to lower infringement ticket issuances and parking occupancy. Infringement revenue is under budget for all enforcement revenue types due to compliant behaviour of traffic users in our corridors. New Special Vehicle Lanes have also been delayed due to supply chain and technical issues.
  - PT income is unfavourable as the budget was set with the 50% fare discount ending in August 2022, subsequently extended to the end of June 2023 with the resultant top-up recognised as additional Waka Kotahi income. PT patronage growth has slowed remaining relatively unchanged at 65%-75% of pre COVID-19 levels in the last four months, up from circa 60% of pre COVID-19 levels at the beginning of the financial year.
  - Personnel cost is favourable to budget primarily due to budgeted positions not filled. This is partly offset by higher than expected annual leave expense due to the revaluation of the annual leave liability in line with the recent remuneration review reflecting market movements.
  - Capitalised personnel cost is lower than budget mainly due to vacant positions and lower than budgeted capital expenditure.
  - PT contract costs are unfavourable to budget due to higher than expected PT contract indexation and rail leave liability, and a six month catch-up of Devonport operator access fees (offset by ferry access fare revenue) in December. Actual indexation is 4.2% for Rail, 6.6% for Bus and 13.7% for Ferry, against a budget of 4%. This is offset by key performance indicator savings on bus contracts driven by a continuing bus driver shortage.
  - Contractor maintenance is favourable to budget mainly from roading activity due to delays arising from COVID-19 staffing issues. The unfavourable budget variance in December is due to cost escalations as contracts rollover and increased emergency works.
  - Professional services is favourable to budget primarily within planning and investment, road network management and PT activity with spend expected to increase as projects in these areas progress.
  - Other expenditure is favourable to budget primarily due to lower than expected Information Technology costs, advertising, bank charges, commissions, court costs, Auckland Transport (AT) delivered events and doubtful debts.
2. **Deficit from operations** is \$7.7 million unfavourable to budget in December 2022 and \$42.2 million unfavourable YTD mainly due to higher than budgeted depreciation from the June 2022 roading revaluation, partly offset by the \$14.4 million unbudgeted PT top-up from Waka Kotahi and lower expenditure. The full year impact of the 2022 revaluation on depreciation is estimated to be circa \$100 million.

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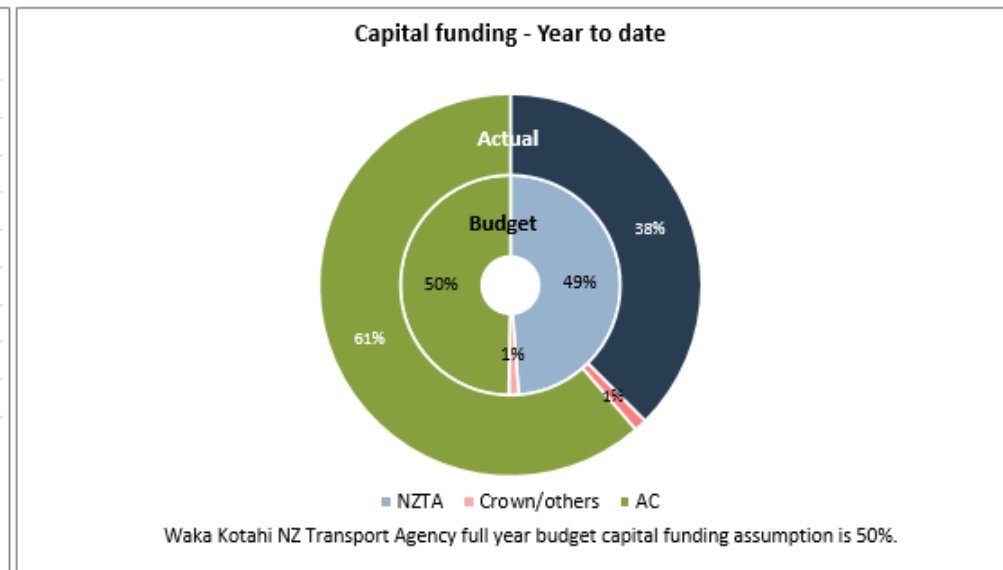
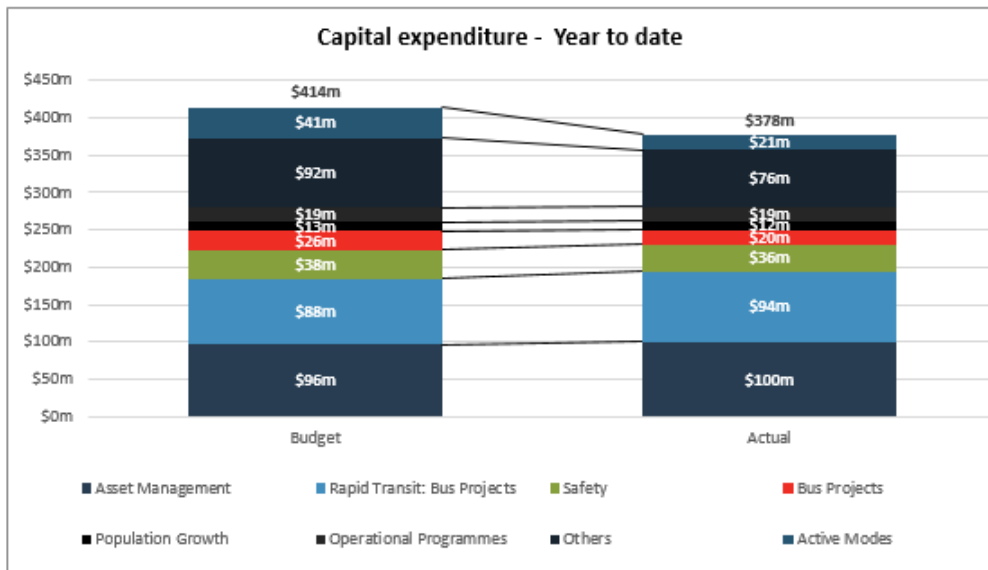
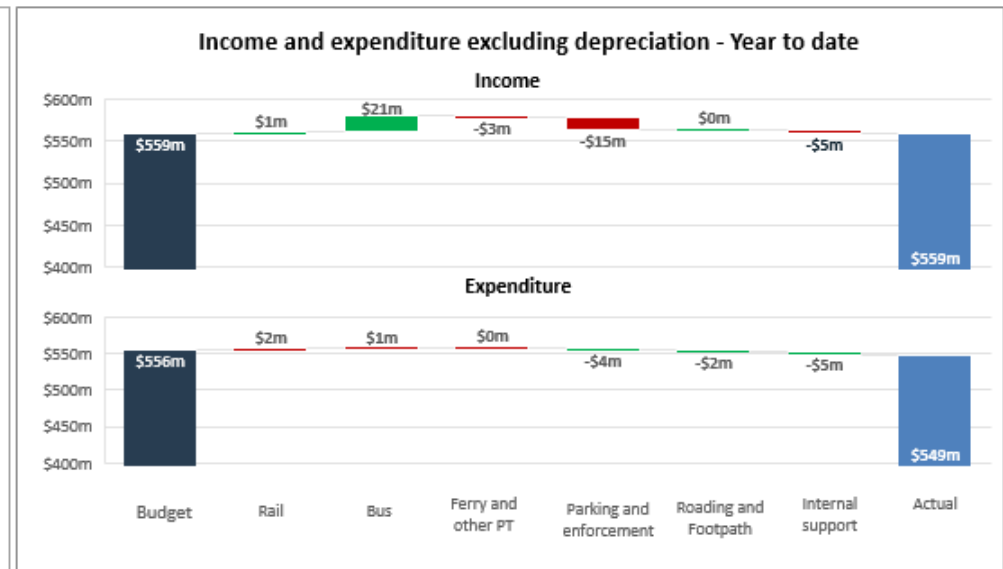
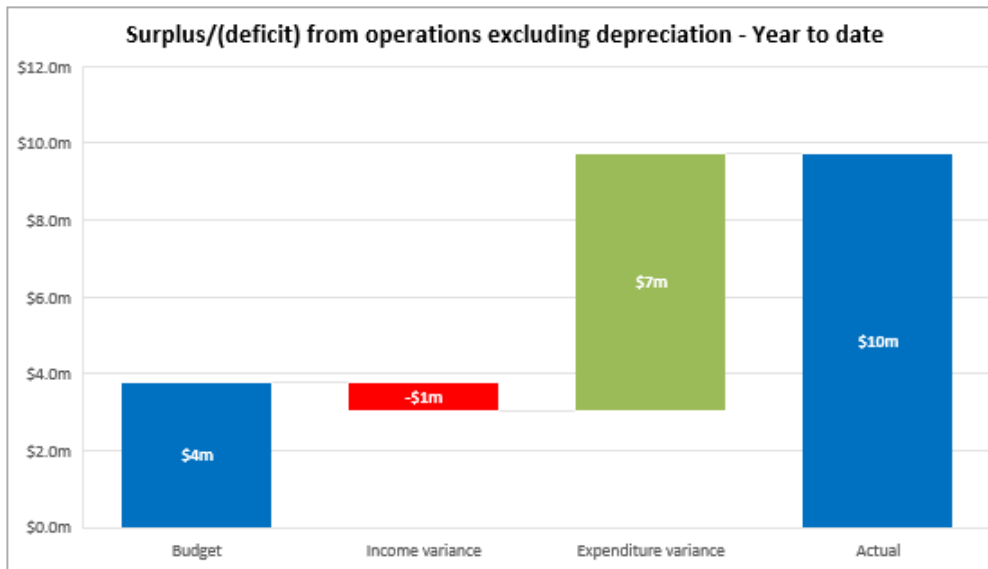
3. YTD **Capital expenditure** of \$377.7 million is \$36.6 million lower than budget due to a slow start to the implementation and delivery of the programme, driven by inflationary pressures and resourcing challenges including a delay in signing the Eastern Busway PAA. Capital expenditure was higher than budget in December due to the timing of EMU milestone payments and Eastern Busway property purchases.

In December, the Government confirmed an additional \$200 million of funding for the Eastern Busway, reallocated from the cancelled Northern Pathway project. This brings the total Crown contribution to the Eastern Busway project to over \$600 million.

4. **Waka Kotahi and other Crown capital funding** YTD of 38% is lower than the budget of 49% mainly driven by delays in resource consent approvals for the Urban Cycling Programme. Waitemata Safe Routes, Pt Chevalier and Great North Road projects are all under review by the AT Board and senior council leaders, with an intention to make a decision on construction at the end of February. The budget reflected a retrospective Eastern Busway property purchase claim in October which is now being realised throughout the balance of the year.
5. **Regional Fuel Tax (RFT) enabled capital spend** for December is \$71.4 million and \$179.6 million YTD, versus a full year planned spend of \$358 million. YTD spend is approximately 50% of the full year RFT enabled capital budget.

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



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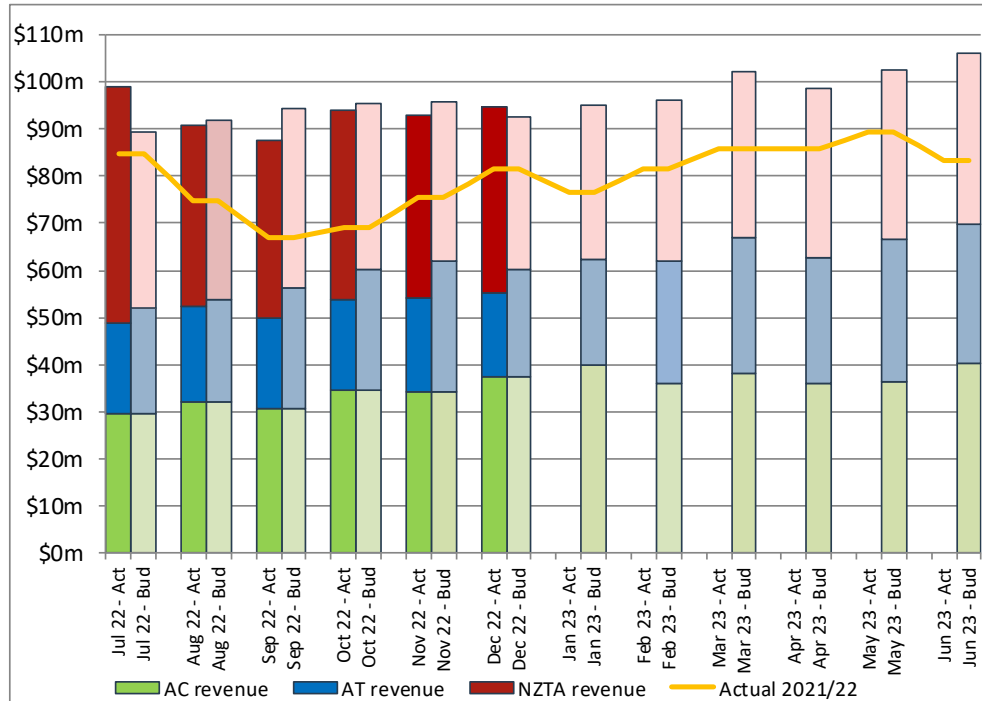
## Section 2 – Financial results for the six months ended 31 December 2022

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating income</b>							
Auckland Council funding	37,454	37,454	-	198,685	198,685	-	424,909
Waka Kotahi NZ Transport Agency operating funding	39,268	32,190	7,078	244,299	215,038	29,261	424,286
Parking and enforcement income	6,504	8,452	(1,948)	44,113	59,415	(15,302)	125,980
Public transport income	8,753	12,017	(3,264)	54,304	67,697	(13,393)	148,503
Other revenue incl. other grants and subsidies	2,610	2,309	301	17,297	18,637	(1,340)	35,742
<b>Total operating income</b>	<b>94,589</b>	<b>92,422</b>	<b>2,167</b>	<b>558,698</b>	<b>559,472</b>	<b>(774)</b>	<b>1,159,420</b>
<b>Operating expenditure</b>							
Personnel costs	18,867	18,564	(303)	110,398	110,962	564	227,041
Capitalised personnel costs	(3,690)	(3,305)	385	(23,253)	(28,660)	(5,407)	(55,557)
Public transport contracts	47,478	46,320	(1,158)	276,594	275,420	(1,174)	575,029
Contractors-maintenance	8,287	6,985	(1,302)	51,128	53,123	1,995	107,516
Professional services	2,372	2,272	(100)	13,088	15,279	2,191	31,261
Track and ferry access charges	3,321	3,814	493	18,821	19,417	596	42,404
Other expenditure	15,588	14,671	(917)	87,754	95,713	7,959	195,446
Finance costs	2,421	2,421	-	14,421	14,425	4	28,495
<b>Total operating expenditure excluding depreciation</b>	<b>94,644</b>	<b>91,742</b>	<b>(2,902)</b>	<b>548,951</b>	<b>555,679</b>	<b>6,728</b>	<b>1,151,635</b>
<b>Surplus/(deficit) from operations excluding depreciation</b>	<b>(55)</b>	<b>680</b>	<b>(735)</b>	<b>9,747</b>	<b>3,793</b>	<b>5,954</b>	<b>7,785</b>
Depreciation and amortisation	43,918	36,914	(7,004)	260,323	212,122	(48,201)	446,714
<b>Surplus/(deficit) from operations</b>	<b>(43,973)</b>	<b>(36,234)</b>	<b>(7,739)</b>	<b>(250,576)</b>	<b>(208,329)</b>	<b>(42,247)</b>	<b>(438,929)</b>
<b>Income for capital projects</b>							
Waka Kotahi NZ Transport Agency capital co-investment	26,612	32,702	(6,090)	142,051	202,316	(60,265)	434,460
Auckland Council capital grant	76,230	33,956	42,274	231,624	206,305	25,319	416,043
Other capital grants	-	138	(138)	3,981	5,616	(1,635)	6,227
Vested asset income	15,161	27,500	(12,339)	158,364	137,500	20,864	275,000
<b>Total income for capital projects</b>	<b>118,003</b>	<b>94,296</b>	<b>23,707</b>	<b>536,020</b>	<b>551,737</b>	<b>(15,717)</b>	<b>1,131,730</b>
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>74,030</b>	<b>58,062</b>	<b>15,968</b>	<b>285,444</b>	<b>343,408</b>	<b>(57,964)</b>	<b>692,801</b>
Gains/(losses) on derivatives	3,189	-	3,189	(3,689)	-	(3,689)	-
Gain/(loss) on disposal of assets	337	-	337	86	-	86	-
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>77,556</b>	<b>58,062</b>	<b>19,494</b>	<b>281,841</b>	<b>343,408</b>	<b>(61,567)</b>	<b>692,801</b>

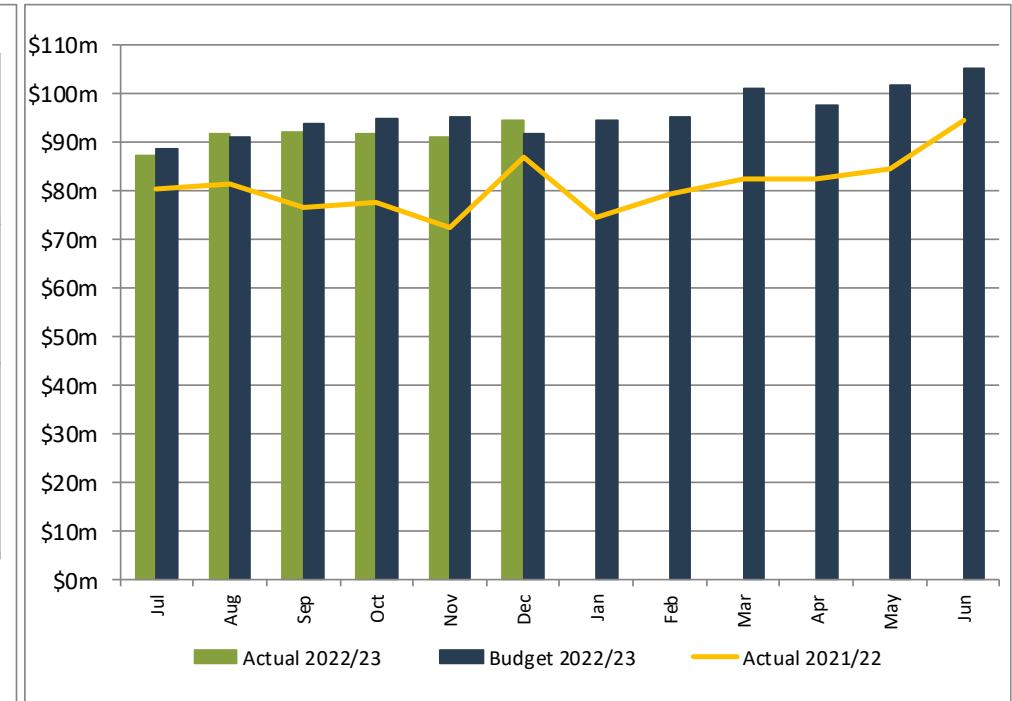
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## Section 2 – Financial results for the six months ended 31 December 2022 (continued)

### Operating income



### Operating expenditure excluding depreciation



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

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Rail	11,001	10,541	460	65,374	64,217	1,157	139,674
Bus	23,284	21,508	1,776	152,417	131,139	21,278	266,598
Ferry	3,073	3,447	(374)	17,127	19,519	(2,392)	39,626
Other public transport	2,591	2,314	277	15,225	15,368	(143)	30,220
Parking	2,877	4,380	(1,503)	20,286	25,833	(5,547)	51,496
Enforcement	3,627	4,072	(445)	23,827	33,582	(9,755)	74,483
Roading and footpaths	6,102	4,597	1,505	37,794	37,672	122	73,198
Internal support	4,582	4,110	472	27,962	33,457	(5,495)	59,214
Auckland Council operating funding	37,454	37,454	-	198,685	198,685	-	424,909
<b>Total operating income</b>	<b>94,591</b>	<b>92,423</b>	<b>2,168</b>	<b>558,697</b>	<b>559,472</b>	<b>(775)</b>	<b>1,159,418</b>
<b>Operating Expenditure</b>							
Rail	17,912	17,678	(234)	105,320	103,304	(2,016)	228,228
Bus	36,326	35,869	(457)	213,549	212,260	(1,289)	431,529
Ferry	5,540	4,469	(1,071)	28,735	26,426	(2,309)	53,402
Other public transport	4,796	5,368	572	27,833	30,436	2,603	63,980
Parking	1,130	1,132	2	6,784	6,377	(407)	13,115
Enforcement	2,711	2,448	(263)	13,263	17,327	4,064	34,129
Roading and footpaths	11,953	9,570	(2,383)	71,854	73,439	1,585	146,007
Internal support	14,276	15,211	935	81,607	86,111	4,504	181,245
Depreciation and amortisation	43,918	36,914	(7,004)	260,323	212,122	(48,201)	446,714
<b>Total operating expenditure</b>	<b>138,562</b>	<b>128,659</b>	<b>(9,903)</b>	<b>809,268</b>	<b>767,802</b>	<b>(41,466)</b>	<b>1,598,349</b>
<b>Surplus/(deficit) from Operations</b>	<b>(43,971)</b>	<b>(36,236)</b>	<b>(7,735)</b>	<b>(250,571)</b>	<b>(208,330)</b>	<b>(42,241)</b>	<b>(438,931)</b>

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## Section 2b – Rail Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Activity income	1,406	2,385	(979)	9,330	14,056	(4,726)	33,119
Other income	193	133	60	814	774	40	1,684
Waka Kotahi NZ Transport Agency operating funding	9,402	8,023	1,379	55,230	49,387	5,843	104,871
<b>Total operating income</b>	<b>11,001</b>	<b>10,541</b>	<b>460</b>	<b>65,374</b>	<b>64,217</b>	<b>1,157</b>	<b>139,674</b>
<b>Operating Expenditure</b>							
Personnel costs	532	627	95	2,943	3,822	879	7,760
Capitalised personnel costs	487	(4)	(491)	612	(134)	(746)	(83)
Public transport contracts	10,619	9,959	(660)	62,653	59,772	(2,881)	139,106
Contractors-maintenance	-	-	-	(1)	-	1	-
Professional services	-	7	7	125	43	(82)	425
Track access charges	3,305	3,772	467	18,616	19,185	569	41,942
Other expenditure	551	900	349	5,970	6,212	242	10,624
Finance costs	2,418	2,417	(1)	14,402	14,404	2	28,454
<b>Total operating expenditure</b>	<b>17,912</b>	<b>17,678</b>	<b>(234)</b>	<b>105,320</b>	<b>103,304</b>	<b>(2,016)</b>	<b>228,228</b>
Depreciation and amortisation	3,804	3,774	(30)	23,028	22,513	(515)	45,339
<b>Surplus/(deficit) from Operations</b>	<b>(10,715)</b>	<b>(10,911)</b>	<b>196</b>	<b>(62,974)</b>	<b>(61,600)</b>	<b>(1,374)</b>	<b>(133,893)</b>
Internal support costs	3,078	3,304	225	16,656	16,183	(473)	37,156
<b>Surplus/(deficit)</b>	<b>(13,793)</b>	<b>(14,215)</b>	<b>421</b>	<b>(79,630)</b>	<b>(77,783)</b>	<b>(1,847)</b>	<b>(171,049)</b>

## Section 2b – Bus Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Activity income	3,840	5,849	(2,009)	26,826	32,614	(5,788)	70,935
Other income	1,204	748	456	4,927	4,623	304	11,149
Waka Kotahi NZ Transport Agency operating funding	18,240	14,911	3,329	120,664	93,902	26,762	184,514
<b>Total operating income</b>	<b>23,284</b>	<b>21,508</b>	<b>1,776</b>	<b>152,417</b>	<b>131,139</b>	<b>21,278</b>	<b>266,598</b>
<b>Operating Expenditure</b>							
Personnel costs	731	453	(278)	2,644	2,744	100	5,604
Capitalised personnel costs	(20)	(76)	(56)	672	(1,053)	(1,725)	(1,748)
Public transport contracts	32,236	32,708	472	189,963	193,780	3,817	391,917
Contractors-maintenance	94	110	16	656	662	6	1,450
Professional Services	210	185	(25)	806	873	67	2,128
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	3,075	2,489	(586)	18,808	15,254	(3,554)	32,178
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>36,326</b>	<b>35,869</b>	<b>(457)</b>	<b>213,549</b>	<b>212,260</b>	<b>(1,289)</b>	<b>431,529</b>
Depreciation and amortisation	600	626	26	3,594	3,583	(11)	7,575
<b>Surplus/(deficit) from Operations</b>	<b>(13,642)</b>	<b>(14,987)</b>	<b>1,345</b>	<b>(64,726)</b>	<b>(84,704)</b>	<b>19,978</b>	<b>(172,506)</b>
Internal support costs	5,820	6,246	426	31,493	30,598	(895)	70,254
<b>Surplus/(deficit)</b>	<b>(19,462)</b>	<b>(21,233)</b>	<b>1,771</b>	<b>(96,219)</b>	<b>(115,302)</b>	<b>19,083</b>	<b>(242,760)</b>



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## Section 2b – Ferry Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Operator access fees	1,152	656	496	3,823	3,412	411	7,371
Activity income	(80)	1,463	(1,543)	2,666	6,612	(3,946)	14,130
Other income	119	93	26	632	559	73	1,119
Waka Kotahi NZ Transport Agency operating funding	1,882	1,235	647	10,006	8,936	1,070	17,006
<b>Total operating income</b>	<b>3,073</b>	<b>3,447</b>	<b>(374)</b>	<b>17,127</b>	<b>19,519</b>	<b>(2,392)</b>	<b>39,626</b>
<b>Operating Expenditure</b>							
Personnel costs	134	112	(22)	673	702	29	1,420
Capitalised personnel costs	(33)	(31)	2	(204)	(291)	(87)	(552)
Public transport contracts	4,613	3,654	(959)	23,854	21,873	(1,981)	44,017
Contractors-maintenance	-	-	-	1	-	(1)	-
Professional Services	-	-	-	-	-	-	-
Ferry access charges	16	43	27	205	231	26	462
Other expenditure	810	691	(119)	4,206	3,911	(295)	8,055
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>5,540</b>	<b>4,469</b>	<b>(1,071)</b>	<b>28,735</b>	<b>26,426</b>	<b>(2,309)</b>	<b>53,402</b>
Depreciation and amortisation	485	476	(9)	2,864	2,821	(43)	5,719
<b>Surplus/(deficit) from Operations</b>	<b>(2,952)</b>	<b>(1,498)</b>	<b>(1,454)</b>	<b>(14,472)</b>	<b>(9,728)</b>	<b>(4,744)</b>	<b>(19,495)</b>
Internal support costs	720	773	53	3,897	3,787	(111)	8,694
<b>Surplus/(deficit)</b>	<b>(3,672)</b>	<b>(2,271)</b>	<b>(1,401)</b>	<b>(18,369)</b>	<b>(13,515)</b>	<b>(4,855)</b>	<b>(28,189)</b>

## Section 2b – Other PT Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Other income	919	690	229	5,286	5,047	239	8,995
Waka Kotahi NZ Transport Agency operating funding	1,672	1,624	48	9,939	10,321	(382)	21,225
<b>Total operating income</b>	<b>2,591</b>	<b>2,314</b>	<b>277</b>	<b>15,225</b>	<b>15,368</b>	<b>(143)</b>	<b>30,220</b>
<b>Operating Expenditure</b>							
Personnel costs	2,229	2,429	200	14,879	14,150	(729)	29,128
Capitalised personnel costs	(634)	131	765	(1,578)	(1,430)	148	(2,220)
Public transport contracts	-	-	-	17	-	(17)	-
Contractors-maintenance	1,002	931	(71)	6,198	6,184	(14)	12,968
Professional Services	564	388	(176)	2,163	3,127	964	5,581
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	101	52	(49)	511	310	(201)	622
Other expenditure	1,534	1,437	(97)	5,643	8,095	2,452	17,901
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>4,796</b>	<b>5,368</b>	<b>572</b>	<b>27,833</b>	<b>30,436</b>	<b>2,603</b>	<b>63,980</b>
Depreciation and amortisation	351	485	134	2,469	2,858	389	5,847
<b>Surplus/(deficit) from Operations</b>	<b>(2,556)</b>	<b>(3,539)</b>	<b>983</b>	<b>(15,077)</b>	<b>(17,926)</b>	<b>2,849</b>	<b>(39,607)</b>
Internal support costs	863	926	63	4,669	4,537	(133)	10,416
<b>Surplus/(deficit)</b>	<b>(3,419)</b>	<b>(4,465)</b>	<b>1,046</b>	<b>(19,746)</b>	<b>(22,463)</b>	<b>2,716</b>	<b>(50,023)</b>

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## Section 2b – Parking Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Parking Fees	2,752	4,276	(1,524)	18,828	25,478	(6,650)	50,906
Other income	125	104	21	1,458	355	1,103	590
<b>Total operating income</b>	<b>2,877</b>	<b>4,380</b>	<b>(1,503)</b>	<b>20,286</b>	<b>25,833</b>	<b>(5,547)</b>	<b>51,496</b>
<b>Operating Expenditure</b>							
Personnel costs	278	251	(27)	1,549	1,546	(3)	3,120
Capitalised personnel costs	(2)	(19)	(17)	(130)	(165)	(35)	(312)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	127	171	44	788	883	95	1,796
Professional Services	36	12	(24)	220	64	(156)	130
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	691	717	26	4,357	4,049	(308)	8,381
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>1,130</b>	<b>1,132</b>	<b>2</b>	<b>6,784</b>	<b>6,377</b>	<b>(407)</b>	<b>13,115</b>
Depreciation and amortisation	912	812	(100)	5,458	4,841	(617)	9,753
<b>Surplus/(deficit) from Operations</b>	<b>835</b>	<b>2,436</b>	<b>(1,601)</b>	<b>8,044</b>	<b>14,615</b>	<b>(6,571)</b>	<b>28,628</b>
Internal support costs	177	190	13	957	930	(27)	2,135
<b>Surplus/(deficit)</b>	<b>658</b>	<b>2,246</b>	<b>(1,588)</b>	<b>7,087</b>	<b>13,685</b>	<b>(6,598)</b>	<b>26,493</b>

## Section 2b – Enforcement Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Infringement income	3,621	4,072	(451)	23,801	33,582	(9,781)	74,483
Other income	6	-	6	26	-	26	-
<b>Total operating income</b>	<b>3,627</b>	<b>4,072</b>	<b>(445)</b>	<b>23,827</b>	<b>33,582</b>	<b>(9,755)</b>	<b>74,483</b>
<b>Operating Expenditure</b>							
Personnel costs	1,190	1,066	(124)	6,865	6,532	(333)	13,249
Capitalised personnel costs	43	8	(35)	165	73	(92)	137
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	241	215	(26)	1,255	1,525	270	3,143
Professional Services	17	2	(15)	67	50	(17)	100
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	224	47	(177)	720	434	(286)	969
Movement in doubtful debts	184	270	86	130	2,307	2,177	5,133
Other expenditure	812	840	28	4,061	6,406	2,345	11,398
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>2,711</b>	<b>2,448</b>	<b>(263)</b>	<b>13,263</b>	<b>17,327</b>	<b>4,064</b>	<b>34,129</b>
Depreciation and amortisation	93	104	11	559	587	28	1,257
<b>Surplus/(deficit) from Operations</b>	<b>823</b>	<b>1,520</b>	<b>(697)</b>	<b>10,005</b>	<b>15,668</b>	<b>(5,663)</b>	<b>39,097</b>
Internal support costs	460	494	34	2,491	2,420	(71)	5,556
<b>Surplus/(deficit)</b>	<b>363</b>	<b>1,026</b>	<b>(663)</b>	<b>7,514</b>	<b>13,248</b>	<b>(5,734)</b>	<b>33,541</b>

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## Section 2b – Roading and Footpaths Operations

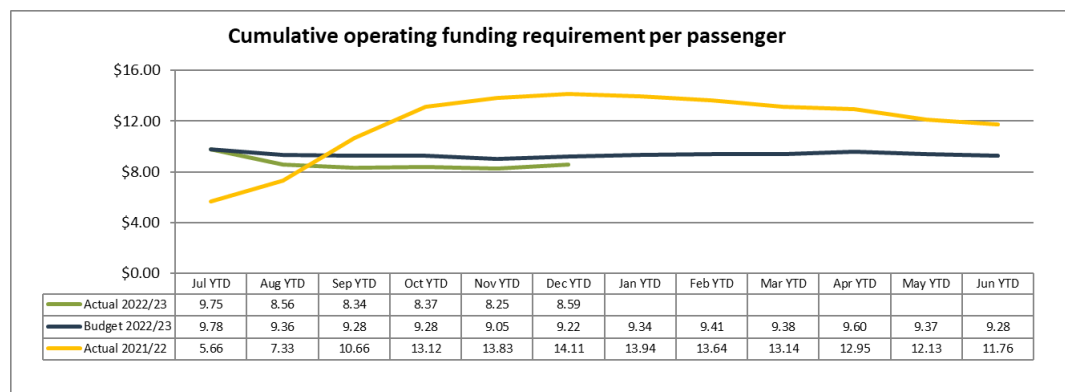
	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Petrol tax	918	625	293	4,192	5,446	(1,254)	10,848
Other income	750	739	11	5,805	5,781	24	10,418
Waka Kotahi NZ Transport Agency operating funding	4,434	3,233	1,201	27,797	26,445	1,352	51,932
<b>Total operating income</b>	<b>6,102</b>	<b>4,597</b>	<b>1,505</b>	<b>37,794</b>	<b>37,672</b>	<b>122</b>	<b>73,198</b>
<b>Operating Expenditure</b>							
Personnel costs	3,621	3,425	(196)	21,220	20,820	(400)	42,257
Capitalised personnel costs	(846)	(1,032)	(186)	(6,069)	(7,165)	(1,096)	(14,457)
Public transport contracts	10	-	(10)	107	-	(107)	-
Contractors-maintenance	6,706	5,431	(1,275)	41,827	43,145	1,318	86,052
Professional Services	402	417	15	2,978	3,975	997	7,752
Track and ferry access charges	-	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	2,060	1,329	(731)	11,791	12,664	873	24,403
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>11,953</b>	<b>9,570</b>	<b>(2,383)</b>	<b>71,854</b>	<b>73,439</b>	<b>1,585</b>	<b>146,007</b>
Depreciation and amortisation	34,281	27,693	(6,588)	205,178	158,766	(46,412)	335,274
<b>Surplus/(deficit) from Operations</b>	<b>(40,132)</b>	<b>(32,666)</b>	<b>(7,466)</b>	<b>(239,238)</b>	<b>(194,533)</b>	<b>(44,705)</b>	<b>(408,083)</b>
Internal support costs	1,969	2,113	144	10,656	10,353	(303)	23,770
<b>Surplus/(deficit)</b>	<b>(42,101)</b>	<b>(34,779)</b>	<b>(7,322)</b>	<b>(249,894)</b>	<b>(204,886)</b>	<b>(45,008)</b>	<b>(431,853)</b>

## Section 2b – Internal Support

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Rental income	522	481	41	3,647	4,138	(491)	8,242
Other income	420	464	(44)	3,653	3,272	381	6,234
Waka Kotahi NZ Transport Agency operating funding	3,640	3,165	475	20,662	26,047	(5,385)	44,738
<b>Total operating income</b>	<b>4,582</b>	<b>4,110</b>	<b>472</b>	<b>27,962</b>	<b>33,457</b>	<b>(5,495)</b>	<b>59,214</b>
<b>Operating Expenditure</b>							
Personnel costs	10,152	10,201	49	59,624	60,647	1,023	124,503
Capitalised personnel costs	(2,685)	(2,281)	404	(16,721)	(18,493)	(1,772)	(36,323)
Public transport contracts	-	(1)	(1)	-	(5)	(5)	(10)
Contractors-maintenance	117	127	10	402	724	322	2,107
Professional services	1,143	1,262	119	6,729	7,147	418	15,145
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	3,048	3,882	834	18,614	23,067	4,453	46,714
Directors fees	42	43	1	233	258	25	515
Other expenditure	2,456	1,975	(481)	12,708	12,745	37	28,553
Finance costs	3	3	-	18	21	3	41
<b>Total operating expenditure</b>	<b>14,276</b>	<b>15,211</b>	<b>935</b>	<b>81,607</b>	<b>86,111</b>	<b>4,504</b>	<b>181,245</b>
Depreciation and amortisation	3,394	2,945	(449)	17,174	16,153	(1,021)	35,951
<b>Surplus/(deficit) from Operations</b>	<b>(13,088)</b>	<b>(14,046)</b>	<b>958</b>	<b>(70,819)</b>	<b>(68,807)</b>	<b>(2,012)</b>	<b>(157,982)</b>
Internal support allocated	13,088	14,046	958	70,819	68,807	(2,012)	157,982
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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



The operational cost (net of third party revenue) of \$8.59 per passenger on the PT Network is lower than the budget of \$9.22 mainly due to higher than expected patronage.

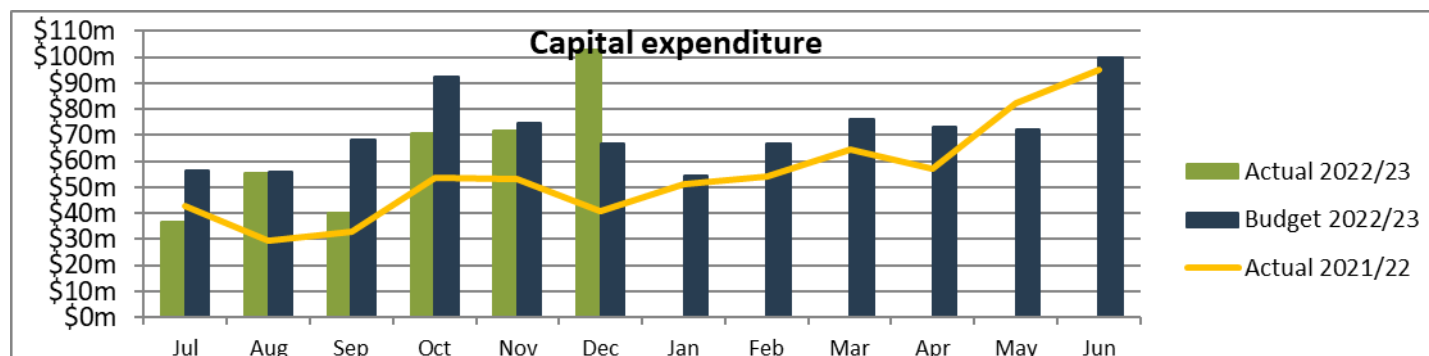
It is important to recognise that the July to December external revenues reflect the 50% discount in fares recovered from passengers. The budget was set with the 50% fare discount ending in August 2022 however the 50% fare discount was subsequently extended to the end of June 2023.

	Current month				Year to date				Full year
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %	Budget
<b>Rail, Bus and Ferry operations:</b>									
Operating expenditure \$000	57,360	55,599	(1,761)	(3%)	333,202	327,586	(5,616)	(2%)	684,705
Less external revenues \$000	7,834	11,327	(3,493)	(31%)	49,018	62,650	(13,632)	(22%)	139,507
<b>Operating funding requirement \$000</b>	<b>49,526</b>	<b>44,272</b>	<b>(5,254)</b>	<b>(12%)</b>	<b>284,184</b>	<b>264,936</b>	<b>(19,248)</b>	<b>(7%)</b>	<b>545,198</b>
Patronage 000's	4,636	4,346	290	7%	33,072	28,736	4,336	15%	58,765
<b>Operating funding requirement per passenger</b>	<b>\$10.68</b>	<b>\$10.19</b>	<b>(\$0.50)</b>	<b>(5%)</b>	<b>\$8.59</b>	<b>\$9.22</b>	<b>\$0.63</b>	<b>7%</b>	<b>\$9.28</b>

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## Section 3a – Summary of Capital Expenditure

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Regional Land Transport Plan (RLTP) grouping</b>							
Active Modes	2,726	6,428	3,702	20,682	41,444	20,762	91,053
Asset Management	18,682	13,925	(4,757)	99,982	96,326	(3,656)	219,734
Bus Projects	1,264	1,567	303	19,932	25,895	5,963	42,111
Corridor Improvements	2,221	1,777	(444)	10,339	18,529	8,190	32,009
Ferry, Multi-modal, and Park and Ride	3,168	2,002	(1,166)	20,835	15,887	(4,948)	44,458
Local Board Priorities	810	1,279	469	7,068	7,551	483	17,205
Network Capacity and Performance	1,536	500	(1,036)	7,606	7,166	(440)	9,302
Operational Programmes	3,381	2,793	(588)	18,698	18,617	(81)	29,195
Population Growth	2,780	1,465	(1,315)	12,300	13,030	730	44,577
Rapid Transit: Bus Projects	35,860	23,277	(12,583)	94,217	88,118	(6,099)	180,803
Rapid Transit: Rail Projects	24,459	3,941	(20,518)	28,437	35,879	7,442	58,602
Safety	5,123	5,886	763	35,730	38,368	2,638	68,241
Sustainability Projects that are in addition to travel choice projects	692	454	(238)	1,671	2,928	1,257	4,676
Climate Action Targeted Rate	138	1,500	1,362	309	4,500	4,191	14,765
<b>Total direct capital</b>	<b>102,841</b>	<b>66,794</b>	<b>(36,047)</b>	<b>377,657</b>	<b>414,238</b>	<b>36,581</b>	<b>856,731</b>



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

## Section 3b – Capital Expenditure Funding

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Direct capital funding</b>							
Waka Kotahi NZ Transport Agency new capital co-investment	18,140	25,775	(7,635)	95,788	155,121	(59,333)	329,125
Waka Kotahi NZ Transport Agency renewal co-investment	8,472	6,927	1,545	46,263	47,195	(932)	105,335
Other capital grants	-	138	(138)	3,981	5,616	(1,635)	6,227
Auckland Council capital grant	76,230	33,956	42,274	231,624	206,305	25,319	416,043
<b>Total direct capital funding</b>	<b>102,842</b>	<b>66,796</b>	<b>36,046</b>	<b>377,656</b>	<b>414,237</b>	<b>(36,581)</b>	<b>856,730</b>

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## Section 3c – RFT Capital and Operational Expenditure

## RFT Capital and Operating Expenditure

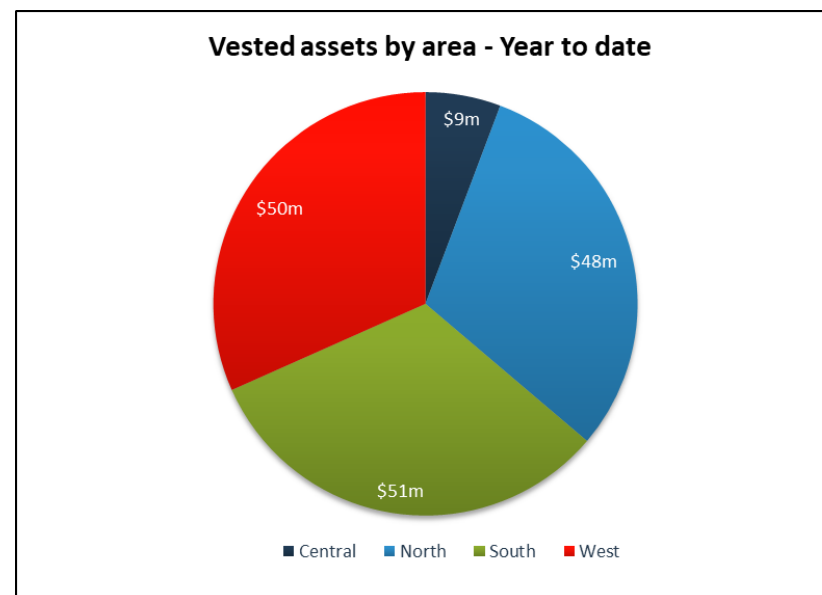
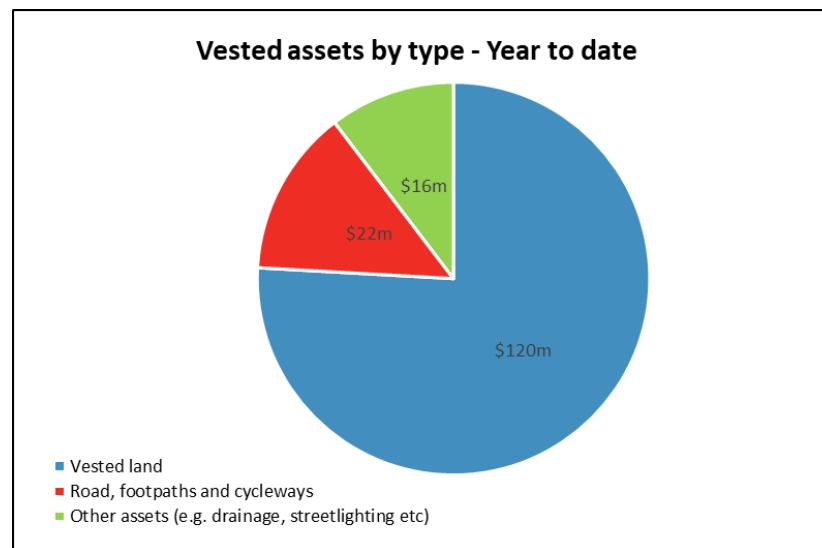
	Year to date			Full year		
	Actual Not RFT Enabled \$000	Actual RFT Enabled \$000	Actual Total \$000	Budget Not RFT Enabled \$000	Budget RFT Enabled \$000	Budget Total \$000
<b>Capital expenditure</b>	<b>198,031</b>	<b>179,625</b>	<b>377,657</b>	<b>498,754</b>	<b>357,976</b>	<b>856,730</b>
<b>Funding</b>						
Waka Kotahi NZ Transport Agency	76,696	65,355	142,051	268,339	166,121	434,460
Others (ACC,Crown, others)	-	3,981	3,981	6,227	-	6,227
Auckland Council	121,335	110,289	231,624	224,188	191,855	416,043
<b>Total funding</b>	<b>198,031</b>	<b>179,625</b>	<b>377,657</b>	<b>498,754</b>	<b>357,976</b>	<b>856,730</b>
<b>Programme of capital projects supported by the RFT scheme</b>						
Project 1: Bus priority improvements		3,754			23,314	
Project 2: City centre bus infrastructure		3,943			3,200	
Project 3: Improving airport access		4,975			8,379	
Project 4: Eastern Busway		87,944			136,462	
Project 5: Park-and-ride facilities		56			-	
Project 6: Electric trains and stabling		23,902			41,598	
Project 7: Downtown ferry terminal and redevelopment		9,774			30,430	
Project 8: Road safety		29,319			54,710	
Project 9: Active transport		4,135			21,161	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		-			-	
Project 12: Road corridor improvements		5,745			21,028	
Project 13: Network capacity and performance improvement		4,086			6,347	
Project 14: Growth-related transport infrastructure		1,993			11,347	
<b>Total</b>		<b>179,625</b>			<b>357,976</b>	
<b>Operating expenditure</b>		<b>546</b>			<b>1,515</b>	
<i>Note: Fully funded by Auckland Council</i>						
<b>Programme of operating projects supported by the Auckland RFT scheme</b>						
Project 8: Road safety		546			1,515	
<b>Total</b>		<b>546</b>			<b>1,515</b>	

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## Section 3d – Vested Assets

As at 31 December 2022

	Current month	Year to date
	Actual \$000	Actual \$000
<b>Vested Assets - Top 10 Suburbs</b>		
Milldale	-	37,883
Hobsonville	4,518	32,104
Pukekohe	10,515	20,386
Drury	-	11,297
Massey	-	10,860
Mount Roskill	35	8,980
Northcote	-	5,530
Clarks Beach	-	4,802
Henderson	-	3,770
Orewa	-	3,625
Other	93	19,127
<b>Total Vested Asset</b>	<b>15,161</b>	<b>158,364</b>



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**Section 4a – Statement of Financial Position****As at 31 December 2022**

		Actual 31 December 2022	Actual 30 November 2022
	Note	\$000	\$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	6,657	4,619
Receivables	2	552,065	551,163
Inventories		11,891	11,894
Other assets		23,343	25,494
Non-current assets held for sale		1,608	1,608
Derivative financial instruments		7	-
Total current assets		595,571	594,778
<b>Non-current assets</b>			
Property, plant and equipment (PPE)		25,607,324	25,599,845
Intangible assets		124,326	122,665
Work in progress (PPE and intangible assets)	3	976,100	909,745
Total non-current assets		26,707,750	26,632,255
<b>Total assets</b>		<b>27,303,321</b>	<b>27,227,033</b>



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**Section 4a – Statement of Financial Position (continued)****As at 31 December 2022**

	Note	Actual 31 December 2022 \$000	Actual 30 November 2022 \$000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and accruals	4	254,657	251,081
Employee entitlements	5	19,500	21,466
Derivative financial instruments		314	1,159
Borrowings	6	9,179	9,139
<b>Total current liabilities</b>		<b>283,650</b>	<b>282,845</b>
<b>Non-current liabilities</b>			
Payables and accruals	4	1,871	2,146
Employee entitlements	5	289	289
Derivative financial instruments		7,459	9,521
Borrowings	6	466,565	467,372
<b>Total non-current liabilities</b>		<b>476,184</b>	<b>479,328</b>
<b>Total liabilities</b>		<b>759,834</b>	<b>762,173</b>
<b>Net assets</b>		<b>26,543,487</b>	<b>26,464,860</b>
<b>Equity</b>			
Contributed capital		13,220,202	13,219,127
Accumulated funds		5,120,480	5,042,928
Other reserves		8,202,805	8,202,805
<b>Total equity</b>		<b>26,543,487</b>	<b>26,464,860</b>

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## Section 4b – Notes to the Financial Statements

As at 31 December 2022

	Actual 31 December 2022	Actual 30 November 2022
	\$000	\$000
<b>1 Cash and cash equivalents</b>		
Cash at bank	6,426	4,388
Till floats	231	231
<b>Total cash and cash equivalents</b>	<b>6,657</b>	<b>4,619</b>

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

<b>2 Receivables</b>		
Trade and other debtors	10,386	4,543
Infringement receivable	48,591	48,419
Amounts due from related parties	437,708	429,246
Accrued revenue	76,503	90,744
Goods and services tax	850	-
	<b>574,038</b>	<b>572,952</b>
Less provision for impairment of receivables	(21,973)	(21,789)
<b>Total current receivables</b>	<b>552,065</b>	<b>551,163</b>

The carrying value of debtors and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables as there are a large number of customers.

The maximum exposure to credit risk at reporting date is the carrying value of each class of receivable mentioned above.

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

## As at 31 December 2022

The ageing profile of receivables is detailed below:

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Amounts due from related parties	Total
	\$000	\$000	\$000	\$000	\$000
Not past due	7,702	2,790	-	436,320	446,812
Past due 1 - 30 days	1,549	3,039	-	344	4,932
Past due 31 - 60 days	248	2,276	-	353	2,877
Past due 61 - 90 days	85	1,862	-	-	1,947
Past due > 90 days	802	2,512	36,112	691	40,117
	<b>10,386</b>	<b>12,479</b>	<b>36,112</b>	<b>437,708</b>	<b>496,685</b>
Impairment	(381)	(286)	(21,306)	-	(21,973)
	<b>10,005</b>	<b>12,193</b>	<b>14,806</b>	<b>437,708</b>	<b>474,712</b>

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

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

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Total
	\$000	\$000	\$000	\$000
Balance at 30 June 2022	381	1,426	20,036	21,843
Additional/(Reversal) provisions made	-	-	1,270	1,270
Provisions reversed	-	(1,140)	-	(1,140)
Provisions relating to receivables written-off	-	-	-	-
Balance at 31 December 2022	<b>381</b>	<b>286</b>	<b>21,306</b>	<b>21,973</b>

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**Section 4b – Notes to the Financial Statements (continued)****As at 31 December 2022**

	Opening balance 1 July 2022 \$000	Acquisition YTD 31 December 2022 \$000	Capitalisation YTD 31 December 2022 \$000	Closing balance 31 December 2022 \$000
<b>3 Work in Progress (WIP)</b>				
<b>WIP by activity</b>				
Roads and footpaths	495,346	130,217	-78,189	548,776
Public Transport	289,255	161,851	-22,379	427,323
<b>Total WIP</b>	<b>784,601</b>	<b>292,068</b>	<b>-100,569</b>	<b>976,100</b>
<b>WIP by status</b>				
Current WIP (completion in future)				809,970
Due for capitalisation within policy				37,901
Due for capitalisation not within policy				128,228
Forecast completion date not yet provided (new projects)				0
<b>Total WIP</b>				<b>976,100</b>
<b>Top 10 Programmes</b>				<b>WIP Closing balance 31 December 2022</b>
Eastern Busway				192,158
Supporting Growth				65,316
Safety Programme				61,452
Rosedale and Constellation Bus Stations				45,677
Matakana Link Road				42,701
Urban Cycleways Programme				41,746
EMU Rolling Stock				40,071
Connected Communities				36,488
Wolverton Culverts				33,104
Customer and Business Technology				30,616
<b>Total</b>				<b>589,327</b>

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

As at 31 December 2022

	Actual 31 December 2022 \$000	Actual 30 November 2022 \$000
<b>4 Payables and accruals</b>		
<b>Current portion</b>		
Creditors	54,733	26,958
Goods and services tax	-	787
Accrued expenses	154,871	171,346
Retentions	21,064	23,824
Amounts due to related parties	15,034	17,761
Revenue in advance	8,955	10,405
<b>Total current payables</b>	<b>254,657</b>	<b>251,081</b>
<b>Non-current portion</b>		
Amounts due to related parties	1,871	2,146
<b>Total non-current payables</b>	<b>1,871</b>	<b>2,146</b>

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

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**Section 4b – Notes to the Financial Statements (continued)****As at 31 December 2022**

	Actual 31 December 2022 \$000	Actual 30 November 2022 \$000
<b>5 Employee entitlements</b>		
<b>Current portion</b>		
Accrued salaries and wages	4,413	4,507
Accrued leave	15,087	16,959
<b>Total current employee entitlements</b>	<b>19,500</b>	<b>21,466</b>
<b>Non-current portion</b>		
Retirement gratuities	253	253
Long service leave	36	36
<b>Total non-current employee entitlements</b>	<b>289</b>	<b>289</b>
<b>6 Borrowings</b>		
<b>Current portion</b>		
Finance lease	1,156	1,155
Loans from Auckland Council	8,023	7,984
<b>Total current borrowings</b>	<b>9,179</b>	<b>9,139</b>
<b>Non-current portion</b>		
Finance lease	2,260	2,349
Loans from Auckland Council	464,305	465,023
<b>Total non-current borrowings</b>	<b>466,565</b>	<b>467,372</b>
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$472 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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## Section 5 – Cashflow

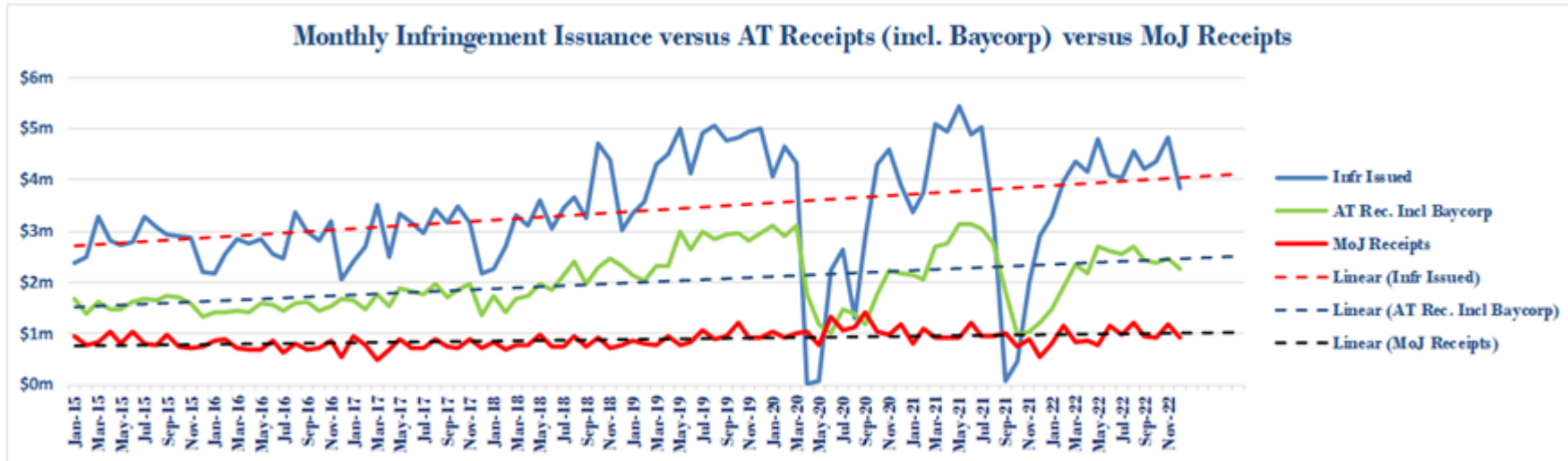
	Year to Date		Full year
	Actual \$000	Budget \$000	Budget \$000
<b>Cash flows from operating activities</b>			
<b>Total cash provided</b>	<b>980,513</b>	<b>994,909</b>	<b>2,018,764</b>
<b>Cash applied to</b>			
Payments to suppliers and employees	558,111	542,454	1,125,754
Interest paid	12,715	14,425	28,495
Goods and services tax	3,037	-	-
<b>Total cash applied</b>	<b>573,863</b>	<b>556,879</b>	<b>1,154,249</b>
<b>Net cash from operating activities</b>	<b>406,650</b>	<b>438,030</b>	<b>864,515</b>
<b>Cash flows from investing activities</b>			
<b>Cash provided from</b>			
Sale of property, plant and equipment	520	-	-
<b>Cash applied to:</b>			
Purchase of property, plant and equipment	400,578	434,237	856,730
<b>Net cash from investing activities</b>	<b>(400,058)</b>	<b>(434,237)</b>	<b>(856,730)</b>
<b>Cash flows from financing activities</b>			
<b>Cash applied to</b>			
Repayments of EMU loan from Auckland Council	3,795	3,793	7,785
Repayments of finance lease principal	530	-	-
<b>Net cash from financing activities</b>	<b>(4,325)</b>	<b>(3,793)</b>	<b>(7,785)</b>
<b>Net (decrease)/increase in cash and cash equivalent</b>	<b>2,267</b>	<b>-</b>	<b>-</b>
Opening cash and cash equivalents	4,390	-	-
<b>Closing cash balance</b>	<b>6,657</b>	<b>-</b>	<b>-</b>

<b>Reconciliation of surplus after tax to net cash from operating activities</b>	
	<b>Actual \$000</b>
<b>Surplus after tax</b>	<b>281,841</b>
<b>Add/(less) non-cash items</b>	
Depreciation and amortisation	260,323
Vested asset income	(158,364)
Gain on disposal of property, plant and equipment	(100)
(Gains)/losses on derivatives	5,323
	<b>107,182</b>
<b>Add/(less) movements in balance sheet items</b>	
Receivables	34,288
Inventories	1,465
Other assets	(13,067)
Non-current assets held for sale	(1,451)
Payables and accruals	(5,621)
Employee entitlements	2,013
	<b>17,627</b>
<b>Net cash from operating activities</b>	<b>406,650</b>


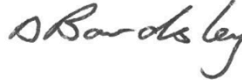
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## Section 6 – Infringement Overview

Over 96 months (January 2015 to December 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, even though more matters have been lodged with them.



## Te pou whenua tuhinga / Document ownership

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