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Results for the Eight Months Ended 28 February 2023

For decision: For noting:

Reason for inclusion in closed board meeting session	
1. Please state why this report is being considered in the closed board meeting as opposed to the open board meeting. Please refer to the 'reasons for confidentiality' and provide a direct reference to one of these reasons.	To protect information that will soon be publicly available
2. Please provide an estimated date for release of this report.	29 March 2023

Te tūhanga / Recommendation

That the Auckland Transport Board (board):

- a) Receives the report.

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Section 1 – Te whakarāpopototanga matua / Executive summary

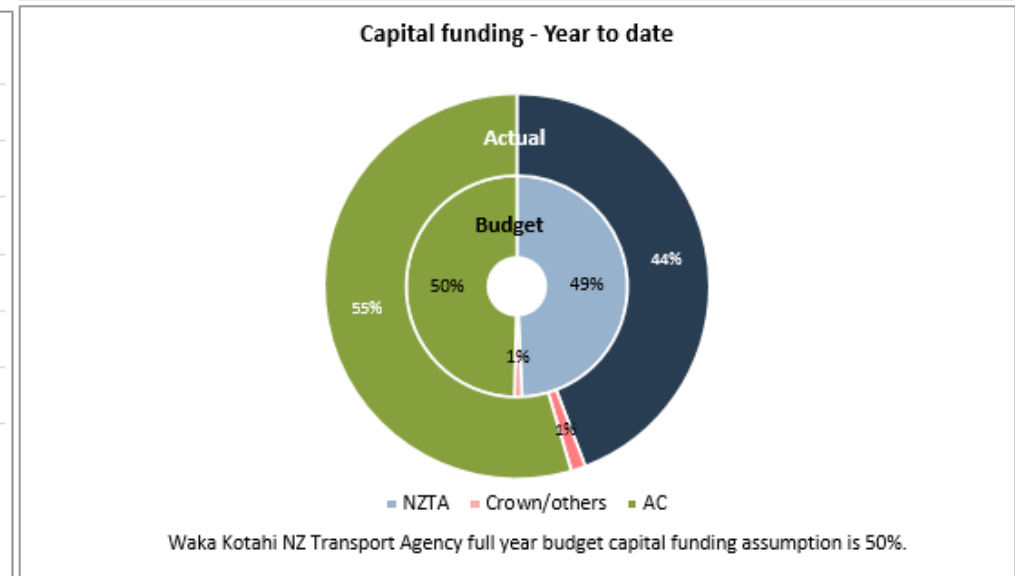
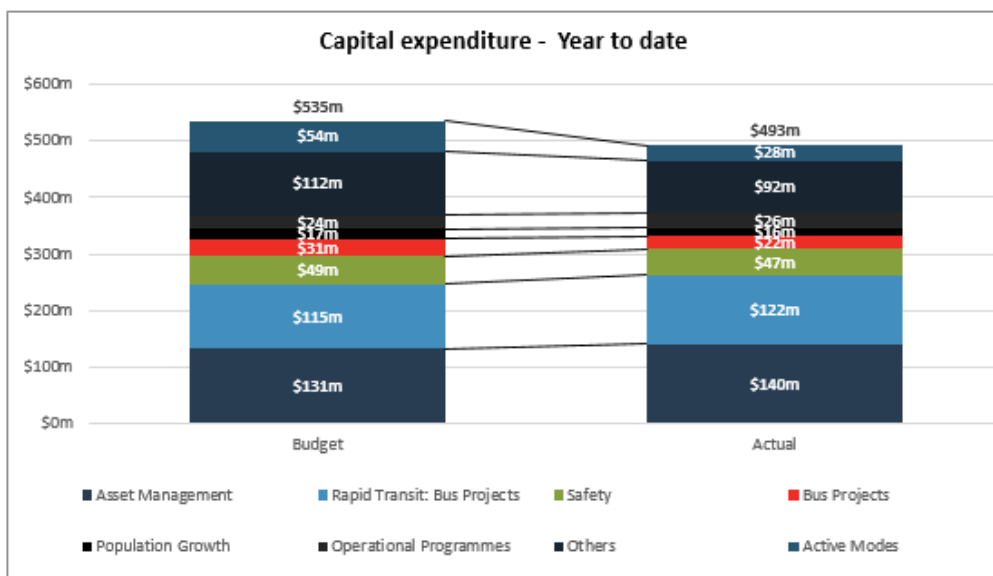
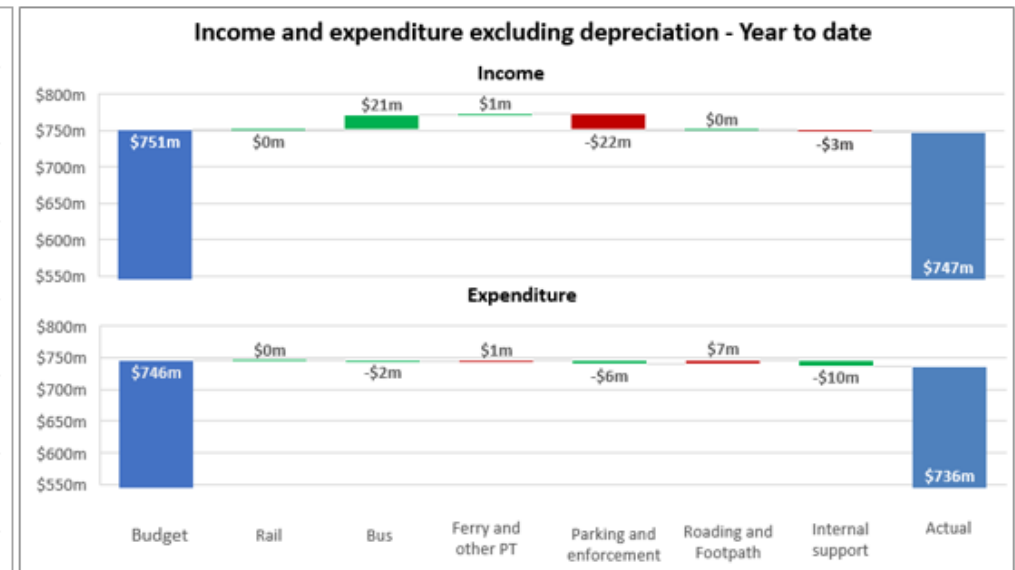
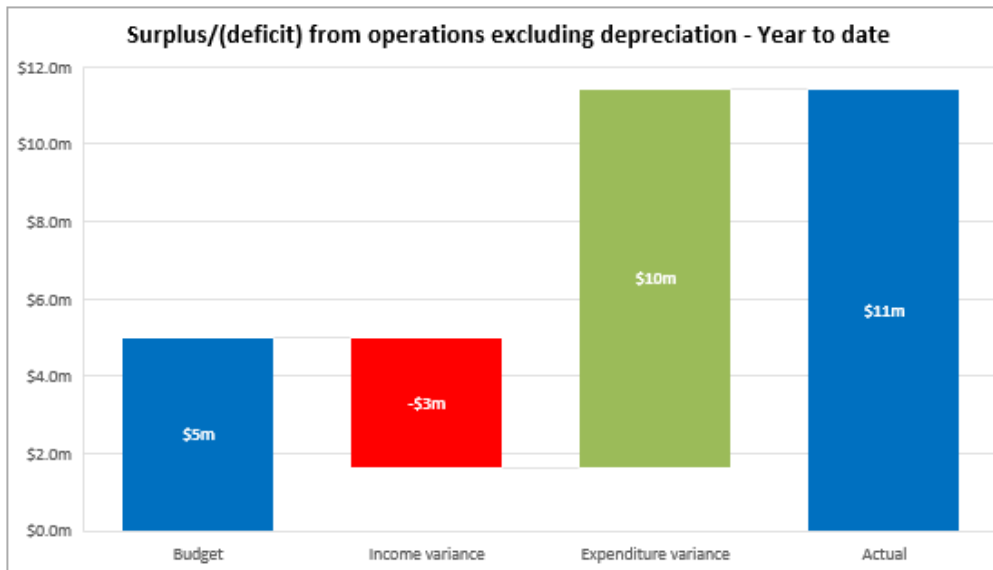
1. Year to date (YTD) **surplus from operations excluding depreciation** of \$11.4 million, is \$6.4 million favourable to budget mainly due to a \$14.4 million unbudgeted public transport (PT) top-up from Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and lower personnel costs, track access charges, professional services, PT contracts and other expenditure. These are partially offset by lower than budgeted parking and enforcement income, lower capitalised personnel costs and additional cost relating to the recent adverse weather events. The adverse weather events have increased costs in February by \$10 million. Work is in progress to assess any further full year impact. Items to note:
 - Waka Kotahi funding is favourable to budget mainly due to the \$14.4 million PT top-up and unbudgeted PT fare funding for the extension of half price fares to the end of June 2023. Co-funding applicable to the recent weather events is still being confirmed.
 - 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 lower post the COVID-19 pandemic (COVID-19) growth than expected and 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, but was subsequently extended to the end of June 2023 with the resultant top-up recognised as additional Waka Kotahi income, fully offsetting the unfavourable variance. PT patronage growth remained relatively unchanged at 65%-75% of pre COVID-19 levels for the last six months, up from circa 60% of pre COVID-19 levels at the beginning of the financial year. Weekly PT patronage fluctuated significantly during the month of February decreasing to approximately 50% of pre COVID-19 levels during the adverse weather events and increasing to just over 80% by the end of the month in line with the annual increase in PT in March and the highest weekly patronage since prior to COVID-19 in March 2020.
 - Personnel cost is favourable to budget primarily due to budgeted positions not filled.
 - Capitalised personnel cost is lower than budget mainly due to vacant positions and lower than budgeted capital expenditure.
 - PT contract costs are favourable to budget mainly due to bus variable cost savings as a result of cancelled services across the network. This is partly offset by higher than expected PT contract indexation and rail leave liability. Actual indexation is 4.2% for Rail, 7.5% for Bus and 15.4% 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.
 - Professional services is favourable to budget primarily within planning and investment and road network management.
 - Track access charges is favourable mainly due to a one-off lower than expected 2021/22 track access wash-up.
 - Other expenditure is favourable to budget primarily due to lower than expected IT costs, advertising, bank charges, commissions, court costs, AT delivered events and doubtful debts.

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2. **Deficit from operations** is \$13.6 million unfavourable to budget in February and \$55.1 million unfavourable YTD. This is mainly due to higher than budgeted depreciation from the June 2022 roading revaluation and lower parking and enforcement income, partially 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.
3. **YTD Capital expenditure** of \$492.9 million is tracking at 92% of planned spend. Any headroom in expected spend levels will likely need to be reallocated to flood response activities.
4. **Waka Kotahi and other Crown capital funding** YTD of 44% is lower than the budget of 49% mainly driven by delays in the resource consent approvals being obtained in the Urban Cycling Programme. The budget reflected a one-off 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 February is \$20.0 million and \$219.9 million YTD, versus a full year planned spend of \$358 million. YTD spend is approximately 61% of the full year RFT enabled capital budget.

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



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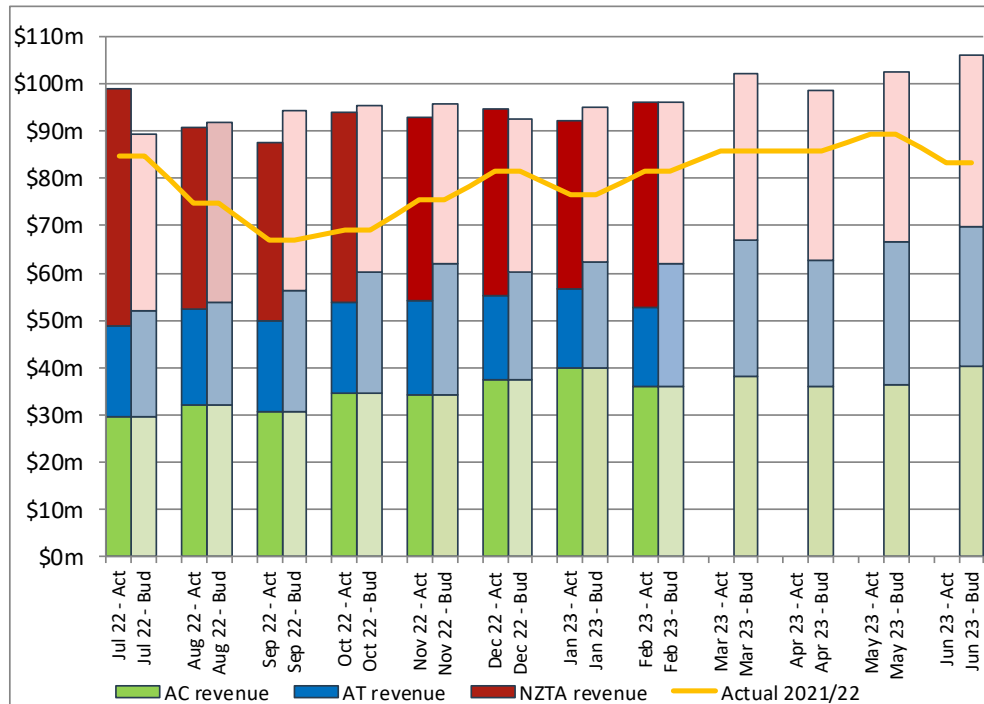
Section 2 – Financial results for the eight months ended 28 February 2023

	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	35,979	35,979	-	274,520	274,520	-	424,909
Waka Kotahi NZ Transport Agency operating funding	43,250	33,895	9,355	323,324	281,627	41,697	424,286
Parking and enforcement income	4,950	10,438	(5,488)	55,437	77,608	(22,171)	125,980
Public transport income	9,086	12,813	(3,727)	71,514	92,735	(21,221)	148,503
Other revenue incl. other grants and subsidies	2,825	2,815	10	22,337	24,016	(1,679)	35,742
Total operating income	96,090	95,940	150	747,132	750,506	(3,374)	1,159,420
Operating expenditure							
Personnel costs	17,888	18,054	166	141,409	147,813	6,404	227,041
Capitalised personnel costs	(3,882)	(4,258)	(376)	(29,210)	(36,346)	(7,136)	(55,557)
Public transport contracts	48,174	48,016	(158)	368,808	370,659	1,851	575,029
Contractors-maintenance	18,168	8,344	(9,824)	77,696	69,492	(8,204)	107,516
Professional services	2,733	2,691	(42)	17,355	20,245	2,890	31,261
Track and ferry access charges	3,950	3,717	(233)	23,956	26,971	3,015	42,404
Other expenditure	13,738	16,567	2,829	116,690	127,639	10,949	195,446
Finance costs	2,181	2,185	4	19,020	19,029	9	28,495
Total operating expenditure excluding depreciation	102,950	95,316	(7,634)	735,724	745,502	9,778	1,151,635
Surplus/(deficit) from operations excluding depreciation	(6,860)	624	(7,484)	11,408	5,004	6,404	7,785
Depreciation and amortisation	44,274	38,162	(6,112)	349,308	287,823	(61,485)	446,714
Surplus/(deficit) from operations	(51,134)	(37,538)	(13,596)	(337,900)	(282,819)	(55,081)	(438,929)
Income for capital projects							
Waka Kotahi NZ Transport Agency capital co-investment	36,268	33,717	2,551	218,040	263,812	(45,772)	434,460
Auckland Council capital grant	28,481	33,066	(4,585)	269,350	265,604	3,746	416,043
Other capital grants	905	148	757	5,523	5,926	(403)	6,227
Vested asset income	10,544	27,500	(16,956)	202,118	192,500	9,618	275,000
Total income for capital projects	76,198	94,431	(18,233)	695,031	727,842	(32,811)	1,131,730
Net surplus/(deficit) before tax and derivatives	25,064	56,893	(31,829)	357,131	445,023	(87,892)	692,801
Gains/(losses) on derivatives	2,454	-	2,454	(1,674)	-	(1,674)	-
Gain/(loss) on disposal of assets	4	-	4	5,744	-	5,744	-
Net surplus/(deficit) after tax and derivatives	27,522	56,893	(29,371)	361,201	445,023	(83,822)	692,801

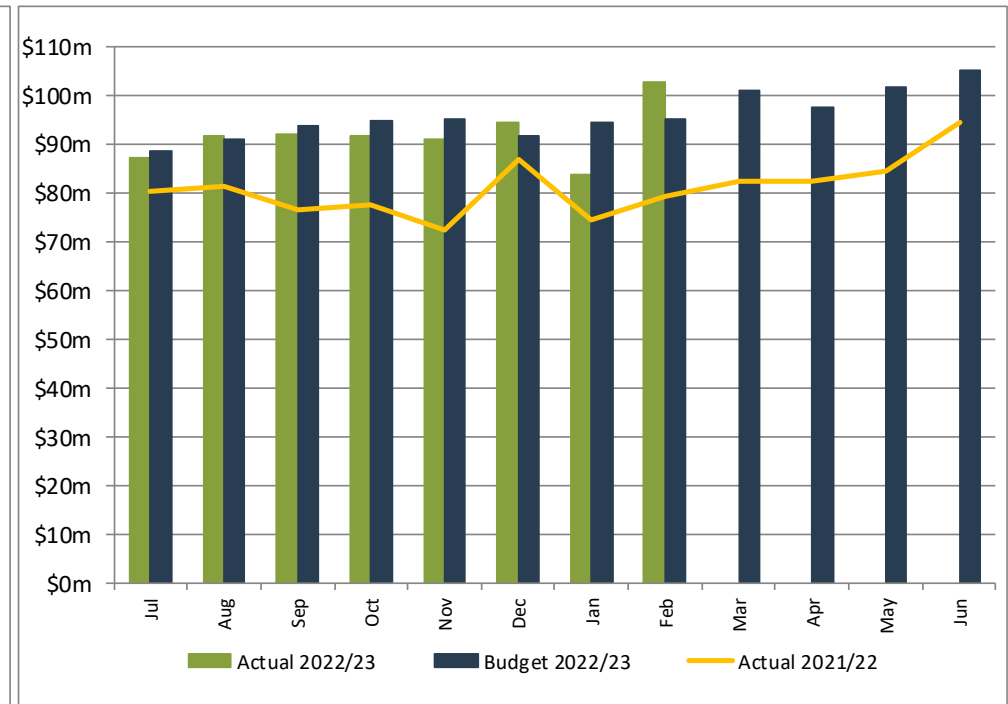
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Section 2 – Financial results for the eight months ended 28 February 2023 (continued)

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	11,006	11,397	(391)	86,268	86,490	(222)	139,674
Bus	23,145	22,429	716	196,798	175,601	21,197	266,598
Ferry	6,830	3,515	3,315	27,122	26,531	591	39,626
Other public transport	3,302	2,381	921	20,436	20,005	431	30,220
Parking	2,723	3,740	(1,017)	26,527	33,322	(6,795)	51,496
Enforcement	2,227	6,698	(4,471)	28,910	44,286	(15,376)	74,483
Roading and footpaths	5,936	5,853	83	48,804	48,726	78	73,198
Internal support	4,941	3,951	990	37,746	41,025	(3,279)	59,214
Auckland Council operating funding	35,979	35,979	-	274,520	274,520	-	424,909
Total operating income	96,089	95,943	146	747,131	750,506	(3,375)	1,159,418
Operating Expenditure							
Rail	18,976	18,656	(320)	140,815	140,541	(274)	228,228
Bus	36,238	36,450	212	282,701	284,613	1,912	431,529
Ferry	4,806	4,483	(323)	39,006	35,351	(3,655)	53,402
Other public transport	5,798	4,964	(834)	37,578	40,527	2,949	63,980
Parking	964	1,080	116	8,740	8,557	(183)	13,115
Enforcement	2,022	3,197	1,175	17,638	23,475	5,837	34,129
Roading and footpaths	20,730	12,120	(8,610)	103,379	96,631	(6,748)	146,007
Internal support	13,422	14,368	946	105,866	115,808	9,942	181,245
Depreciation and amortisation	44,274	38,162	(6,112)	349,308	287,823	(61,485)	446,714
Total operating expenditure	147,230	133,480	(13,750)	1,085,031	1,033,326	(51,705)	1,598,349
Surplus/(deficit) from Operations	(51,141)	(37,537)	(13,604)	(337,900)	(282,820)	(55,080)	(438,931)

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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	984	3,061	(2,077)	11,044	19,397	(8,353)	33,119
Other income	121	148	(27)	1,024	1,070	(46)	1,684
Waka Kotahi NZ Transport Agency operating funding	9,901	8,188	1,713	74,200	66,023	8,177	104,871
Total operating income	11,006	11,397	(391)	86,268	86,490	(222)	139,674
Operating Expenditure							
Personnel costs	508	601	93	3,942	5,055	1,113	7,760
Capitalised personnel costs	(5)	9	14	648	(134)	(782)	(83)
Public transport contracts	11,305	11,477	172	84,362	82,164	(2,198)	139,106
Contractors-maintenance	13	-	(13)	12	-	(12)	-
Professional services	(42)	7	49	100	57	(43)	425
Track access charges	3,892	3,682	(210)	23,613	26,669	3,056	41,942
Other expenditure	1,126	698	(428)	9,142	7,728	(1,414)	10,624
Finance costs	2,179	2,182	3	18,996	19,002	6	28,454
Total operating expenditure	18,976	18,656	(320)	140,815	140,541	(274)	228,228
Depreciation and amortisation	3,811	3,791	(20)	30,648	30,087	(561)	45,339
Surplus/(deficit) from Operations	(11,781)	(11,050)	(731)	(85,195)	(84,138)	(1,057)	(133,893)
Internal support costs	2,798	3,190	393	21,787	22,844	1,058	37,156
Surplus/(deficit)	(14,579)	(14,240)	(338)	(106,982)	(106,982)	1	(171,049)

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	4,416	5,727	(1,311)	35,341	44,390	(9,049)	70,935
Other income	1,162	940	222	7,053	6,286	767	11,149
Waka Kotahi NZ Transport Agency operating funding	17,567	15,762	1,805	154,404	124,925	29,479	184,514
Total operating income	23,145	22,429	716	196,798	175,601	21,197	266,598
Operating Expenditure							
Personnel costs	486	446	(40)	3,526	3,644	118	5,604
Capitalised personnel costs	(57)	(89)	(32)	613	(1,260)	(1,873)	(1,748)
Public transport contracts	32,934	32,845	(89)	251,913	259,298	7,385	391,917
Contractors-maintenance	83	110	27	858	883	25	1,450
Professional Services	158	263	105	1,226	1,387	161	2,128
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	2,634	2,875	241	24,565	20,661	(3,904)	32,178
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	36,238	36,450	212	282,701	284,613	1,912	431,529
Depreciation and amortisation	602	648	46	4,796	4,868	72	7,575
Surplus/(deficit) from Operations	(13,695)	(14,669)	974	(90,699)	(113,880)	23,181	(172,506)
Internal support costs	5,290	6,032	742	41,194	43,193	2,000	70,254
Surplus/(deficit)	(18,985)	(20,701)	1,716	(131,893)	(157,073)	25,181	(242,760)

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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	752	685	67	5,500	4,764	736	7,371
Activity income	387	1,533	(1,146)	3,571	9,720	(6,149)	14,130
Other income	130	93	37	863	747	116	1,119
Waka Kotahi NZ Transport Agency operating funding	5,561	1,204	4,357	17,188	11,300	5,888	17,006
Total operating income	6,830	3,515	3,315	27,122	26,531	591	39,626
Operating Expenditure							
Personnel costs	102	111	9	887	928	41	1,420
Capitalised personnel costs	(39)	(45)	(6)	(246)	(378)	(132)	(552)
Public transport contracts	3,923	3,695	(228)	32,362	29,204	(3,158)	44,017
Contractors-maintenance	7	-	(7)	8	-	(8)	-
Professional Services	-	-	-	-	-	-	-
Ferry access charges	58	36	(22)	316	303	(13)	462
Other expenditure	755	686	(69)	5,679	5,294	(385)	8,055
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	4,806	4,483	(323)	39,006	35,351	(3,655)	53,402
Depreciation and amortisation	486	480	(6)	3,835	3,778	(57)	5,719
Surplus/(deficit) from Operations	1,538	(1,448)	2,986	(15,719)	(12,598)	(3,121)	(19,495)
Internal support costs	655	747	92	5,098	5,345	247	8,694
Surplus/(deficit)	883	(2,195)	3,078	(20,817)	(17,943)	(2,874)	(28,189)

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
Operating Income							
Other income	1,134	627	507	7,118	6,362	756	8,995
Waka Kotahi NZ Transport Agency operating funding	2,168	1,754	414	13,318	13,643	(325)	21,225
Total operating income	3,302	2,381	921	20,436	20,005	431	30,220
Operating Expenditure							
Personnel costs	2,367	2,326	(41)	18,992	18,925	(67)	29,128
Capitalised personnel costs	(217)	(95)	122	(1,719)	(1,323)	396	(2,220)
Public transport contracts	-	-	-	17	-	(17)	-
Contractors-maintenance	1,306	931	(375)	8,539	8,046	(493)	12,968
Professional Services	608	499	(109)	3,097	3,987	890	5,581
Track and ferry access charges	-	-	-	27	-	(27)	-
IT costs	102	52	(50)	621	414	(207)	622
Other expenditure	1,632	1,251	(381)	8,004	10,478	2,474	17,901
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	5,798	4,964	(834)	37,578	40,527	2,949	63,980
Depreciation and amortisation	351	493	142	3,176	3,839	663	5,847
Surplus/(deficit) from Operations	(2,847)	(3,076)	229	(20,318)	(24,361)	4,043	(39,607)
Internal support costs	784	894	110	6,108	6,404	296	10,416
Surplus/(deficit)	(3,631)	(3,970)	339	(26,426)	(30,765)	4,339	(50,023)

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Section 2b – Parking Operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Parking Fees	2,629	3,711	(1,082)	24,728	32,896	(8,168)	50,906
Other income	94	29	65	1,799	426	1,373	590
Total operating income	2,723	3,740	(1,017)	26,527	33,322	(6,795)	51,496
Operating Expenditure							
Personnel costs	266	244	(22)	2,069	2,044	(25)	3,120
Capitalised personnel costs	(4)	(23)	(19)	(142)	(206)	(64)	(312)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	124	136	12	1,033	1,153	120	1,796
Professional Services	59	7	(52)	308	85	(223)	130
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	519	716	197	5,472	5,481	9	8,381
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	964	1,080	116	8,740	8,557	(183)	13,115
Depreciation and amortisation	912	816	(96)	7,282	6,470	(812)	9,753
Surplus/(deficit) from Operations	847	1,844	(997)	10,505	18,295	(7,790)	28,628
Internal support costs	161	183	23	1,252	1,313	61	2,135
Surplus/(deficit)	686	1,661	(974)	9,253	16,982	(7,729)	26,493

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	2,221	6,698	(4,477)	28,877	44,286	(15,409)	74,483
Other income	6	-	6	33	-	33	-
Total operating income	2,227	6,698	(4,471)	28,910	44,286	(15,376)	74,483
Operating Expenditure							
Personnel costs	1,074	1,052	(22)	8,956	8,667	(289)	13,249
Capitalised personnel costs	53	10	(43)	253	91	(162)	137
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	151	262	111	1,623	2,002	379	3,143
Professional Services	6	8	2	143	60	(83)	100
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	197	87	(110)	976	567	(409)	969
Movement in doubtful debts	88	463	375	375	3,040	2,665	5,133
Other expenditure	453	1,315	862	5,312	9,048	3,736	11,398
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	2,022	3,197	1,175	17,638	23,475	5,837	34,129
Depreciation and amortisation	93	108	15	745	801	56	1,257
Surplus/(deficit) from Operations	112	3,393	(3,281)	10,527	20,010	(9,483)	39,097
Internal support costs	418	477	59	3,258	3,416	158	5,556
Surplus/(deficit)	(306)	2,916	(3,222)	7,269	16,594	(9,325)	33,541

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Section 2b – Roading and Footpaths Operations

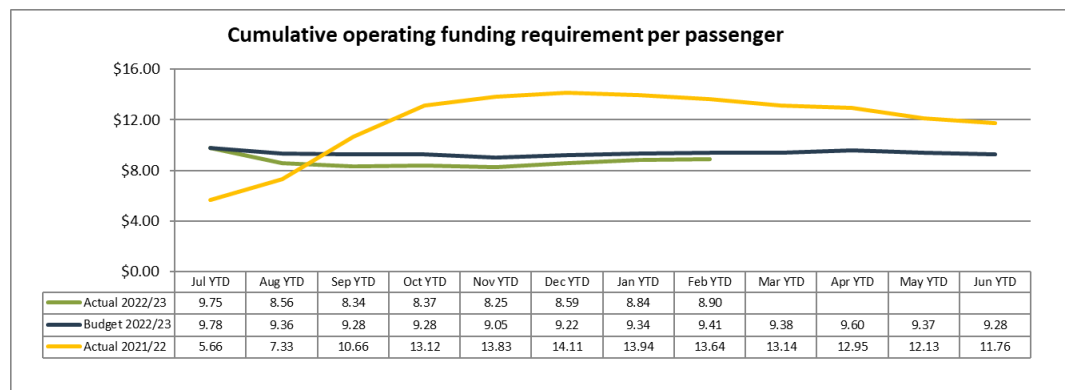
	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income							
Petrol tax	616	848	(232)	5,346	7,098	(1,752)	10,848
Other income	1,083	823	260	7,198	7,285	(87)	10,418
Waka Kotahi NZ Transport Agency operating funding	4,237	4,182	55	36,260	34,343	1,917	51,932
Total operating income	5,936	5,853	83	48,804	48,726	78	73,198
Operating Expenditure							
Personnel costs	3,258	3,337	79	26,949	27,717	768	42,257
Capitalised personnel costs	(762)	(1,209)	(447)	(7,362)	(9,393)	(2,031)	(14,457)
Public transport contracts	13	-	(13)	154	-	(154)	-
Contractors-maintenance	16,410	6,807	(9,603)	65,028	56,458	(8,570)	86,052
Professional Services	615	584	(31)	3,787	4,883	1,096	7,752
Track and ferry access charges	-	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	1,196	2,601	1,405	14,823	16,966	2,143	24,403
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	20,730	12,120	(8,610)	103,379	96,631	(6,748)	146,007
Depreciation and amortisation	34,603	28,679	(5,924)	274,312	215,631	(58,681)	335,274
Surplus(deficit) from Operations	(49,397)	(34,946)	(14,451)	(328,887)	(263,536)	(65,351)	(408,083)
Internal support costs	1,790	2,041	251	13,938	14,614	677	23,770
Surplus(deficit)	(51,187)	(36,987)	(14,200)	(342,825)	(278,150)	(64,674)	(431,853)

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	452	646	(194)	4,629	5,396	(767)	8,242
Other income	674	498	176	5,164	4,236	928	6,234
Waka Kotahi NZ Transport Agency operating funding	3,815	2,807	1,008	27,953	31,393	(3,440)	44,738
Total operating income	4,941	3,951	990	37,746	41,025	(3,279)	59,214
Operating Expenditure							
Personnel costs	9,828	9,937	109	76,088	80,833	4,745	124,503
Capitalised personnel costs	(2,851)	(2,816)	35	(21,257)	(23,743)	(2,486)	(36,323)
Public transport contracts	-	(1)	(1)	-	(7)	(7)	(10)
Contractors-maintenance	76	99	23	596	949	353	2,107
Professional services	1,330	1,323	(7)	8,694	9,787	1,093	15,145
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	2,965	3,916	951	24,596	30,882	6,286	46,714
Directors fees	38	43	5	310	343	33	515
Other expenditure	2,033	1,864	(169)	16,815	16,737	(78)	28,553
Finance costs	3	3	-	24	27	3	41
Total operating expenditure	13,422	14,368	946	105,866	115,808	9,942	181,245
Depreciation and amortisation	3,415	3,148	(267)	24,513	22,347	(2,166)	35,951
Surplus(deficit) from Operations	(11,896)	(13,565)	1,669	(92,633)	(97,130)	4,497	(157,982)
Internal support allocated	11,896	13,565	1,669	92,633	97,130	4,497	157,982
Surplus(deficit)	-	-	-	-	-	-	-

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Section 2c – Operational funding requirement per passenger for the eight months ended 28 February 2023



The operational cost (net of third party revenue) of \$8.90 per passenger on the PT Network is lower than the budget of \$9.41 mainly due to higher than expected patronage.

It is important to recognise that the July 2022 to February 2023 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
Rail, Bus and Ferry operations:									
Operating expenditure \$000	57,841	57,407	(434)	(1%)	443,526	441,503	(2,023)	(0%)	684,705
Less external revenues \$000	7,952	12,187	(4,235)	(35%)	64,396	86,374	(21,978)	(25%)	139,507
Operating funding requirement \$000	49,889	45,220	(4,669)	(10%)	379,130	355,129	(24,001)	(7%)	545,198
Patronage 000's	5,367	4,542	825	18%	42,604	37,738	4,866	13%	58,765
Operating funding requirement per passenger	\$9.30	\$9.96	\$0.66	7%	\$8.90	\$9.41	\$0.51	5%	\$9.28

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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	3,773	6,860	3,087	27,815	54,469	26,654	91,053
Asset Management	20,453	20,964	511	140,268	131,227	(9,041)	219,734
Bus Projects	1,112	2,899	1,787	22,109	31,149	9,040	42,111
Corridor Improvements	1,782	1,909	127	11,718	22,152	10,434	32,009
Ferry, Multi-modal, and Park and Ride	2,205	3,637	1,432	26,846	23,223	(3,623)	44,458
Local Board Priorities	744	1,667	923	8,466	10,727	2,261	17,205
Network Capacity and Performance	1,303	625	(678)	8,914	8,191	(723)	9,302
Operational Programmes	5,317	2,803	(2,514)	26,437	24,157	(2,280)	29,195
Population Growth	2,475	2,496	21	15,672	17,303	1,631	44,577
Rapid Transit: Bus Projects	16,890	14,276	(2,614)	121,780	115,469	(6,311)	180,803
Rapid Transit: Rail Projects	2,700	456	(2,244)	33,845	36,790	2,945	58,602
Safety	6,395	6,532	137	46,678	49,285	2,607	68,241
Sustainability Projects that are in addition to travel choice projects	327	308	(19)	1,765	3,699	1,934	4,676
Cimate Action Targeted Rate	180	1,500	1,320	600	7,500	6,900	14,765
Total direct capital	65,656	66,932	1,276	492,913	535,341	42,428	856,731

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	26,981	23,440	3,541	153,283	199,535	(46,252)	329,125
Waka Kotahi NZ Transport Agency renewal co-investment	9,288	10,277	(989)	64,757	64,277	480	105,335
Other capital grants	905	148	757	5,523	5,926	(403)	6,227
Auckland Council capital grant	28,481	33,066	(4,585)	269,350	265,604	3,746	416,043
Total direct capital funding	65,655	66,931	(1,276)	492,913	535,342	(42,429)	856,730

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Section 3c – RFT Capital and Operational Expenditure

RFT Capital and Operating Expenditure

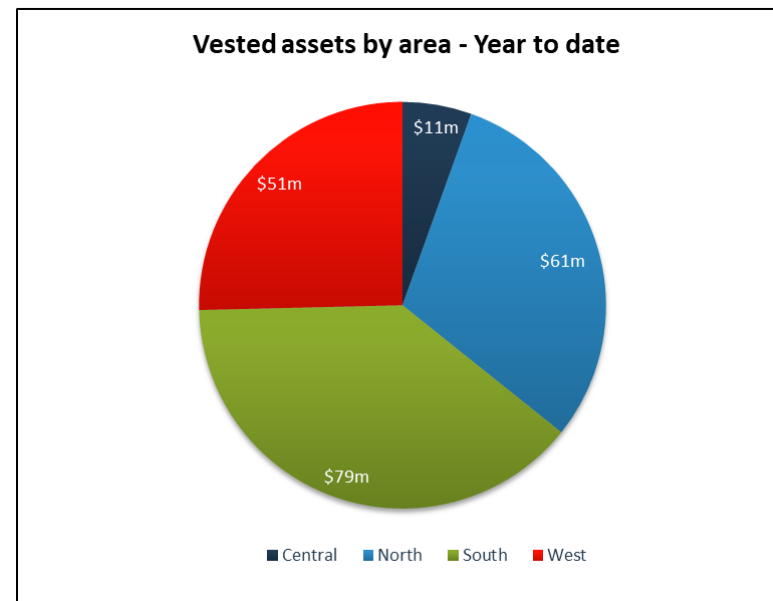
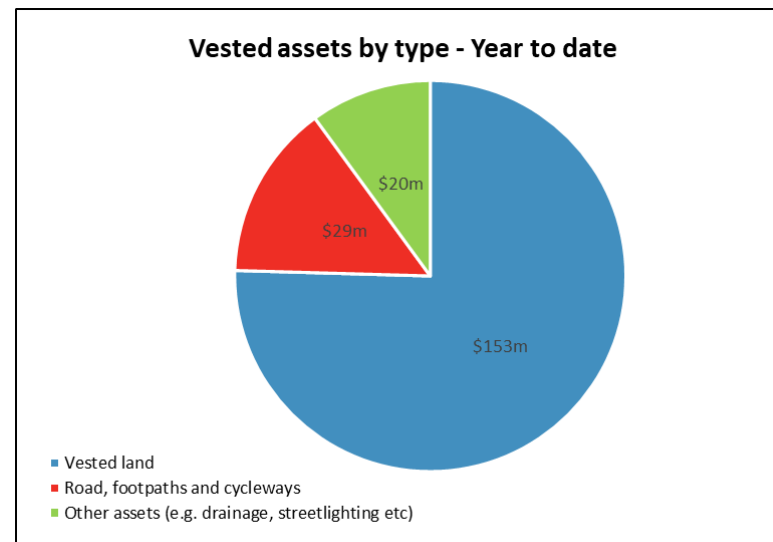
	Year to date			Full year		
	Actual Not RFT Enabled \$000	Actual RFT Enabled \$000	Actual Total \$000	Budget Not RFT Enabled \$000	Budget RFT Enabled \$000	Budget Total \$000
Capital expenditure	272,996	219,917	492,913	498,754	357,976	856,730
Funding						
Waka Kotahi NZ Transport Agency	107,976	110,064	218,040	268,339	166,121	434,460
Others (ACC,Crown, others)	1,541	3,981	5,523	6,227	-	6,227
Auckland Council	163,478	105,872	269,350	224,188	191,855	416,043
Total funding	272,996	219,917	492,913	498,754	357,976	856,730
Programme of capital projects supported by the RFT scheme						
Project 1: Bus priority improvements		7,596			23,314	
Project 2: City centre bus infrastructure		4,183			3,200	
Project 3: Improving airport access		5,483			8,379	
Project 4: Eastern Busway		114,657			136,462	
Project 5: Park-and-ride facilities		58			-	
Project 6: Electric trains and stabling		24,364			41,598	
Project 7: Downtown ferry terminal and redevelopment		4,414			30,430	
Project 8: Road safety		38,766			54,710	
Project 9: Active transport		6,343			21,161	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		-			-	
Project 12: Road corridor improvements		7,288			21,028	
Project 13: Network capacity and performance improvement		4,708			6,347	
Project 14: Growth-related transport infrastructure		2,057			11,347	
Total		219,917			357,976	
Operating expenditure		744			1,515	
<i>Note: Fully funded by Auckland Council</i>						
Programme of operating projects supported by the Auckland RFT scheme						
Project 8: Road safety		744			1,515	
Total		744			1,515	

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Section 3d – Vested Assets

As at 28 February 2023

	Current month	Year to date
	Actual \$000	Actual \$000
Vested Assets - Top 10 Suburbs		
Milldale	-	44,481
Hobsonville	-	32,104
Pukekohe	-	31,211
Drury	1	16,256
Massey	2	10,862
Flat Bush	8,293	10,457
Mount Roskill	654	9,634
Clarks Beach	-	6,565
Northcote	-	5,530
Silverdale	-	4,115
Other	1,594	30,902
Total Vested Asset	10,544	202,118



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Section 4a – Statement of Financial Position

As at 28 February 2023

	Note	Actual 28 February 2023 \$000	Actual 31 January 2023 \$000
Assets			
Current assets			
Cash and cash equivalents	1	5,044	4,435
Receivables	2	573,046	553,932
Inventories		12,024	11,884
Other assets		21,509	21,512
Non-current assets held for sale		1,608	1,608
Derivative financial instruments		12	6
Total current assets		613,243	593,377
Non-current assets			
Property, plant and equipment (PPE)		25,690,624	25,658,925
Intangible assets		124,185	122,222
Work in progress (PPE and intangible assets)	3	961,047	964,709
Total non-current assets		26,775,856	26,745,856
Total assets		27,389,099	27,339,233

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Section 4a – Statement of Financial Position (continued)

As at 28 February 2023

	Note	Actual 28 February 2023 \$000	Actual 31 January 2023 \$000
Liabilities			
Current liabilities			
Payables and accruals	4	267,425	241,162
Employee entitlements	5	18,477	17,311
Derivative financial instruments		412	318
Borrowings	6	9,264	9,230
Total current liabilities		295,578	268,021
Non-current liabilities			
Payables and accruals	4	1,347	1,596
Employee entitlements	5	289	289
Derivative financial instruments		5,875	8,168
Borrowings	6	465,091	465,839
Total non-current liabilities		472,602	475,892
Total liabilities		768,180	743,913
Net assets		26,620,919	26,595,320
Equity			
Contributed capital		13,218,278	13,220,202
Accumulated funds		5,199,836	5,172,313
Other reserves		8,202,805	8,202,805
Total equity		26,620,919	26,595,320

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Section 4b – Notes to the Financial Statements

As at 28 February 2023

	Actual 28 February 2023 \$000	Actual 31 January 2023 \$000
1 Cash and cash equivalents		
Cash at bank	4,818	4,204
Till floats	226	231
Total cash and cash equivalents	5,044	4,435

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

2 Receivables		
Trade and other debtors	10,911	10,278
Infringement receivable	47,646	48,586
Amounts due from related parties	436,779	426,686
Accrued revenue	99,927	90,512
Goods and services tax	-	-
	595,263	576,062
Less provision for impairment of receivables	(22,217)	(22,130)
Total current receivables	573,046	553,932

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 28 February 2023

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	4,597	2,104	-	436,593	443,294
Past due 1 - 30 days	419	1,771	-	33	2,223
Past due 31 - 60 days	4,671	1,838	-	162	6,671
Past due 61 - 90 days	295	2,074	-	(9)	2,360
Past due > 90 days	929	2,856	37,003	-	40,788
	10,911	10,643	37,003	436,779	495,336
Impairment	(381)	(5)	(21,831)	-	(22,217)
	10,530	10,638	15,172	436,779	473,119

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	-	-	1,795	1,795
Provisions reversed	-	(1,421)	-	(1,421)
Provisions relating to receivables written-off	-	-	-	-
Balance at 28 February 2023	381	5	21,831	22,217

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

As at 28 February 2023

	Opening balance 1 July 2022 \$000	Acquisition YTD 28 February 2023 \$000	Capitalisation YTD 28 February 2023 \$000	Closing balance 28 February 2023 \$000
3 Work in Progress (WIP)				
WIP by activity				
Roads and footpaths	495,346	173,910	-132,823	536,433
Public Transport	289,255	198,213	-62,854	424,614
Total WIP	784,601	372,123	-195,676	961,047
WIP by status				
Current WIP (completion in future)				821,502
Due for capitalisation within policy				42,892
Due for capitalisation not within policy				96,619
Forecast completion date not yet provided (new projects)				34
Total WIP				961,047
Top 10 Programmes				WIP Closing balance 28 February 2023
Eastern Busway				192,415
Supporting Growth				67,102
Safety Programme				63,528
Urban Cycleways Programme				46,333
Rosedale and Constellation Bus Stations				46,131
Matakana Link Road				43,489
EMU Rolling Stock				42,635
Connected Communities				36,751
Decarbonisation of Ferry Fleet Stage 1				26,705
Public Transport Safety				23,917
Total				589,005

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

As at 28 February 2023

	Actual 28 February 2023 \$000	Actual 31 January 2023 \$000
4 Payables and accruals		
Current portion		
Creditors	35,496	43,333
Goods and services tax	4,199	2,955
Accrued expenses	180,852	148,714
Retentions	22,198	21,808
Amounts due to related parties	18,480	16,755
Revenue in advance	6,200	7,597
Total current payables	267,425	241,162
Non-current portion		
Amounts due to related parties	1,347	1,596
Total non-current payables	1,347	1,596

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 28 February 2023

	Actual 28 February 2023 \$000	Actual 31 January 2023 \$000
5 Employee entitlements		
Current portion		
Accrued salaries and wages	5,598	5,125
Accrued leave	12,879	12,186
Total current employee entitlements	18,477	17,311
Non-current portion		
Retirement gratuities	253	253
Long service leave	36	36
Total non-current employee entitlements	289	289
6 Borrowings		
Current portion		
Finance lease	1,158	1,157
Loans from Auckland Council	8,106	8,073
Total current borrowings	9,264	9,230
Non-current portion		
Finance lease	2,081	2,171
Loans from Auckland Council	463,010	463,668
Total non-current borrowings	465,091	465,839
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$471 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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Section 5 – Cashflow

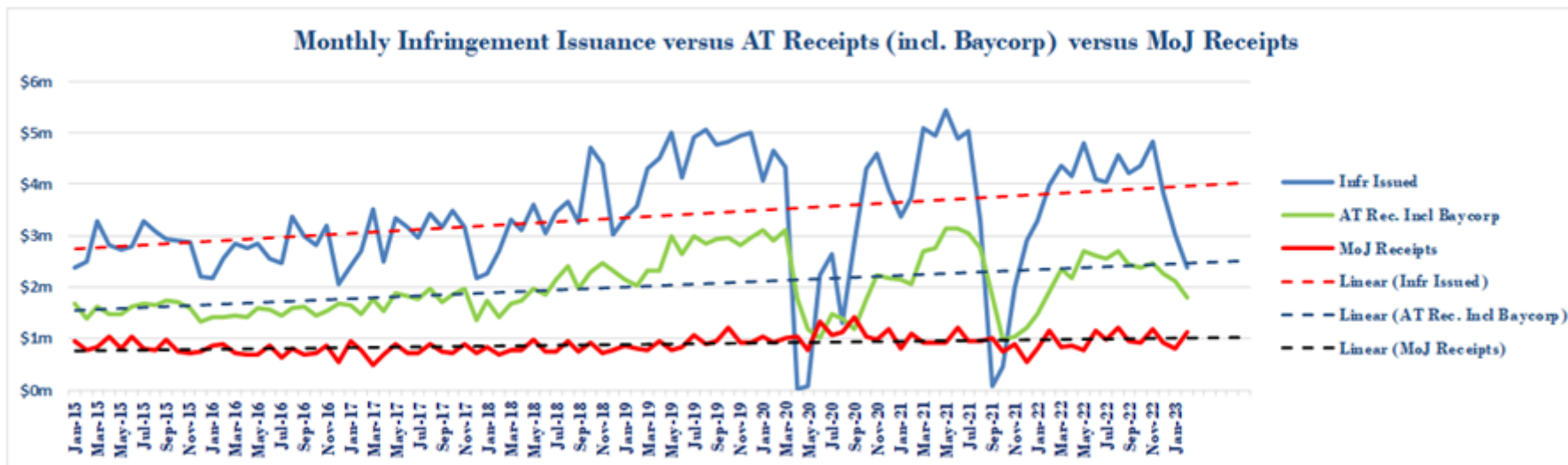
	Year to Date		Full year
	Actual \$000	Budget \$000	Budget \$000
Cash flows from operating activities			
Total cash provided	1,267,218	1,307,382	2,018,764
Cash applied to			
Payments to suppliers and employees	711,729	728,007	1,125,754
Interest paid	17,026	19,029	28,495
Total cash applied	728,755	747,036	1,154,249
Net cash from operating activities	538,463	560,346	864,515
Cash flows from investing activities			
Cash provided from			
Sale of property, plant and equipment	520	-	-
Cash applied to:			
Purchase of property, plant and equipment	532,615	555,342	856,730
Net cash from investing activities	(532,095)	(555,342)	(856,730)
Cash flows from financing activities			
Cash applied to			
Repayments of EMU loan from Auckland Council	5,007	5,004	7,785
Repayments of finance lease principal	707	-	-
Net cash from financing activities	(5,714)	(5,004)	(7,785)
Net (decrease)/increase in cash and cash equivalent	654	-	-
Opening cash and cash equivalents	4,390	-	-
Closing cash balance	5,044	-	-

	Actual \$000
Reconciliation of surplus after tax to net cash from operating activities	
Surplus after tax	361,201
Add/(less) non-cash items	
Depreciation and amortisation	349,308
Vested asset income	(196,466)
Gain on disposal of property, plant and equipment	(5,758)
(Gains)/losses on derivatives	3,832
	150,916
Add/(less) movements in balance sheet items	
Receivables	13,307
Inventories	1,332
Other assets	(11,233)
Non-current assets held for sale	(1,451)
Payables and accruals	23,401
Employee entitlements	990
	26,346
Net cash from operating activities	538,463


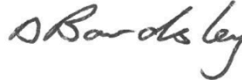
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Section 6 – Infringement Overview

Over 98 months (January 2015 to February 2023), 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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