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## Results for the Eleven Months Ended 31 May 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.	27 June 2023.

### Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

- a) Receives the report.

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## Section 1 – Te whakarāpopototanga matua / Executive summary

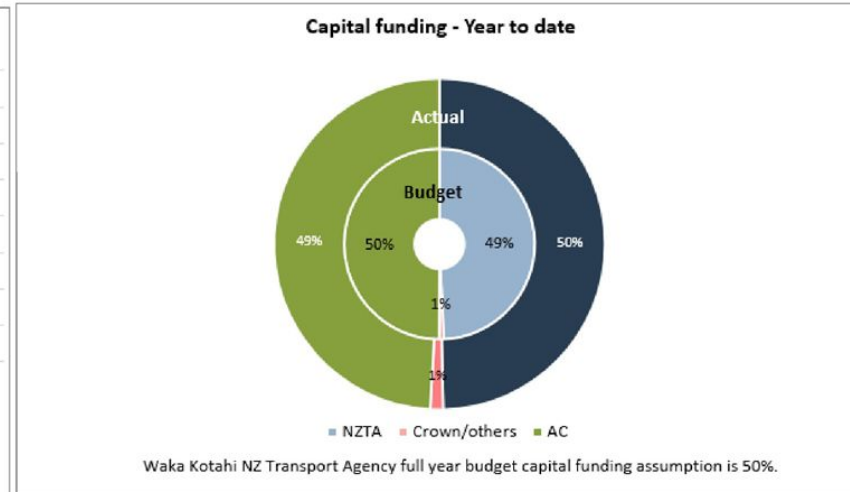
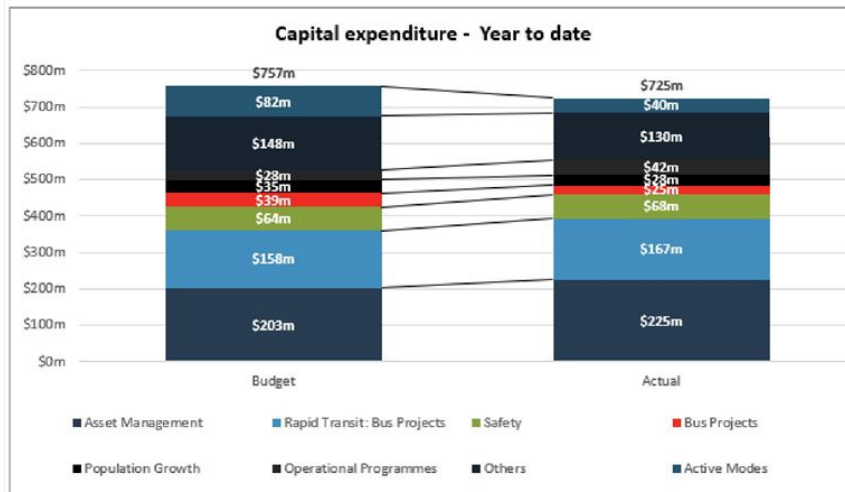
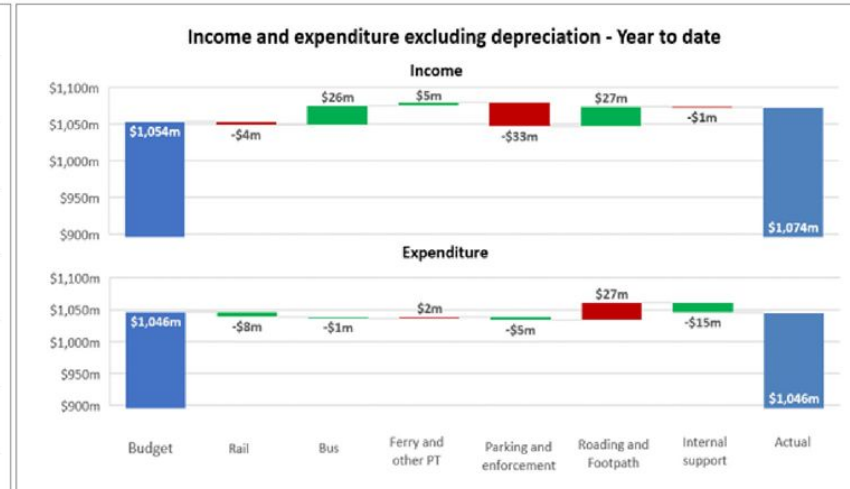
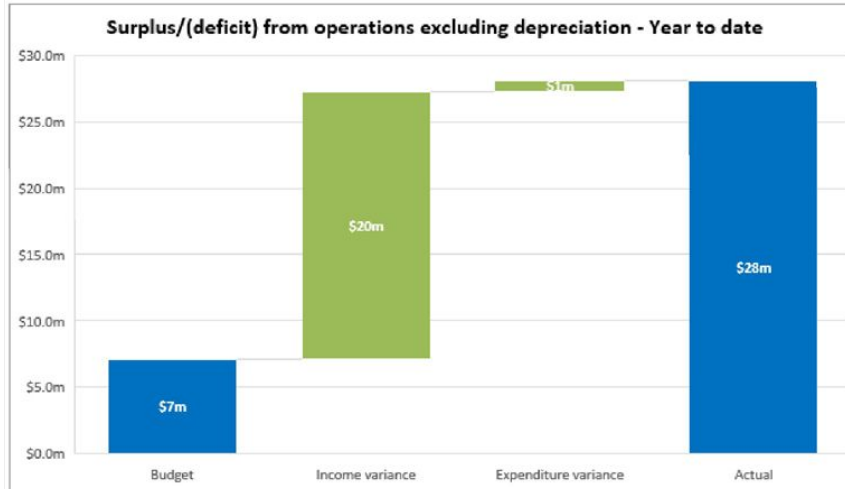
1. Year to date (YTD) **surplus from operations excluding depreciation** of \$28.1 million, is \$20.9 million favourable to budget due to an unbudgeted \$14.4 million public transport (PT) top-up from Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and continued cost saving activity. Lower than budgeted parking and enforcement income and capitalised personnel costs are offset by lower personnel costs, track access charges, professional services, PT contracts and other expenditure.
2. Items to note:
  - Waka Kotahi funding is favourable to budget mainly due to the \$14.4 million PT top-up, unbudgeted PT fare funding for the extension of half price fares to the end of June 2023 and unbudgeted adverse weather top-up at 91% Funding Assistance Rate (FAR).
  - 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 growth than expected and compliant behaviour of traffic users in our corridors.
  - 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.
  - 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 a change in the mix of 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 from the continuing bus driver shortage. This is partly offset by higher than expected PT contract indexation and rail leave liability. Actual indexation is 4.2% for Rail, 8.2% for Bus and 16.1% for Ferry, against a budget of 4%.
  - Contractors-maintenance is unfavourable to budget primarily due to storm related costs of \$5.8 million in May (\$32.4 million YTD), funded at 91% FAR by Waka Kotahi.
  - 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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3. **Deficit from operations** is \$7.4 million unfavourable to budget in May and \$54.8 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 continued cost savings.
4. **YTD Capital expenditure** of \$725.4 million is tracking at 96% of planned spend. Any headroom in expected spend levels will likely need to be reallocated to flood response activities.
5. **Waka Kotahi and other Crown capital funding** YTD is in line with the budget of 50%.
6. **Regional Fuel Tax (RFT) enabled capital spend** for May is \$55.4 million and \$380.8 million YTD, versus a full year planned spend of \$433 million. YTD spend is approximately 88% of the full year RFT enabled capital budget.

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



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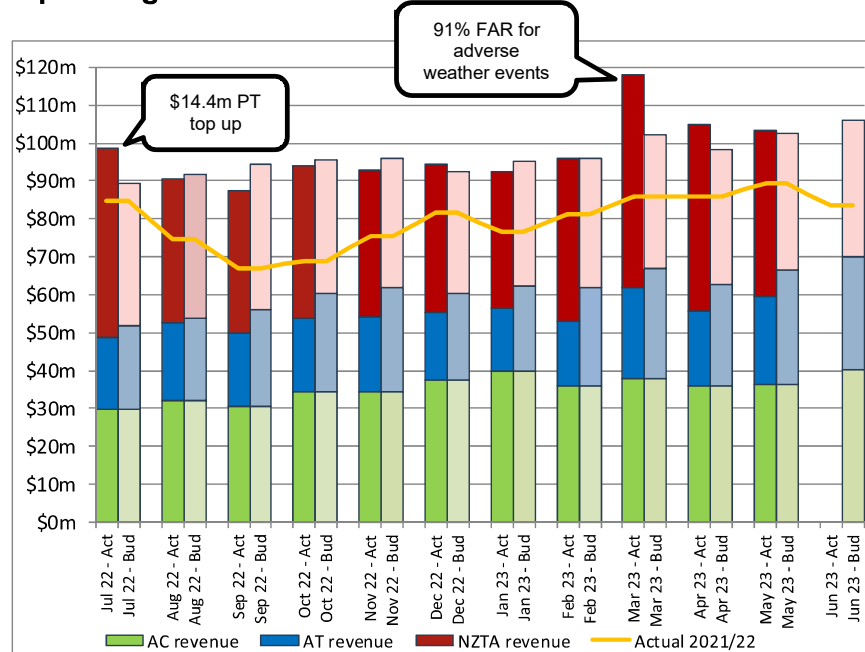
## Section 2 – Financial results for the eleven months ended 31 May 2023

	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	36,267	36,267	-	384,739	384,739	-	424,909
Waka Kotahi NZ Transport Agency operating funding	43,868	35,777	8,091	472,757	388,239	84,518	424,286
Parking and enforcement income	9,301	11,956	(2,655)	80,774	113,727	(32,953)	125,980
Public transport income	11,024	15,335	(4,311)	104,949	133,938	(28,989)	148,503
Other revenue incl. other grants and subsidies	2,946	3,102	(156)	30,395	32,858	(2,463)	35,742
<b>Total operating income</b>	<b>103,406</b>	<b>102,437</b>	<b>969</b>	<b>1,073,614</b>	<b>1,053,501</b>	<b>20,113</b>	<b>1,159,420</b>
<b>Operating expenditure</b>							
Personnel costs	19,402	20,694	1,292	198,856	207,321	8,465	227,041
Capitalised personnel costs	(5,009)	(5,562)	(553)	(42,537)	(51,062)	(8,525)	(55,557)
Public transport contracts	51,668	50,726	(942)	514,515	521,682	7,167	575,029
Contractors-maintenance	14,369	9,691	(4,678)	125,985	97,202	(28,783)	107,516
Professional services	4,509	2,723	(1,786)	25,377	28,597	3,220	31,261
Track and ferry access charges	2,619	3,788	1,169	34,568	38,684	4,116	42,404
Other expenditure	15,846	17,284	1,438	162,595	177,752	15,157	195,446
Finance costs	2,412	2,403	(9)	26,173	26,170	(3)	28,495
<b>Total operating expenditure excluding depreciation</b>	<b>105,816</b>	<b>101,747</b>	<b>(4,069)</b>	<b>1,045,532</b>	<b>1,046,346</b>	<b>814</b>	<b>1,151,635</b>
<b>Surplus/(deficit) from operations excluding depreciation</b>	<b>(2,410)</b>	<b>690</b>	<b>(3,100)</b>	<b>28,082</b>	<b>7,155</b>	<b>20,927</b>	<b>7,785</b>
Depreciation and amortisation	44,294	40,035	(4,259)	481,818	406,055	(75,763)	446,714
<b>Surplus/(deficit) from operations</b>	<b>(46,704)</b>	<b>(39,345)</b>	<b>(7,359)</b>	<b>(453,736)</b>	<b>(398,900)</b>	<b>(54,836)</b>	<b>(438,929)</b>
<b>Income for capital projects</b>							
Waka Kotahi NZ Transport Agency capital co-investment	36,771	32,668	4,103	358,074	372,577	(14,503)	434,460
Auckland Council capital grant	33,033	39,408	(6,375)	353,875	378,062	(24,187)	416,043
Other capital grants	3,835	69	3,766	9,358	6,167	3,191	6,227
Vested asset income	12,261	27,500	(15,239)	317,901	275,000	42,901	275,000
<b>Total income for capital projects</b>	<b>85,900</b>	<b>99,645</b>	<b>(13,745)</b>	<b>1,039,208</b>	<b>1,031,806</b>	<b>7,402</b>	<b>1,131,730</b>
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>39,196</b>	<b>60,300</b>	<b>(21,104)</b>	<b>585,472</b>	<b>632,906</b>	<b>(47,434)</b>	<b>692,801</b>
Gains/(losses) on derivatives	(336)	-	(336)	6,232	-	6,232	-
Gain/(loss) on disposal of assets	(360)	-	(360)	3,537	-	3,537	-
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>38,500</b>	<b>60,300</b>	<b>(21,800)</b>	<b>595,241</b>	<b>632,906</b>	<b>(37,665)</b>	<b>692,801</b>

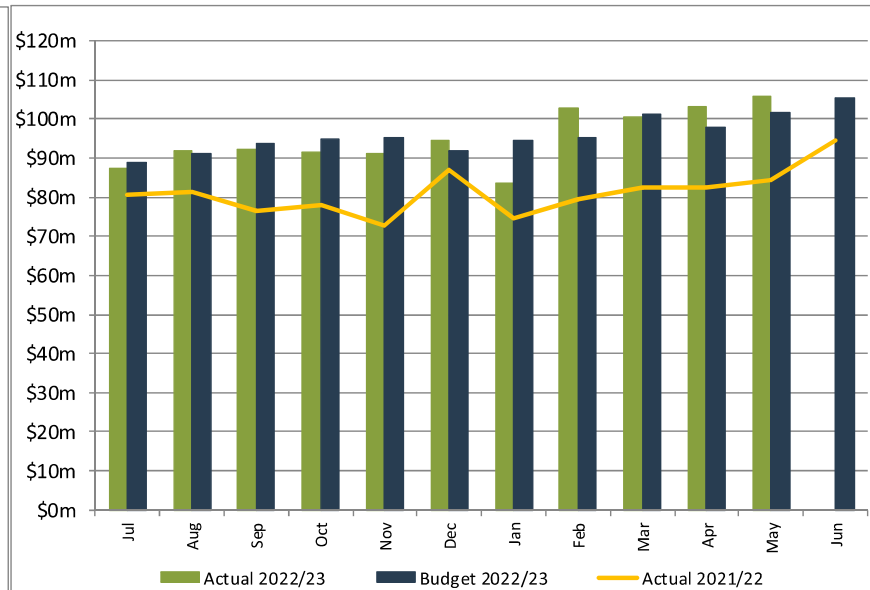
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Section 2 – Financial results for the eleven months ended 31 May 2023 (continued)

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
<b>Operating Income</b>							
Rail	12,022	13,567	(1,545)	121,512	125,916	(4,404)	139,674
Bus	25,391	23,736	1,655	270,480	244,029	26,451	266,598
Ferry	2,950	3,282	(332)	37,531	36,530	1,001	39,626
Other public transport	3,887	2,619	1,268	31,112	27,536	3,576	30,220
Parking	3,947	4,549	(602)	37,145	46,917	(9,772)	51,496
Enforcement	5,354	7,407	(2,053)	43,629	66,810	(23,181)	74,483
Roading and footpaths	10,279	6,461	3,818	94,087	67,014	27,073	73,198
Internal support	3,311	4,548	(1,237)	53,378	54,010	(632)	59,214
Auckland Council operating funding	36,267	36,267	-	384,739	384,739	-	424,909
<b>Total operating income</b>	<b>103,408</b>	<b>102,436</b>	<b>972</b>	<b>1,073,613</b>	<b>1,053,501</b>	<b>20,112</b>	<b>1,159,418</b>
<b>Operating Expenditure</b>							
Rail	18,964	21,932	2,968	197,308	205,133	7,825	228,228
Bus	38,148	36,257	(1,891)	392,299	393,703	1,404	431,529
Ferry	5,369	4,523	(846)	54,433	48,861	(5,572)	53,402
Other public transport	6,241	5,918	(323)	53,743	57,758	4,015	63,980
Parking	1,357	1,129	(228)	12,346	11,924	(422)	13,115
Enforcement	2,581	2,780	199	25,855	31,263	5,408	34,129
Roading and footpaths	18,581	12,723	(5,858)	160,827	133,547	(27,280)	146,007
Internal support	14,572	16,485	1,913	148,722	164,159	15,437	181,245
Depreciation and amortisation	44,294	40,035	(4,259)	481,818	406,055	(75,763)	446,714
<b>Total operating expenditure</b>	<b>150,107</b>	<b>141,782</b>	<b>(8,325)</b>	<b>1,527,351</b>	<b>1,452,403</b>	<b>(74,948)</b>	<b>1,598,349</b>
<b>Surplus/(deficit) from Operations</b>	<b>(46,699)</b>	<b>(39,346)</b>	<b>(7,353)</b>	<b>(453,738)</b>	<b>(398,902)</b>	<b>(54,836)</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	1,900	3,895	(1,995)	16,318	29,907	(13,589)	33,119
Other income	113	156	(43)	1,357	1,528	(171)	1,684
Waka Kotahi NZ Transport Agency operating funding	10,009	9,516	493	103,837	94,481	9,356	104,871
<b>Total operating income</b>	<b>12,022</b>	<b>13,567</b>	<b>(1,545)</b>	<b>121,512</b>	<b>125,916</b>	<b>(4,404)</b>	<b>139,674</b>
<b>Operating Expenditure</b>							
Personnel costs	444	691	247	5,319	7,062	1,743	7,760
Capitalised personnel costs	(73)	4	77	573	(108)	(681)	(83)
Public transport contracts	12,632	14,235	1,603	119,268	123,492	4,224	139,106
Contractors-maintenance	(1)	-	1	(1)	-	1	-
Professional services	23	142	119	126	401	275	425
Track access charges	2,556	3,752	1,196	33,982	38,265	4,283	41,942
Other expenditure	973	708	(265)	11,900	9,889	(2,011)	10,624
Finance costs	2,410	2,400	(10)	26,141	26,132	(9)	28,454
<b>Total operating expenditure</b>	<b>18,964</b>	<b>21,932</b>	<b>2,968</b>	<b>197,308</b>	<b>205,133</b>	<b>7,825</b>	<b>228,228</b>
Depreciation and amortisation	3,813	3,817	4	42,085	41,513	(572)	45,339
<b>Surplus/(deficit) from Operations</b>	<b>(10,755)</b>	<b>(12,182)</b>	<b>1,427</b>	<b>(117,881)</b>	<b>(120,730)</b>	<b>2,849</b>	<b>(133,893)</b>
Internal support costs	3,358	3,619	262	30,319	33,526	3,207	37,156
<b>Surplus/(deficit)</b>	<b>(14,113)</b>	<b>(15,801)</b>	<b>1,689</b>	<b>(148,200)</b>	<b>(154,256)</b>	<b>6,056</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	6,398	7,517	(1,119)	53,158	63,351	(10,193)	70,935
Other income	145	1,323	(1,178)	9,286	9,834	(548)	11,149
Waka Kotahi NZ Transport Agency operating funding	18,848	14,896	3,952	208,036	170,844	37,192	184,514
<b>Total operating income</b>	<b>25,391</b>	<b>23,736</b>	<b>1,655</b>	<b>270,480</b>	<b>244,029</b>	<b>26,451</b>	<b>266,598</b>
<b>Operating Expenditure</b>							
Personnel costs	525	512	(13)	5,059	5,113	54	5,604
Capitalised personnel costs	30	(165)	(195)	609	(1,640)	(2,249)	(1,748)
Public transport contracts	34,481	32,767	(1,714)	349,370	357,883	8,513	391,917
Contractors-maintenance	100	110	10	1,196	1,214	18	1,450
Professional Services	112	173	61	1,502	1,946	444	2,128
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	2,900	2,860	(40)	34,563	29,187	(5,376)	32,178
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>38,148</b>	<b>36,257</b>	<b>(1,891)</b>	<b>392,299</b>	<b>393,703</b>	<b>1,404</b>	<b>431,529</b>
Depreciation and amortisation	614	682	68	6,641	6,881	240	7,575
<b>Surplus/(deficit) from Operations</b>	<b>(13,371)</b>	<b>(13,203)</b>	<b>(168)</b>	<b>(128,460)</b>	<b>(156,555)</b>	<b>28,095</b>	<b>(172,506)</b>
Internal support costs	6,349	6,843	495	57,327	63,390	6,063	70,254
<b>Surplus/(deficit)</b>	<b>(19,720)</b>	<b>(20,046)</b>	<b>327</b>	<b>(185,787)</b>	<b>(219,945)</b>	<b>34,158</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	731	649	82	7,647	6,783	864	7,371
Activity income	589	1,045	(456)	5,298	13,198	(7,900)	14,130
Other income	135	93	42	1,253	1,026	227	1,119
Waka Kotahi NZ Transport Agency operating funding	1,495	1,495	-	23,333	15,523	7,810	17,006
<b>Total operating income</b>	<b>2,950</b>	<b>3,282</b>	<b>(332)</b>	<b>37,531</b>	<b>36,530</b>	<b>1,001</b>	<b>39,626</b>
<b>Operating Expenditure</b>							
Personnel costs	105	129	24	1,185	1,297	112	1,420
Capitalised personnel costs	(27)	(56)	(29)	(345)	(528)	(183)	(552)
Public transport contracts	4,541	3,724	(817)	45,433	40,316	(5,117)	44,017
Contractors-maintenance	4	-	(4)	12	-	(12)	-
Professional Services	-	-	-	5	-	(5)	-
Ferry access charges	63	36	(27)	438	419	(19)	462
Other expenditure	683	690	7	7,705	7,357	(348)	8,055
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>5,369</b>	<b>4,523</b>	<b>(846)</b>	<b>54,433</b>	<b>48,861</b>	<b>(5,572)</b>	<b>53,402</b>
Depreciation and amortisation	513	486	(27)	5,323	5,231	(92)	5,719
<b>Surplus/(deficit) from Operations</b>	<b>(2,932)</b>	<b>(1,727)</b>	<b>(1,205)</b>	<b>(22,225)</b>	<b>(17,562)</b>	<b>(4,663)</b>	<b>(19,495)</b>
Internal support costs	786	847	61	7,094	7,845	750	8,694
<b>Surplus/(deficit)</b>	<b>(3,718)</b>	<b>(2,574)</b>	<b>(1,144)</b>	<b>(29,319)</b>	<b>(25,407)</b>	<b>(3,913)</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	1,014	656	358	10,631	8,311	2,320	8,995
Waka Kotahi NZ Transport Agency operating funding	2,873	1,963	910	20,481	19,225	1,256	21,225
<b>Total operating income</b>	<b>3,887</b>	<b>2,619</b>	<b>1,268</b>	<b>31,112</b>	<b>27,536</b>	<b>3,576</b>	<b>30,220</b>
<b>Operating Expenditure</b>							
Personnel costs	2,732	2,664	(68)	26,692	26,580	(112)	29,128
Capitalised personnel costs	(336)	(462)	(126)	(2,235)	(2,135)	100	(2,220)
Public transport contracts	11	-	(11)	316	-	(316)	-
Contractors-maintenance	685	1,231	546	11,369	11,738	369	12,968
Professional Services	1,054	397	(657)	5,678	5,195	(483)	5,581
Track and ferry access charges	-	-	-	148	-	(148)	-
IT costs	104	52	(52)	975	569	(406)	622
Other expenditure	1,991	2,036	45	10,800	15,811	5,011	17,901
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>6,241</b>	<b>5,918</b>	<b>(323)</b>	<b>53,743</b>	<b>57,758</b>	<b>4,015</b>	<b>63,980</b>
Depreciation and amortisation	319	504	185	4,133	5,339	1,206	5,847
<b>Surplus/(deficit) from Operations</b>	<b>(2,673)</b>	<b>(3,803)</b>	<b>1,130</b>	<b>(26,764)</b>	<b>(35,561)</b>	<b>8,797</b>	<b>(39,607)</b>
Internal support costs	941	1,015	73	8,499	9,398	899	10,416
<b>Surplus/(deficit)</b>	<b>(3,614)</b>	<b>(4,818)</b>	<b>1,203</b>	<b>(35,263)</b>	<b>(44,959)</b>	<b>9,696</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	3,817	4,517	(700)	34,927	46,382	(11,455)	50,906
Other income	130	32	98	2,218	535	1,683	590
<b>Total operating income</b>	<b>3,947</b>	<b>4,549</b>	<b>(602)</b>	<b>37,145</b>	<b>46,917</b>	<b>(9,772)</b>	<b>51,496</b>
<b>Operating Expenditure</b>							
Personnel costs	256	281	25	2,856	2,851	(5)	3,120
Capitalised personnel costs	8	(31)	(39)	(138)	(288)	(150)	(312)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	121	135	14	1,428	1,594	166	1,796
Professional Services	23	8	(15)	446	118	(328)	130
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	949	736	(213)	7,754	7,649	(105)	8,381
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>1,357</b>	<b>1,129</b>	<b>(228)</b>	<b>12,346</b>	<b>11,924</b>	<b>(422)</b>	<b>13,115</b>
Depreciation and amortisation	914	822	(92)	10,023	8,929	(1,094)	9,753
<b>Surplus/(deficit) from Operations</b>	<b>1,676</b>	<b>2,598</b>	<b>(922)</b>	<b>14,776</b>	<b>26,064</b>	<b>(11,288)</b>	<b>28,628</b>
Internal support costs	193	208	15	1,742	1,927	184	2,135
<b>Surplus/(deficit)</b>	<b>1,483</b>	<b>2,390</b>	<b>(907)</b>	<b>13,034</b>	<b>24,137</b>	<b>(11,104)</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	5,352	7,407	(2,055)	43,591	66,810	(23,219)	74,483
Other income	2	-	2	38	-	38	-
<b>Total operating income</b>	<b>5,354</b>	<b>7,407</b>	<b>(2,053)</b>	<b>43,629</b>	<b>66,810</b>	<b>(23,181)</b>	<b>74,483</b>
<b>Operating Expenditure</b>							
Personnel costs	1,267	1,202	(65)	12,577	12,132	(445)	13,249
Capitalised personnel costs	82	14	(68)	417	127	(290)	137
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	160	285	125	2,423	2,858	435	3,143
Professional Services	37	11	(26)	206	91	(115)	100
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	148	99	(49)	1,390	866	(524)	969
Movement in doubtful debts	241	516	275	1,462	4,603	3,141	5,133
Other expenditure	646	653	7	7,380	10,586	3,206	11,398
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>2,581</b>	<b>2,780</b>	<b>199</b>	<b>25,855</b>	<b>31,263</b>	<b>5,408</b>	<b>34,129</b>
Depreciation and amortisation	94	115	21	1,026	1,139	113	1,257
<b>Surplus/(deficit) from Operations</b>	<b>2,679</b>	<b>4,512</b>	<b>(1,833)</b>	<b>16,748</b>	<b>34,408</b>	<b>(17,660)</b>	<b>39,097</b>
Internal support costs	502	541	39	4,534	5,013	480	5,556
<b>Surplus/(deficit)</b>	<b>2,177</b>	<b>3,971</b>	<b>(1,794)</b>	<b>12,214</b>	<b>29,395</b>	<b>(17,180)</b>	<b>33,541</b>

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### Section 2b – Roading and Footpaths Operations

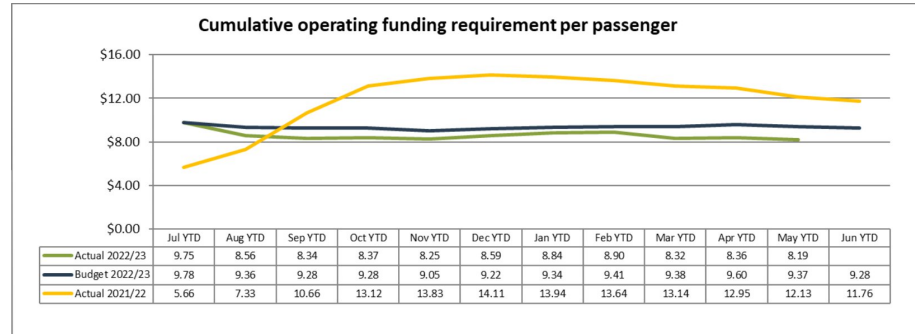
	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Petrol tax	870	1,027	(157)	7,556	9,911	(2,355)	10,848
Other income	749	798	(49)	9,300	9,682	(382)	10,418
Waka Kotahi NZ Transport Agency operating funding	8,660	4,636	4,024	77,231	47,421	29,810	51,932
<b>Total operating income</b>	<b>10,279</b>	<b>6,461</b>	<b>3,818</b>	<b>94,087</b>	<b>67,014</b>	<b>27,073</b>	<b>73,198</b>
<b>Operating Expenditure</b>							
Personnel costs	3,736	3,823	87	37,753	38,692	939	42,257
Capitalised personnel costs	(1,217)	(1,333)	(116)	(10,479)	(13,220)	(2,741)	(14,457)
Public transport contracts	3	-	(3)	128	-	(128)	-
Contractors-maintenance	13,124	7,832	(5,292)	108,563	78,554	(30,009)	86,052
Professional Services	1,017	652	(365)	5,643	7,031	1,388	7,752
Track and ferry access charges	-	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	1,918	1,749	(169)	19,219	22,490	3,271	24,403
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>18,581</b>	<b>12,723</b>	<b>(5,858)</b>	<b>160,827</b>	<b>133,547</b>	<b>(27,280)</b>	<b>146,007</b>
Depreciation and amortisation	35,013	30,157	(4,856)	379,019	304,624	(74,395)	335,274
<b>Surplus/(deficit) from Operations</b>	<b>(43,315)</b>	<b>(36,419)</b>	<b>(6,896)</b>	<b>(445,759)</b>	<b>(371,157)</b>	<b>(74,602)</b>	<b>(408,083)</b>
Internal support costs	2,148	2,315	167	19,396	21,448	2,052	23,770
<b>Surplus/(deficit)</b>	<b>(45,463)</b>	<b>(38,734)</b>	<b>(6,729)</b>	<b>(465,155)</b>	<b>(392,605)</b>	<b>(72,550)</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	639	777	(138)	6,599	7,531	(932)	8,242
Other income	689	500	189	6,940	5,734	1,206	6,234
Waka Kotahi NZ Transport Agency operating funding	1,983	3,271	(1,288)	39,839	40,745	(906)	44,738
<b>Total operating income</b>	<b>3,311</b>	<b>4,548</b>	<b>(1,237)</b>	<b>53,378</b>	<b>54,010</b>	<b>(632)</b>	<b>59,214</b>
<b>Operating Expenditure</b>							
Personnel costs	10,336	11,392	1,056	107,416	113,594	6,178	124,503
Capitalised personnel costs	(3,477)	(3,533)	(56)	(30,939)	(33,269)	(2,330)	(36,323)
Public transport contracts	-	(1)	(1)	-	(9)	(9)	(10)
Contractors-maintenance	175	99	(76)	996	1,245	249	2,107
Professional services	2,243	1,339	(904)	11,770	13,815	2,045	15,145
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	3,845	3,967	122	35,623	42,731	7,108	46,714
Directors fees	38	43	5	426	472	46	515
Other expenditure	1,409	3,176	1,767	23,399	25,542	2,143	28,553
Finance costs	3	3	-	31	38	7	41
<b>Total operating expenditure</b>	<b>14,572</b>	<b>16,485</b>	<b>1,913</b>	<b>148,722</b>	<b>164,159</b>	<b>15,437</b>	<b>181,245</b>
Depreciation and amortisation	3,016	3,452	436	33,568	32,398	(1,170)	35,951
<b>Surplus/(deficit) from Operations</b>	<b>(14,277)</b>	<b>(15,389)</b>	<b>1,112</b>	<b>(128,912)</b>	<b>(142,547)</b>	<b>13,635</b>	<b>(157,982)</b>
Internal support allocated	14,277	15,389	1,112	128,912	142,547	13,635	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 eleven months ended 31 May 2023



The operational cost (net of third party revenue) of \$8.19 per passenger on the PT Network is lower than the budget of \$9.37 mainly due to higher than expected patronage.

It is important to recognise that the July 2022 to May 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
<b>Rail, Bus and Ferry operations:</b>									
Operating expenditure \$000	60,071	60,312	241	0%	617,899	621,565	3,666	1%	684,705
Less external revenues \$000	10,011	14,678	(4,667)	(32%)	94,317	125,627	(31,310)	(25%)	139,507
<b>Operating funding requirement \$000</b>	<b>50,060</b>	<b>45,634</b>	<b>(4,426)</b>	<b>(10%)</b>	<b>523,582</b>	<b>495,938</b>	<b>(27,644)</b>	<b>(6%)</b>	<b>545,198</b>
Patronage 000's	7,281	6,060	1,221	20%	63,914	52,941	10,973	21%	58,765
<b>Operating funding requirement per passenger</b>	<b>\$6.88</b>	<b>\$7.53</b>	<b>\$0.65</b>	<b>9%</b>	<b>\$8.19</b>	<b>\$9.37</b>	<b>\$1.18</b>	<b>13%</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	4,840	9,302	4,462	40,132	81,891	41,759	91,053
Asset Management	25,034	18,243	(6,791)	224,904	202,978	(21,926)	219,734
Bus Projects	996	2,479	1,483	25,009	38,757	13,748	42,111
Corridor Improvements	2,920	2,040	(880)	15,598	27,676	12,078	32,009
Ferry, Multi-modal, and Park and Ride	3,653	5,525	1,872	41,454	39,406	(2,048)	44,458
Local Board Priorities	1,974	1,714	(260)	12,431	15,510	3,079	17,205
Network Capacity and Performance	1,685	209	(1,476)	13,743	9,093	(4,650)	9,302
Operational Programmes	5,799	629	(5,170)	41,624	27,555	(14,069)	29,195
Population Growth	3,888	10,524	6,636	27,873	35,496	7,623	44,577
Rapid Transit: Bus Projects	8,911	14,276	5,365	166,993	158,295	(8,698)	180,803
Rapid Transit: Rail Projects	1,178	456	(722)	36,345	39,700	3,355	58,602
Safety	6,817	5,006	(1,811)	68,443	64,016	(4,427)	68,241
Sustainability Projects that are in addition to travel choice projects	421	244	(177)	2,682	4,432	1,750	4,676
Cimate Action Targeted Rate	5,522	1,500	(4,022)	8,159	12,000	3,841	14,765
<b>Total direct capital</b>	<b>73,638</b>	<b>72,147</b>	<b>(1,491)</b>	<b>725,390</b>	<b>756,805</b>	<b>31,415</b>	<b>856,731</b>

### 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	26,676	23,872	2,804	257,588	273,254	(15,666)	329,125
Waka Kotahi NZ Transport Agency renewal co-investment	10,095	8,796	1,299	100,485	99,322	1,163	105,335
Other capital grants	3,835	69	3,766	9,358	6,167	3,191	6,227
Auckland Council capital grant through equity	-	-	-	4,087	-	4,087	-
Auckland Council capital grant	33,033	39,408	(6,375)	353,875	378,062	(24,187)	416,043
<b>Total direct capital funding</b>	<b>73,639</b>	<b>72,145</b>	<b>1,494</b>	<b>725,393</b>	<b>756,805</b>	<b>(31,412)</b>	<b>856,730</b>

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## Section 3c – RFT Capital and Operational Expenditure

### RFT Capital and Operating Expenditure

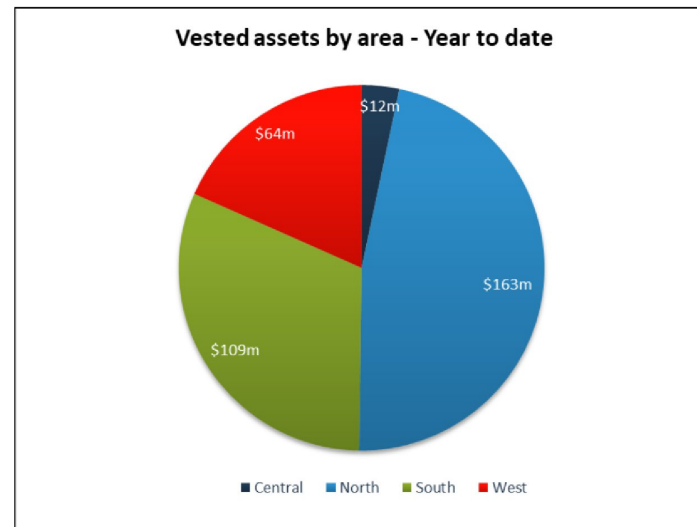
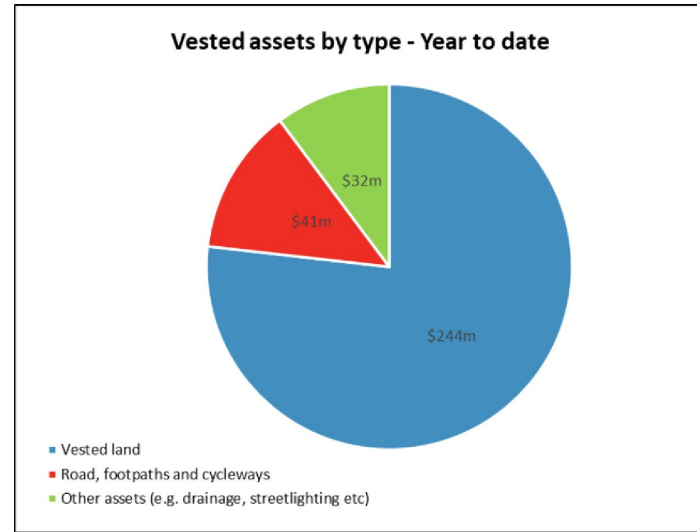
	Year to date			Full year		
	Actual Not RFT Enabled \$000	Actual RFT Enabled \$000	Actual Total \$000	Budget Not RFT Enabled \$000	Budget RFT Enabled \$000	Budget Total \$000
<b>Capital expenditure</b>	<b>344,606</b>	<b>380,787</b>	<b>725,393</b>	<b>423,651</b>	<b>433,079</b>	<b>856,730</b>
<b>Funding</b>						
Waka Kotahi NZ Transport Agency	142,317	215,757	358,074	245,023	189,438	434,460
Others (ACC,Crown, others)	-	9,358	9,358	-	6,227	6,227
Auckland Council	202,290	155,672	357,962	178,628	237,415	416,043
<b>Total funding</b>	<b>344,606</b>	<b>380,787</b>	<b>725,393</b>	<b>423,651</b>	<b>433,079</b>	<b>856,730</b>
<b>Programme of capital projects supported by the RFT scheme</b>						
Project 1: Bus priority improvements		21,883			45,601	
Project 2: City centre bus infrastructure		4,676			3,200	
Project 3: Improving airport access		7,605			8,379	
Project 4: Eastern Busway		158,315			136,212	
Project 5: Park-and-ride facilities		92			-	
Project 6: Electric trains and stabling		36,325			58,602	
Project 7: Ferry Network Improvements		22,151			30,430	
Project 8: Road safety		68,658			67,239	
Project 9: Active transport		14,269			23,162	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		-			-	
Project 12: Road corridor improvements		11,605			26,966	
Project 13: Network capacity and performance improvement		17,344			9,919	
Project 14: Growth-related transport infrastructure		17,864			23,368	
<b>Total</b>		<b>380,787</b>			<b>433,079</b>	
<b>Operating expenditure</b>		<b>1,032</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		1,032			1,515	
<b>Total</b>		<b>1,032</b>			<b>1,515</b>	

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### Section 3d – Vested Assets

As at 31 May 2023

	Current month	Year to date
	Actual \$000	Actual \$000
<b>Vested Assets - Top 10 Suburbs</b>		
Milldale	-	119,606
Hobsonville	25	36,852
Pukekohe	78	31,289
Drury	-	20,497
Massey	5	17,593
Flat Bush	1,251	11,708
Mount Roskill	282	9,916
Takanini	2,772	9,403
Silverdale	70	6,645
Clarks Beach	-	6,565
Other	7,779	47,827
<b>Total Vested Asset</b>	<b>12,261</b>	<b>317,901</b>



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**Section 4a – Statement of Financial Position****As at 31 May 2023**

	Note	Actual 31 May 2023 \$000	Actual 30 April 2023 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	8,659	4,835
Receivables	2	607,214	593,485
Inventories		12,259	12,488
Other assets		15,442	16,960
Non-current assets held for sale		1,608	1,608
Derivative financial instruments		396	457
<b>Total current assets</b>		<b>645,578</b>	<b>629,833</b>
<b>Non-current assets</b>			
Property, plant and equipment (PPE)		25,860,090	25,800,350
Intangible assets		119,670	121,015
Work in progress (PPE and intangible assets)	3	1,053,640	1,032,459
Derivative financial instruments		604	1,099
<b>Total non-current assets</b>		<b>27,034,004</b>	<b>26,954,923</b>
<b>Total assets</b>		<b>27,679,582</b>	<b>27,584,756</b>



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**Section 4a – Statement of Financial Position (continued)****As at 31 May 2023**

	Note	Actual 31 May 2023 \$000	Actual 30 April 2023 \$000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and accruals	4	285,730	273,875
Employee entitlements	5	19,522	21,994
Borrowings	6	9,229	9,260
Total current liabilities		314,481	305,129
<b>Non-current liabilities</b>			
Payables and accruals	4	530	806
Employee entitlements	5	289	289
Derivative financial instruments		186	131
Borrowings	6	462,713	463,458
Total non-current liabilities		463,718	464,684
<b>Total liabilities</b>		<b>778,199</b>	<b>769,813</b>
<b>Net assets</b>		<b>26,901,383</b>	<b>26,814,943</b>
<b>Equity</b>			
Contributed capital		13,264,702	13,226,371
Accumulated funds		5,436,394	5,388,285
Other reserves		8,200,287	8,200,287
<b>Total equity</b>		<b>26,901,383</b>	<b>26,814,943</b>

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**Section 4b – Notes to the Financial Statements****As at 31 May 2023**

	<b>Actual</b> <b>31 May 2023</b> <b>\$000</b>	<b>Actual</b> <b>30 April 2023</b> <b>\$000</b>
<b>1 Cash and cash equivalents</b>		
Cash at bank	8,444	4,608
Till floats	215	227
<b>Total cash and cash equivalents</b>	<b>8,659</b>	<b>4,835</b>

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

<b>2 Receivables</b>		
Trade and other debtors	14,051	15,274
Infringement receivable	51,514	50,438
Amounts due from related parties	465,798	426,029
Accrued revenue	99,156	124,808
Goods and services tax	-	-
	<b>630,519</b>	<b>616,549</b>
Less provision for impairment of receivables	(23,305)	(23,064)
<b>Total current receivables</b>	<b>607,214</b>	<b>593,485</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 May 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	3,295	3,940	-	465,621	472,856
Past due 1 - 30 days	3,372	2,934	-	177	6,483
Past due 31 - 60 days	1,124	2,453	-	-	3,577
Past due 61 - 90 days	804	1,394	-	-	2,198
Past due > 90 days	5,456	1,944	38,849	-	46,249
	<b>14,051</b>	<b>12,665</b>	<b>38,849</b>	<b>465,798</b>	<b>531,363</b>
Impairment	(381)	(4)	(22,920)	-	(23,305)
	<b>13,670</b>	<b>12,661</b>	<b>15,929</b>	<b>465,798</b>	<b>508,058</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	-	-	2,884	2,884
Provisions reversed	-	(1,422)	-	(1,422)
Provisions relating to receivables written-off	-	-	-	-
Balance at 31 May 2023	<b>381</b>	<b>4</b>	<b>22,920</b>	<b>23,305</b>

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

As at 31 May 2023

	Opening balance 1 July 2022 \$000	Acquisition YTD 31 May 2023 \$000	Capitalisation YTD 31 May 2023 \$000	Closing balance 31 May 2023 \$000
<b>3 Work in Progress (WIP)</b>				
<b>WIP by activity</b>				
Roads and footpaths	495,346	268,413	-189,080	574,678
Public Transport	289,255	271,887	-82,181	478,962
<b>Total WIP</b>	<b>784,601</b>	<b>540,300</b>	<b>-271,260</b>	<b>1,053,640</b>
<b>WIP by status</b>				
Current WIP (completion in future)				885,513
Due for capitalisation within policy				58,927
Due for capitalisation not within policy				109,058
Forecast completion date not yet provided (new projects)				142
<b>Total WIP</b>				<b>1,053,640</b>
<b>Top 10 Programmes</b>				<b>WIP Closing balance 31 May 2023</b>
Eastern Busway				223,439
Supporting Growth				72,880
Safety Programme				70,117
Urban Cycleways Programme				50,210
Rosedale and Constellation Bus Stations				46,632
Matakana Link Road				45,714
EMU Rolling Stock				42,921
Connected Communities				36,940
Decarbonisation of Ferry Fleet Stage 1				36,139
Customer and Business Technology				29,148
<b>Total</b>				<b>654,140</b>

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**Section 4b – Notes to the Financial Statements (continued)****As at 31 May 2023**

	<b>Actual</b> <b>31 May 2023</b> <b>\$000</b>	<b>Actual</b> <b>30 April 2023</b> <b>\$000</b>
<b>4 Payables and accruals</b>		
<b>Current portion</b>		
Creditors	41,529	23,319
Goods and services tax	14,152	5,177
Accrued expenses	188,143	204,696
Retentions	22,457	22,797
Amounts due to related parties	17,327	14,343
Revenue in advance	2,122	3,543
<b>Total current payables</b>	<b>285,730</b>	<b>273,875</b>
<b>Non-current portion</b>		
Amounts due to related parties	530	806
<b>Total non-current payables</b>	<b>530</b>	<b>806</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 May 2023**

	Actual 31 May 2023 \$000	Actual 30 April 2023 \$000
<b>5 Employee entitlements</b>		
<b>Current portion</b>		
Accrued salaries and wages	4,836	7,992
Accrued leave	14,686	14,002
<b>Total current employee entitlements</b>	<b>19,522</b>	<b>21,994</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	1,072	1,160
Loans from Auckland Council	8,157	8,100
<b>Total current borrowings</b>	<b>9,229</b>	<b>9,260</b>
<b>Non-current portion</b>		
Finance lease	1,901	1,902
Loans from Auckland Council	460,812	461,556
<b>Total non-current borrowings</b>	<b>462,713</b>	<b>463,458</b>
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$469 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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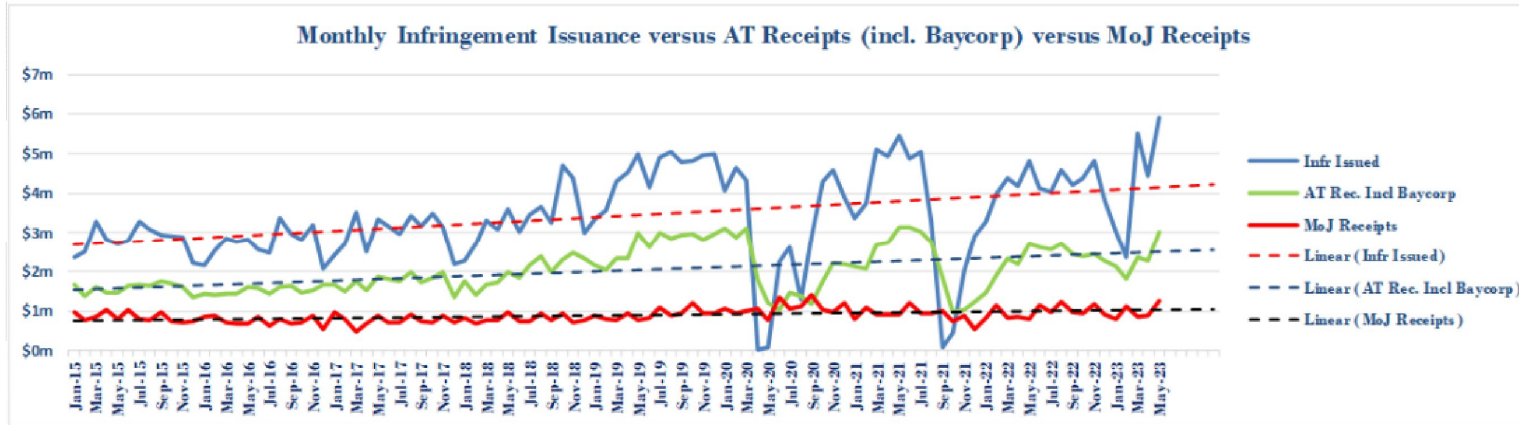
## Section 5 – Cashflow

	Year to Date		Full year	
	Actual \$000	Budget \$000	Budget \$000	
<b>Cash flows from operating activities</b>				<b>Reconciliation of surplus after tax to net cash from operating activities</b>
<b>Total cash provided</b>	<b>1,795,657</b>	<b>1,832,647</b>	<b>2,018,764</b>	
<b>Cash applied to</b>				<b>Actual \$000</b>
Payments to suppliers and employees	1,015,203	1,022,517	1,125,754	
Interest paid	23,133	26,170	28,495	
<b>Total cash applied</b>	<b>1,038,336</b>	<b>1,048,687</b>	<b>1,154,249</b>	<b>Surplus after tax</b>
<b>Net cash from operating activities</b>	<b>757,321</b>	<b>783,960</b>	<b>864,515</b>	<b>595,241</b>
<b>Cash flows from investing activities</b>				<b>Add/(less) non-cash items</b>
<b>Cash provided from</b>				Depreciation and amortisation
Sale of property, plant and equipment	1,270	-	-	481,818
<b>Cash applied to:</b>				Vested asset income
Purchase of property, plant and equipment	746,195	776,805	856,730	(317,901)
<b>Net cash from investing activities</b>	<b>(744,925)</b>	<b>(776,805)</b>	<b>(856,730)</b>	Gain on disposal of property, plant and equipment
				(1,097)
				Loss on disposal of property, plant and equipment
				361
				Write-off of capital works
				426
				Gains/(losses) on derivatives
				(3,258)
				<b>160,349</b>
<b>Cash flows from financing activities</b>				<b>Add/(less) movements in balance sheet items</b>
<b>Cash applied to</b>				Receivables
Repayments of EMU loan from Auckland Council	7,154	7,155	7,785	(20,861)
Repayments of finance lease principal	973	-	-	Inventories
<b>Net cash from financing activities</b>	<b>(8,127)</b>	<b>(7,155)</b>	<b>(7,785)</b>	1,097
				Other assets
				(5,166)
				Non-current assets held for sale
				(1,451)
				Payables and accruals
				26,077
				Employee entitlements
				2,035
<b>Net (decrease)/increase in cash and cash equivalent</b>	<b>4,269</b>	<b>-</b>	<b>-</b>	<b>1,731</b>
Opening cash and cash equivalents	4,390	-	-	<b>Net cash from operating activities</b>
<b>Closing cash balance</b>	<b>8,659</b>	<b>-</b>	<b>-</b>	<b>757,321</b>


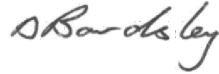
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### Section 6 – Infringement Overview

Over 101 months (January 2015 to May 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 tuinga / Document ownership

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