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## Results for the Nine Months Ended 31 March 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 April 2023

### Te tūhunga / Recommendation

That the Auckland Transport Board (board):

- a) Receives the report.

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## Section 1 – Te whakarāpopototanga matua / Executive summary

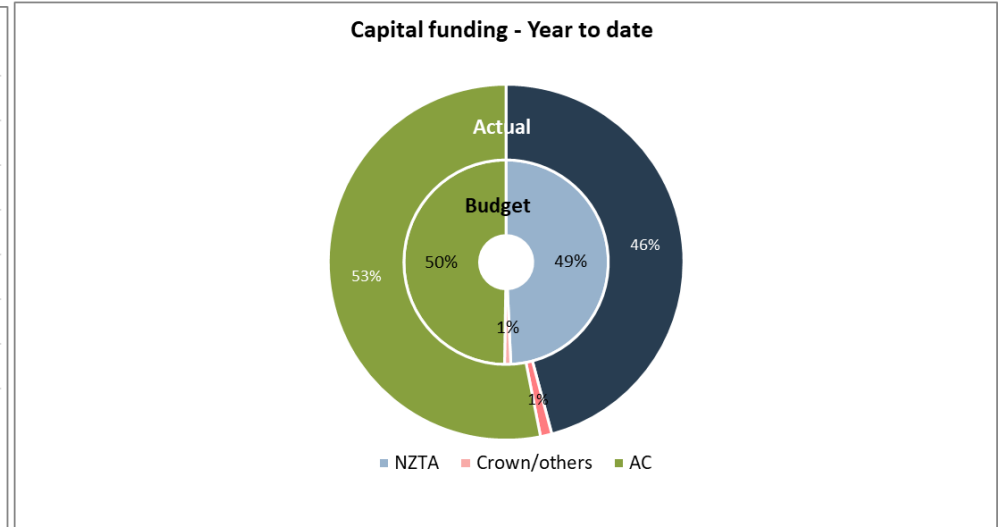
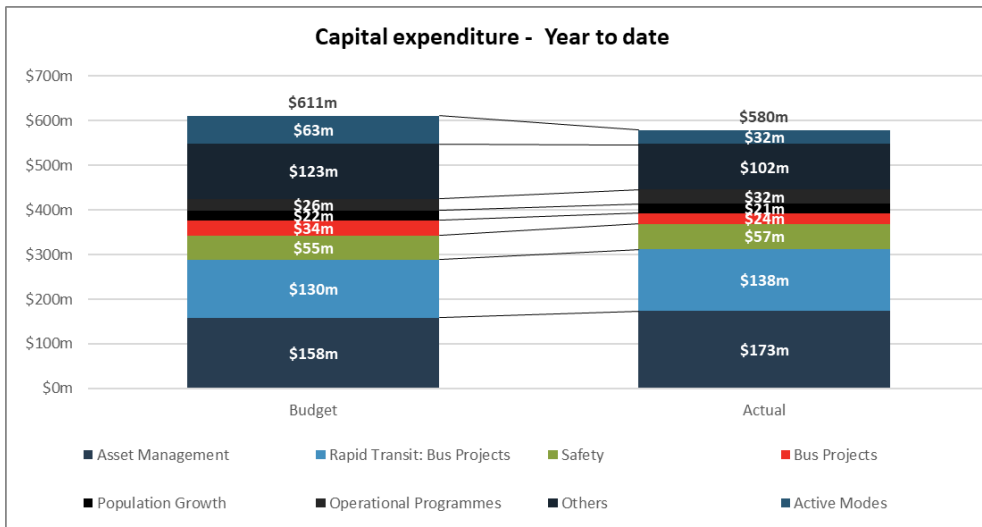
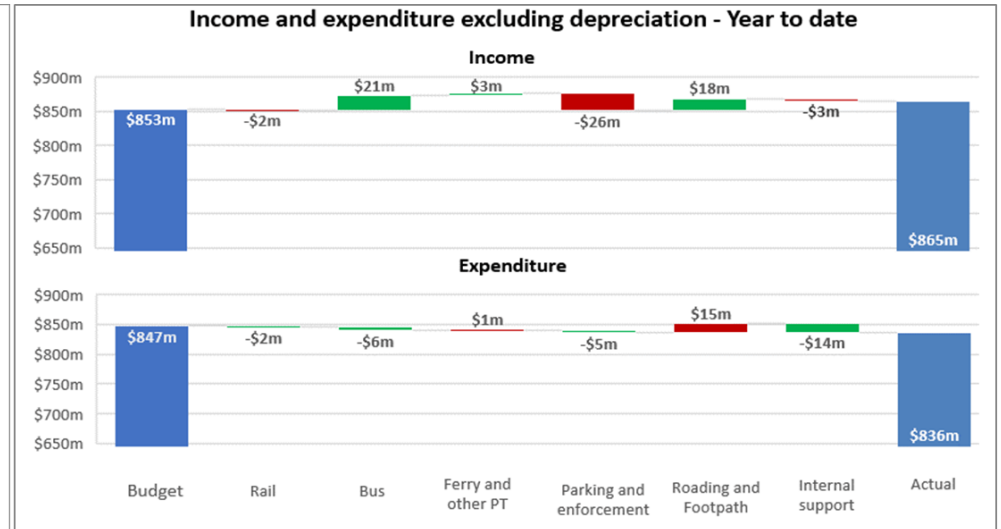
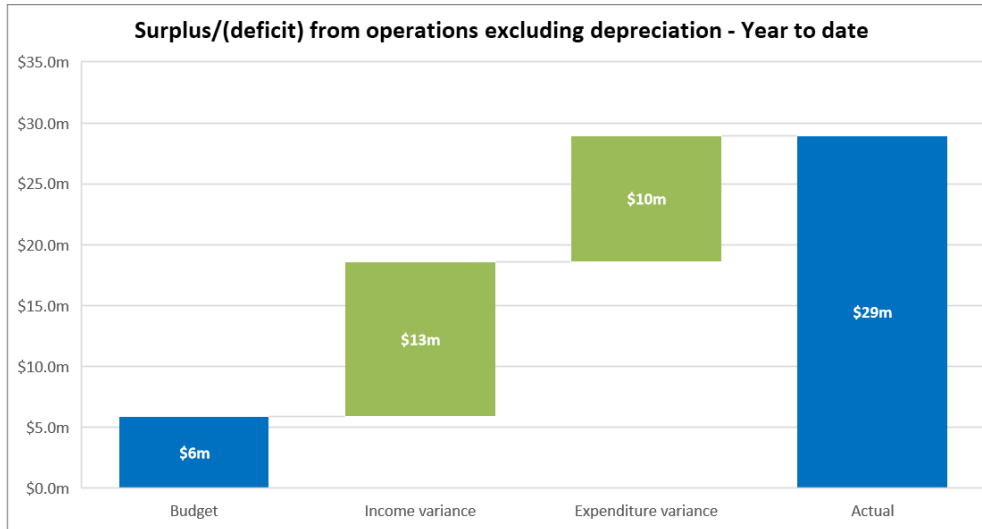
1. Year to date (YTD) **surplus from operations excluding depreciation** of \$28.9 million, is \$23.1 million favourable to budget mainly due to an unbudgeted \$14.4 million public transport (PT) top-up from Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and lower personnel costs, track access charges, professional services, PT contracts and other expenditure. These are partially offset by lower than budgeted parking and enforcement income and lower capitalised personnel costs.
2. Additional costs relating to the January/February adverse weather events are largely offset by a 91% Funding Assistance Rate (FAR) top-up from Waka Kotahi. March's favourable variance of \$16.7 million includes a catch up in Waka Kotahi funding related to the adverse weather events.
3. 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. Co-funding at 91% FAR for adverse weather events immediate response costs was confirmed in March 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 lower post the COVID-19 pandemic (COVID-19) 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. PT patronage increased to 81% of pre COVID-19 levels for March, the highest monthly patronage since prior to COVID-19 in March 2020. This is up from 65%-75% of pre COVID-19 levels for the previous seven months and 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.
  - 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.
  - Contractors-maintenance is unfavourable to budget primarily due to storm related costs of \$10 million in March (\$21.8 million YTD).
  - 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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4. **Deficit from operations** is \$11.3 million favourable to budget in March and \$43.8 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 and adverse weather events top-ups from Waka Kotahi and lower expenditure. The full year impact of the 2022 revaluation on depreciation is estimated to be circa \$100 million.
5. **YTD Capital expenditure** of \$579.6 million is tracking at 95% of planned spend. Any headroom in expected spend levels will likely need to be reallocated to flood response activities.
6. **Waka Kotahi and other Crown capital funding** YTD of 46% 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.
7. **Regional Fuel Tax (RFT) enabled capital spend** for March is \$26.2 million and \$246.1 million YTD, versus a full year planned spend of \$358 million. YTD spend is approximately 69% of the full year RFT enabled capital budget.

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



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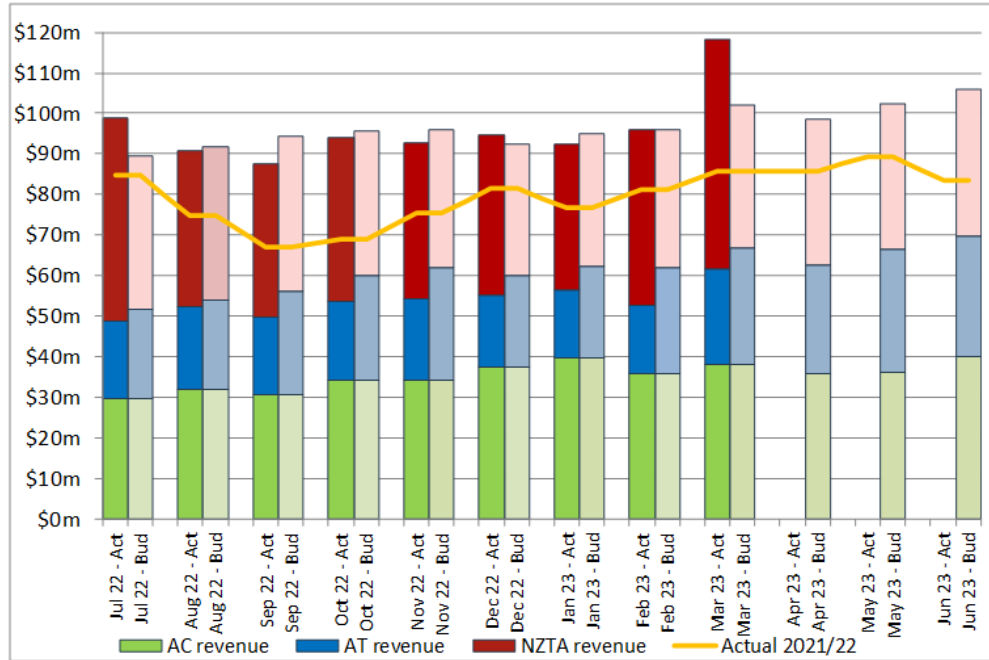
## Section 2 – Financial results for the nine months ended 31 March 2023

	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	38,038	38,038	-	312,559	312,559	-	424,909
Waka Kotahi NZ Transport Agency operating funding	56,350	35,057	21,293	379,675	316,685	62,990	424,286
Parking and enforcement income	8,696	12,093	(3,397)	64,132	89,701	(25,569)	125,980
Public transport income	12,162	13,776	(1,614)	83,676	106,511	(22,835)	148,503
Other revenue incl. other grants and subsidies	3,001	3,142	(141)	25,338	27,158	(1,820)	35,742
<b>Total operating income</b>	<b>118,247</b>	<b>102,106</b>	<b>16,141</b>	<b>865,380</b>	<b>852,614</b>	<b>12,766</b>	<b>1,159,420</b>
<b>Operating expenditure</b>							
Personnel costs	20,686	20,732	46	162,095	168,545	6,450	227,041
Capitalised personnel costs	(4,816)	(4,834)	(18)	(34,026)	(41,180)	(7,154)	(55,557)
Public transport contracts	44,596	49,794	5,198	413,404	420,453	7,049	575,029
Contractors-maintenance	19,631	9,900	(9,731)	97,327	79,392	(17,935)	107,516
Professional services	2,196	2,850	654	19,551	23,095	3,544	31,261
Track and ferry access charges	3,659	3,951	292	27,615	30,922	3,307	42,404
Other expenditure	12,351	16,461	4,110	129,041	144,100	15,059	195,446
Finance costs	2,411	2,406	(5)	21,431	21,435	4	28,495
<b>Total operating expenditure excluding depreciation</b>	<b>100,714</b>	<b>101,260</b>	<b>546</b>	<b>836,438</b>	<b>846,762</b>	<b>10,324</b>	<b>1,151,635</b>
<b>Surplus/(deficit) from operations excluding depreciation</b>	<b>17,533</b>	<b>846</b>	<b>16,687</b>	<b>28,942</b>	<b>5,852</b>	<b>23,090</b>	<b>7,785</b>
Depreciation and amortisation	44,156	38,787	(5,369)	393,464	326,609	(66,855)	446,714
<b>Surplus/(deficit) from operations</b>	<b>(26,623)</b>	<b>(37,941)</b>	<b>11,318</b>	<b>(364,522)</b>	<b>(320,757)</b>	<b>(43,765)</b>	<b>(438,929)</b>
<b>Income for capital projects</b>							
Waka Kotahi NZ Transport Agency capital co-investment	48,158	37,428	10,730	266,198	301,241	(35,043)	434,460
Auckland Council capital grant	38,527	38,468	59	307,877	304,072	3,805	416,043
Other capital grants	-	84	(84)	5,523	6,010	(487)	6,227
Vested asset income	61,682	27,500	34,182	263,800	220,000	43,800	275,000
<b>Total income for capital projects</b>	<b>148,367</b>	<b>103,480</b>	<b>44,887</b>	<b>843,398</b>	<b>831,323</b>	<b>12,075</b>	<b>1,131,730</b>
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>121,744</b>	<b>65,539</b>	<b>56,205</b>	<b>478,876</b>	<b>510,566</b>	<b>(31,690)</b>	<b>692,801</b>
Gains/(losses) on derivatives	2,440	-	2,440	767	-	767	-
Gain/(loss) on disposal of assets	564	-	564	6,308	-	6,308	-
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>124,748</b>	<b>65,539</b>	<b>59,209</b>	<b>485,951</b>	<b>510,566</b>	<b>(24,615)</b>	<b>692,801</b>

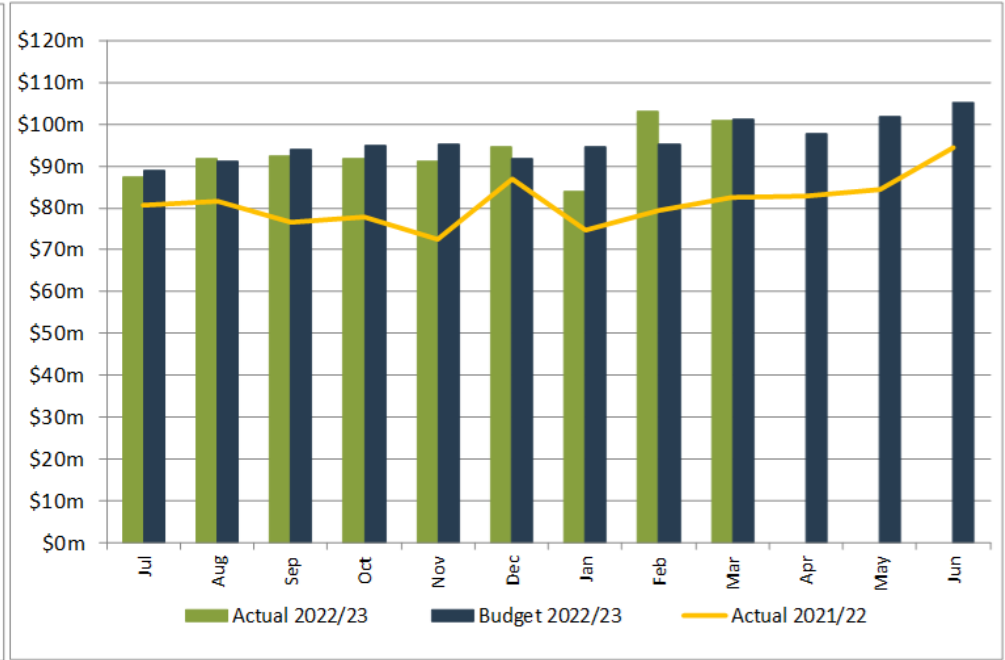
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## Section 2 – Financial results for the nine months ended 31 March 2023 (continued)

### 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	11,504	12,821	(1,317)	97,773	99,310	(1,537)	139,674
Bus	22,459	22,212	247	219,257	197,813	21,444	266,598
Ferry	3,950	3,472	478	31,073	30,003	1,070	39,626
Other public transport	4,409	2,550	1,859	24,845	22,554	2,291	30,220
Parking	3,521	4,605	(1,084)	30,048	37,926	(7,878)	51,496
Enforcement	5,175	7,488	(2,313)	34,084	51,775	(17,691)	74,483
Roading and footpaths	24,774	6,600	18,174	73,577	55,325	18,252	73,198
Internal support	4,416	4,322	94	42,163	45,347	(3,184)	59,214
Auckland Council operating funding	38,038	38,038	-	312,559	312,559	-	424,909
<b>Total operating income</b>	<b>118,246</b>	<b>102,108</b>	<b>16,138</b>	<b>865,379</b>	<b>852,612</b>	<b>12,767</b>	<b>1,159,418</b>
<b>Operating Expenditure</b>							
Rail	18,912	20,748	1,836	159,726	161,290	1,564	228,228
Bus	32,767	36,533	3,766	315,467	321,147	5,680	431,529
Ferry	5,342	4,530	(812)	44,350	39,881	(4,469)	53,402
Other public transport	5,640	5,912	272	43,218	46,438	3,220	63,980
Parking	1,263	1,153	(110)	10,003	9,711	(292)	13,115
Enforcement	2,975	2,485	(490)	20,614	25,960	5,346	34,129
Roading and footpaths	21,507	13,356	(8,151)	124,888	109,987	(14,901)	146,007
Internal support	12,305	16,537	4,232	118,171	132,348	14,177	181,245
Depreciation and amortisation	44,156	38,787	(5,369)	393,464	326,609	(66,855)	446,714
<b>Total operating expenditure</b>	<b>144,867</b>	<b>140,041</b>	<b>(4,826)</b>	<b>1,229,901</b>	<b>1,173,371</b>	<b>(56,530)</b>	<b>1,598,349</b>
<b>Surplus/(deficit) from Operations</b>	<b>(26,621)</b>	<b>(37,933)</b>	<b>11,312</b>	<b>(364,522)</b>	<b>(320,759)</b>	<b>(43,763)</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	2,011	3,580	(1,569)	13,056	22,977	(9,921)	33,119
Other income	93	148	(55)	1,117	1,218	(101)	1,684
Waka Kotahi NZ Transport Agency operating funding	9,400	9,093	307	83,600	75,115	8,485	104,871
<b>Total operating income</b>	<b>11,504</b>	<b>12,821</b>	<b>(1,317)</b>	<b>97,773</b>	<b>99,310</b>	<b>(1,537)</b>	<b>139,674</b>
<b>Operating Expenditure</b>							
Personnel costs	454	712	258	4,396	5,768	1,372	7,760
Capitalised personnel costs	(8)	6	14	640	(128)	(768)	(83)
Public transport contracts	11,514	12,987	1,473	95,876	95,152	(724)	139,106
Contractors-maintenance	(13)	-	13	(1)	-	1	-
Professional services	25	7	(18)	124	64	(60)	425
Track access charges	3,639	3,907	268	27,252	30,575	3,323	41,942
Other expenditure	893	727	(166)	10,034	8,455	(1,579)	10,624
Finance costs	2,408	2,402	(6)	21,405	21,404	(1)	28,454
<b>Total operating expenditure</b>	<b>18,912</b>	<b>20,748</b>	<b>1,836</b>	<b>159,726</b>	<b>161,290</b>	<b>1,564</b>	<b>228,228</b>
Depreciation and amortisation	3,812	3,800	(12)	34,460	33,887	(573)	45,339
<b>Surplus/(deficit) from Operations</b>	<b>(11,220)</b>	<b>(11,727)</b>	<b>507</b>	<b>(96,413)</b>	<b>(95,867)</b>	<b>(546)</b>	<b>(133,893)</b>
Internal support costs	2,567	3,637	1,070	24,353	26,482	2,129	37,156
<b>Surplus/(deficit)</b>	<b>(13,787)</b>	<b>(15,364)</b>	<b>1,577</b>	<b>(120,766)</b>	<b>(122,349)</b>	<b>1,583</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	6,530	6,256	274	41,870	50,646	(8,776)	70,935
Other income	593	920	(327)	7,647	7,206	441	11,149
Waka Kotahi NZ Transport Agency operating funding	15,336	15,036	300	169,740	139,961	29,779	184,514
<b>Total operating income</b>	<b>22,459</b>	<b>22,212</b>	<b>247</b>	<b>219,257</b>	<b>197,813</b>	<b>21,444</b>	<b>266,598</b>
<b>Operating Expenditure</b>							
Personnel costs	449	511	62	3,974	4,155	181	5,604
Capitalised personnel costs	(106)	(127)	(21)	507	(1,387)	(1,894)	(1,748)
Public transport contracts	28,557	33,089	4,532	280,470	292,387	11,917	391,917
Contractors-maintenance	140	110	(30)	998	994	(4)	1,450
Professional Services	316	203	(113)	1,542	1,589	47	2,128
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	3,411	2,747	(664)	27,976	23,409	(4,567)	32,178
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>32,767</b>	<b>36,533</b>	<b>3,766</b>	<b>315,467</b>	<b>321,147</b>	<b>5,680</b>	<b>431,529</b>
Depreciation and amortisation	620	660	40	5,417	5,528	111	7,575
<b>Surplus/(deficit) from Operations</b>	<b>(10,928)</b>	<b>(14,981)</b>	<b>4,053</b>	<b>(101,627)</b>	<b>(128,862)</b>	<b>27,235</b>	<b>(172,506)</b>
Internal support costs	4,853	6,877	2,023	46,047	50,071	4,025	70,254
<b>Surplus/(deficit)</b>	<b>(15,781)</b>	<b>(21,858)</b>	<b>6,076</b>	<b>(147,674)</b>	<b>(178,933)</b>	<b>31,260</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	651	739	(88)	6,151	5,503	648	7,371
Activity income	604	1,348	(744)	4,174	11,068	(6,894)	14,130
Other income	125	93	32	989	840	149	1,119
Waka Kotahi NZ Transport Agency operating funding	2,570	1,292	1,278	19,759	12,592	7,167	17,006
<b>Total operating income</b>	<b>3,950</b>	<b>3,472</b>	<b>478</b>	<b>31,073</b>	<b>30,003</b>	<b>1,070</b>	<b>39,626</b>
<b>Operating Expenditure</b>							
Personnel costs	103	129	26	990	1,056	66	1,420
Capitalised personnel costs	(52)	(56)	(4)	(298)	(433)	(135)	(552)
Public transport contracts	4,474	3,718	(756)	36,836	32,922	(3,914)	44,017
Contractors-maintenance	-	-	-	8	-	(8)	-
Professional Services	4	-	(4)	5	-	(5)	-
Ferry access charges	46	44	(2)	363	347	(16)	462
Other expenditure	767	695	(72)	6,446	5,989	(457)	8,055
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>5,342</b>	<b>4,530</b>	<b>(812)</b>	<b>44,350</b>	<b>39,881</b>	<b>(4,469)</b>	<b>53,402</b>
Depreciation and amortisation	487	482	(5)	4,323	4,260	(63)	5,719
<b>Surplus/(deficit) from Operations</b>	<b>(1,879)</b>	<b>(1,540)</b>	<b>(339)</b>	<b>(17,600)</b>	<b>(14,138)</b>	<b>(3,462)</b>	<b>(19,495)</b>
Internal support costs	601	851	250	5,698	6,196	498	8,694
<b>Surplus/(deficit)</b>	<b>(2,480)</b>	<b>(2,391)</b>	<b>(89)</b>	<b>(23,298)</b>	<b>(20,334)</b>	<b>(2,964)</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	1,555	692	863	8,673	7,053	1,620	8,995
Waka Kotahi NZ Transport Agency operating funding	2,854	1,858	996	16,172	15,501	671	21,225
<b>Total operating income</b>	<b>4,409</b>	<b>2,550</b>	<b>1,859</b>	<b>24,845</b>	<b>22,554</b>	<b>2,291</b>	<b>30,220</b>
<b>Operating Expenditure</b>							
Personnel costs	2,660	2,663	3	21,652	21,587	(65)	29,128
Capitalised personnel costs	24	(167)	(191)	(1,695)	(1,490)	205	(2,220)
Public transport contracts	81	-	(81)	98	-	(98)	-
Contractors-maintenance	1,523	1,231	(292)	10,062	9,276	(786)	12,968
Professional Services	868	456	(412)	3,965	4,443	478	5,581
Track and ferry access charges	(27)	-	27	-	-	-	-
IT costs	318	52	(266)	939	465	(474)	622
Other expenditure	193	1,677	1,484	8,197	12,157	3,960	17,901
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>5,640</b>	<b>5,912</b>	<b>272</b>	<b>43,218</b>	<b>46,438</b>	<b>3,220</b>	<b>63,980</b>
Depreciation and amortisation	319	496	177	3,495	4,336	841	5,847
<b>Surplus/(deficit) from Operations</b>	<b>(1,550)</b>	<b>(3,858)</b>	<b>2,308</b>	<b>(21,868)</b>	<b>(28,220)</b>	<b>6,352</b>	<b>(39,607)</b>
Internal support costs	720	1,020	300	6,827	7,424	597	10,416
<b>Surplus/(deficit)</b>	<b>(2,270)</b>	<b>(4,878)</b>	<b>2,608</b>	<b>(28,695)</b>	<b>(35,644)</b>	<b>6,949</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	3,398	4,569	(1,171)	28,125	37,465	(9,340)	50,906
Other income	123	36	87	1,923	461	1,462	590
<b>Total operating income</b>	<b>3,521</b>	<b>4,605</b>	<b>(1,084)</b>	<b>30,048</b>	<b>37,926</b>	<b>(7,878)</b>	<b>51,496</b>
<b>Operating Expenditure</b>							
Personnel costs	281	281	-	2,350	2,325	(25)	3,120
Capitalised personnel costs	(8)	(26)	(18)	(150)	(232)	(82)	(312)
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	129	170	41	1,162	1,324	162	1,796
Professional Services	94	12	(82)	402	97	(305)	130
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	767	716	(51)	6,239	6,197	(42)	8,381
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>1,263</b>	<b>1,153</b>	<b>(110)</b>	<b>10,003</b>	<b>9,711</b>	<b>(292)</b>	<b>13,115</b>
Depreciation and amortisation	912	818	(94)	8,194	7,288	(906)	9,753
<b>Surplus/(deficit) from Operations</b>	<b>1,346</b>	<b>2,634</b>	<b>(1,288)</b>	<b>11,851</b>	<b>20,927</b>	<b>(9,076)</b>	<b>28,628</b>
Internal support costs	148	209	61	1,399	1,522	122	2,135
<b>Surplus/(deficit)</b>	<b>1,198</b>	<b>2,425</b>	<b>(1,227)</b>	<b>10,452</b>	<b>19,405</b>	<b>(8,954)</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	5,172	7,488	(2,316)	34,049	51,775	(17,726)	74,483
Other income	3	-	3	35	-	35	-
<b>Total operating income</b>	<b>5,175</b>	<b>7,488</b>	<b>(2,313)</b>	<b>34,084</b>	<b>51,775</b>	<b>(17,691)</b>	<b>74,483</b>
<b>Operating Expenditure</b>							
Personnel costs	1,290	1,209	(81)	10,246	9,876	(370)	13,249
Capitalised personnel costs	46	11	(35)	300	102	(198)	137
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	325	286	(39)	1,948	2,288	340	3,143
Professional Services	21	10	(11)	163	70	(93)	100
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOJ	157	99	(58)	1,132	665	(467)	969
Movement in doubtful debts	517	514	(3)	891	3,555	2,664	5,133
Other expenditure	619	356	(263)	5,934	9,404	3,470	11,398
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>2,975</b>	<b>2,485</b>	<b>(490)</b>	<b>20,614</b>	<b>25,960</b>	<b>5,346</b>	<b>34,129</b>
Depreciation and amortisation	94	110	16	839	912	73	1,257
<b>Surplus/(deficit) from Operations</b>	<b>2,106</b>	<b>4,893</b>	<b>(2,787)</b>	<b>12,631</b>	<b>24,903</b>	<b>(12,272)</b>	<b>39,097</b>
Internal support costs	384	544	160	3,642	3,960	318	5,556
<b>Surplus/(deficit)</b>	<b>1,722</b>	<b>4,349</b>	<b>(2,627)</b>	<b>8,989</b>	<b>20,943</b>	<b>(11,954)</b>	<b>33,541</b>

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## Section 2b – Roading and Footpaths Operations

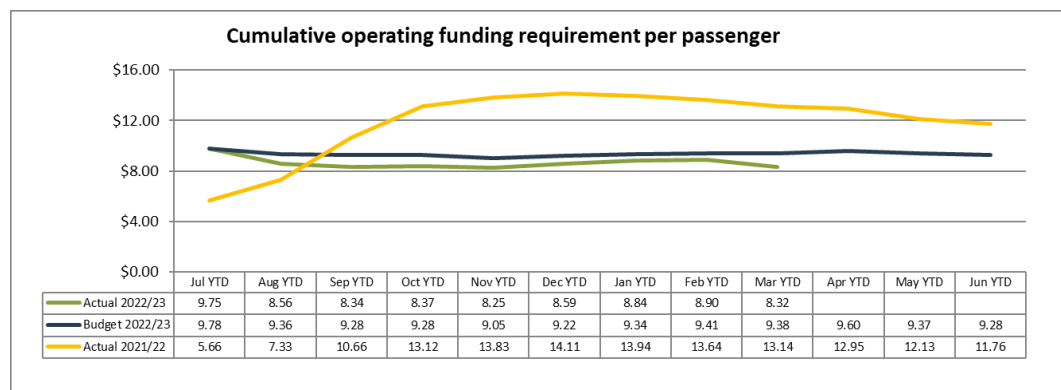
	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Petrol tax	757	1,027	(270)	6,103	8,125	(2,022)	10,848
Other income	740	838	(98)	7,937	8,123	(186)	10,418
Waka Kotahi NZ Transport Agency operating funding	23,277	4,735	18,542	59,537	39,077	20,460	51,932
<b>Total operating income</b>	<b>24,774</b>	<b>6,600</b>	<b>18,174</b>	<b>73,577</b>	<b>55,325</b>	<b>18,252</b>	<b>73,198</b>
<b>Operating Expenditure</b>							
Personnel costs	3,784	3,837	53	30,734	31,554	820	42,257
Capitalised personnel costs	(1,031)	(1,246)	(215)	(8,393)	(10,639)	(2,246)	(14,457)
Public transport contracts	(30)	-	30	125	-	(125)	-
Contractors-maintenance	17,396	8,004	(9,392)	82,424	64,462	(17,962)	86,052
Professional Services	448	822	374	4,235	5,705	1,470	7,752
Track and ferry access charges	-	-	-	-	-	-	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	940	1,939	999	15,763	18,905	3,142	24,403
Finance costs	-	-	-	-	-	-	-
<b>Total operating expenditure</b>	<b>21,507</b>	<b>13,356</b>	<b>(8,151)</b>	<b>124,888</b>	<b>109,987</b>	<b>(14,901)</b>	<b>146,007</b>
Depreciation and amortisation	34,886	29,172	(5,714)	309,198	244,803	(64,395)	335,274
<b>Surplus/(deficit) from Operations</b>	<b>(31,619)</b>	<b>(35,928)</b>	<b>4,309</b>	<b>(360,509)</b>	<b>(299,465)</b>	<b>(61,044)</b>	<b>(408,083)</b>
Internal support costs	1,642	2,327	685	15,580	16,942	1,362	23,770
<b>Surplus/(deficit)</b>	<b>(33,261)</b>	<b>(38,255)</b>	<b>4,994</b>	<b>(376,089)</b>	<b>(316,407)</b>	<b>(59,682)</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	773	777	(4)	5,402	6,174	(772)	8,242
Other income	731	500	231	5,895	4,736	1,159	6,234
Waka Kotahi NZ Transport Agency operating funding	2,912	3,045	(133)	30,866	34,437	(3,571)	44,738
<b>Total operating income</b>	<b>4,416</b>	<b>4,322</b>	<b>94</b>	<b>42,163</b>	<b>45,347</b>	<b>(3,184)</b>	<b>59,214</b>
<b>Operating Expenditure</b>							
Personnel costs	11,665	11,390	(275)	87,753	92,223	4,470	124,503
Capitalised personnel costs	(3,681)	(3,230)	451	(24,938)	(26,973)	(2,035)	(36,323)
Public transport contracts	-	(1)	(1)	-	(7)	(7)	(10)
Contractors-maintenance	130	99	(31)	726	1,048	322	2,107
Professional services	420	1,339	919	9,114	11,126	2,012	15,145
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	1,204	3,933	2,729	25,800	34,814	9,014	46,714
Directors fees	38	43	5	349	386	37	515
Other expenditure	2,526	2,961	435	19,341	19,700	359	28,553
Finance costs	3	3	-	26	31	5	41
<b>Total operating expenditure</b>	<b>12,305</b>	<b>16,537</b>	<b>4,232</b>	<b>118,171</b>	<b>132,348</b>	<b>14,177</b>	<b>181,245</b>
Depreciation and amortisation	3,025	3,249	224	27,538	25,596	(1,942)	35,951
<b>Surplus/(deficit) from Operations</b>	<b>(10,914)</b>	<b>(15,464)</b>	<b>4,550</b>	<b>(103,546)</b>	<b>(112,597)</b>	<b>9,051</b>	<b>(157,982)</b>
Internal support allocated	10,914	15,464	4,550	103,546	112,597	9,051	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 nine months ended 31 March 2023



The operational cost (net of third party revenue) of \$8.32 per passenger on the PT Network is lower than the budget of \$9.38 mainly due to higher than expected patronage.

It is important to recognise that the July 2022 to March 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	54,613	59,409	4,796	8%	498,138	500,914	2,776	1%	684,705
Less external revenues \$000	10,607	13,084	(2,477)	(19%)	75,004	99,458	(24,454)	(25%)	139,507
<b>Operating funding requirement \$000</b>	<b>44,006</b>	<b>46,325</b>	<b>2,319</b>	<b>5%</b>	<b>423,134</b>	<b>401,456</b>	<b>(21,678)</b>	<b>(5%)</b>	<b>545,198</b>
Patronage 000's	8,273	5,068	3,205	63%	50,885	42,806	8,079	19%	58,765
<b>Operating funding requirement per passenger</b>	<b>\$5.32</b>	<b>\$9.14</b>	<b>\$3.82</b>	<b>42%</b>	<b>\$8.32</b>	<b>\$9.38</b>	<b>\$1.06</b>	<b>11%</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	4,023	8,288	4,265	31,837	62,758	30,921	91,053
Asset Management	33,156	27,202	(5,954)	173,425	158,429	(14,996)	219,734
Bus Projects	1,463	2,659	1,196	23,572	33,809	10,237	42,111
Corridor Improvements	641	1,835	1,194	12,359	23,987	11,628	32,009
Ferry, Multi-modal, and Park and Ride	4,603	5,158	555	31,209	28,381	(2,828)	44,458
Local Board Priorities	1,014	1,470	456	9,480	12,197	2,717	17,205
Network Capacity and Performance	1,985	478	(1,507)	10,899	8,669	(2,230)	9,302
Operational Programmes	5,203	2,144	(3,059)	31,640	26,302	(5,338)	29,195
Population Growth	5,633	4,754	(879)	21,306	22,057	751	44,577
Rapid Transit: Bus Projects	16,619	14,276	(2,343)	138,399	129,744	(8,655)	180,803
Rapid Transit: Rail Projects	582	456	(126)	34,427	37,246	2,819	58,602
Safety	10,403	5,515	(4,888)	57,080	54,801	(2,279)	68,241
Sustainability Projects that are in addition to travel choice projects	280	244	(36)	2,045	3,943	1,898	4,676
Climate Action Targeted Rate	1,080	1,500	420	1,920	9,000	7,080	14,765
<b>Total direct capital</b>	<b>86,685</b>	<b>75,979</b>	<b>(10,706)</b>	<b>579,598</b>	<b>611,323</b>	<b>31,725</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	34,611	24,104	10,507	187,895	223,640	(35,745)	329,125
Waka Kotahi NZ Transport Agency renewal co-investment	13,547	13,324	223	78,303	77,601	702	105,335
Other capital grants	-	84	(84)	5,523	6,010	(487)	6,227
Auckland Council capital grant	38,527	38,468	59	307,877	304,072	3,805	416,043
<b>Total direct capital funding</b>	<b>86,685</b>	<b>75,980</b>	<b>10,705</b>	<b>579,598</b>	<b>611,323</b>	<b>(31,725)</b>	<b>856,730</b>

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## Section 3c – RFT Capital and Operational Expenditure

## RFT Capital and Operating Expenditure

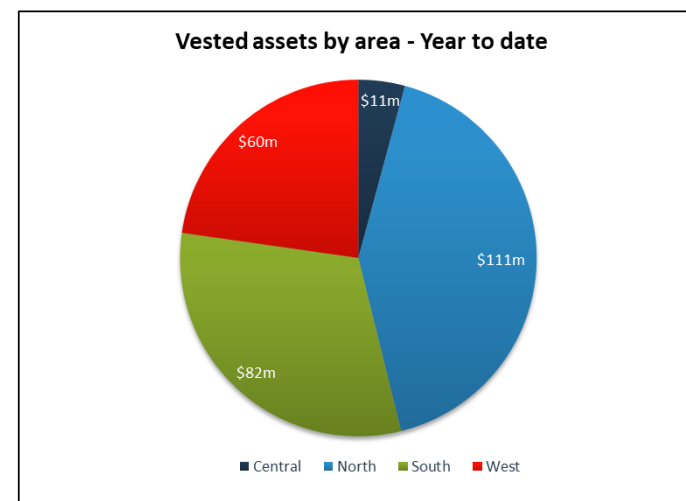
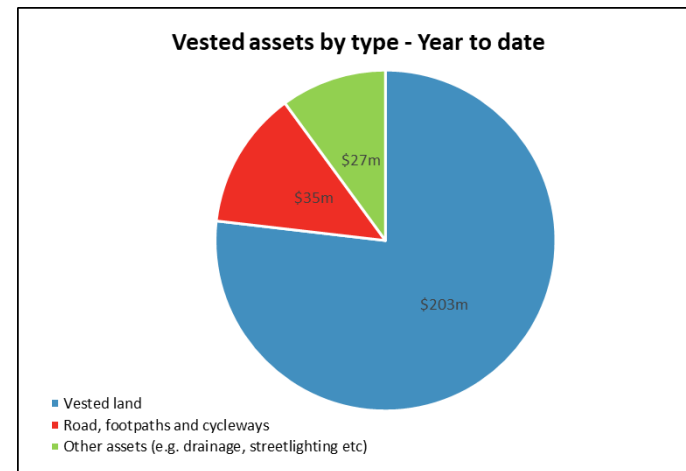
	Year to date			Full year		
	Actual Not RFT Enabled \$000	Actual RFT Enabled \$000	Actual Total \$000	Budget Not RFT Enabled \$000	Budget RFT Enabled \$000	Budget Total \$000
<b>Capital expenditure</b>	<b>333,508</b>	<b>246,090</b>	<b>579,598</b>	<b>498,754</b>	<b>357,976</b>	<b>856,730</b>
<b>Funding</b>						
Waka Kotahi NZ Transport Agency	132,250	133,948	266,198	268,339	166,121	434,460
Others (ACC,Crown, others)	1,541	3,981	5,523	6,227	-	6,227
Auckland Council	199,717	108,160	307,877	224,188	191,855	416,043
<b>Total funding</b>	<b>333,508</b>	<b>246,090</b>	<b>579,598</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		8,958			23,314	
Project 2: City centre bus infrastructure		4,475			3,200	
Project 3: Improving airport access		6,056			8,379	
Project 4: Eastern Busway		130,863			136,462	
Project 5: Park-and-ride facilities		62			-	
Project 6: Electric trains and stabling		24,656			41,598	
Project 7: Downtown ferry terminal and redevelopment		318			30,430	
Project 8: Road safety		45,953			54,710	
Project 9: Active transport		8,363			21,161	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		-			-	
Project 12: Road corridor improvements		8,463			21,028	
Project 13: Network capacity and performance improvement		5,860			6,347	
Project 14: Growth-related transport infrastructure		2,065			11,347	
<b>Total</b>		<b>246,090</b>			<b>357,976</b>	
<b>Operating expenditure</b>		<b>854</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		854			1,515	
<b>Total</b>		<b>854</b>			<b>1,515</b>	

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## Section 3d – Vested Assets

As at 31 March 2023

	Current month	Year to date
	Actual \$000	Actual \$000
<b>Vested Assets - Top 10 Suburbs</b>		
Milldale	46,035	90,517
Hobsonville	1,725	33,829
Pukekohe	-	31,211
Drury	3,469	19,725
Massey	6,726	17,588
Flat Bush	-	10,457
Mount Roskill	-	9,634
Silverdale	2,460	6,575
Clarks Beach	-	6,565
Northcote	-	5,530
Other	1,266	32,168
<b>Total Vested Asset</b>	<b>61,682</b>	<b>263,800</b>



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

	Note	Actual 31 March 2023 \$000	Actual 28 February 2023 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	2,333	5,044
Receivables	2	617,410	573,046
Inventories		12,019	12,024
Other assets		19,504	21,509
Non-current assets held for sale		1,608	1,608
Derivative financial instruments		18	12
Total current assets		652,892	613,243
<b>Non-current assets</b>			
Property, plant and equipment (PPE)		25,765,904	25,690,624
Intangible assets		123,183	124,185
Work in progress (PPE and intangible assets)	3	994,801	961,047
Total non-current assets		26,883,888	26,775,856
<b>Total assets</b>		<b>27,536,780</b>	<b>27,389,099</b>



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

	Note	Actual 31 March 2023 \$000	Actual 28 February 2023 \$000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and accruals	4	282,351	267,425
Employee entitlements	5	21,754	18,477
Derivative financial instruments		442	412
Borrowings	6	9,226	9,264
Total current liabilities		313,773	295,578
<b>Non-current liabilities</b>			
Payables and accruals	4	1,072	1,347
Employee entitlements	5	289	289
Derivative financial instruments		3,685	5,875
Borrowings	6	464,197	465,091
Total non-current liabilities		469,243	472,602
<b>Total liabilities</b>		<b>783,016</b>	<b>768,180</b>
<b>Net assets</b>		<b>26,753,764</b>	<b>26,620,919</b>
<b>Equity</b>			
Contributed capital		13,226,371	13,218,278
Accumulated funds		5,327,106	5,199,836
Other reserves		8,200,287	8,202,805
<b>Total equity</b>		<b>26,753,764</b>	<b>26,620,919</b>

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## Section 4b – Notes to the Financial Statements

As at 31 March 2023

	Actual 31 March 2023 \$000	Actual 28 February 2023 \$000
<b>1 Cash and cash equivalents</b>		
Cash at bank	2,106	4,818
Till floats	227	226
<b>Total cash and cash equivalents</b>	<b>2,333</b>	<b>5,044</b>

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

<b>2 Receivables</b>		
Trade and other debtors	11,640	10,911
Infringement receivable	49,498	47,646
Amounts due from related parties	453,959	436,779
Accrued revenue	125,048	99,927
Goods and services tax	-	-
	<b>640,145</b>	<b>595,263</b>
Less provision for impairment of receivables	(22,735)	(22,217)
<b>Total current receivables</b>	<b>617,410</b>	<b>573,046</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 March 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	4,348	3,839	-	453,843	462,030
Past due 1 - 30 days	1,660	1,917	-	126	3,703
Past due 31 - 60 days	76	1,366	-	-	1,442
Past due 61 - 90 days	4,631	1,469	-	-	6,100
Past due > 90 days	925	3,027	37,880	(10)	41,822
	<b>11,640</b>	<b>11,618</b>	<b>37,880</b>	<b>453,959</b>	<b>515,097</b>
Impairment	(381)	(5)	(22,349)	-	(22,735)
	<b>11,259</b>	<b>11,613</b>	<b>15,531</b>	<b>453,959</b>	<b>492,362</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	-	-	2,313	2,313
Provisions reversed	-	(1,421)	-	(1,421)
Provisions relating to receivables written-off	-	-	-	-
Balance at 31 March 2023	<b>381</b>	<b>5</b>	<b>22,349</b>	<b>22,735</b>

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

As at 31 March 2023

	Opening balance 1 July 2022 \$000	Acquisition YTD 31 March 2023 \$000	Capitalisation YTD 31 March 2023 \$000	Closing balance 31 March 2023 \$000
<b>3 Work in Progress (WIP)</b>				
<b>WIP by activity</b>				
Roads and footpaths	495,346	200,199	-141,153	554,392
Public Transport	289,255	219,729	-68,574	440,410
<b>Total WIP</b>	<b>784,601</b>	<b>419,928</b>	<b>-209,727</b>	<b>994,801</b>
<b>WIP by status</b>				
Current WIP (completion in future)				872,998
Due for capitalisation within policy				27,307
Due for capitalisation not within policy				94,404
Forecast completion date not yet provided (new projects)				93
<b>Total WIP</b>				<b>994,801</b>
<b>Top 10 Programmes</b>				<b>WIP Closing balance 31 March 2023</b>
Eastern Busway				201,058
Safety Programme				71,383
Supporting Growth				69,280
Urban Cycleways Programme				47,934
Rosedale and Constellation Bus Stations				46,339
Matakana Link Road				44,067
EMU Rolling Stock				42,665
Connected Communities				36,842
Decarbonisation of Ferry Fleet Stage 1				29,304
Public Transport Safety				25,447
<b>Total</b>				<b>614,319</b>

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

	Actual 31 March 2023 \$000	Actual 28 February 2023 \$000
<b>4 Payables and accruals</b>		
<b>Current portion</b>		
Creditors	45,492	35,496
Goods and services tax	9,195	4,199
Accrued expenses	189,282	180,852
Retentions	22,300	22,198
Amounts due to related parties	11,244	18,480
Revenue in advance	4,838	6,200
<b>Total current payables</b>	<b>282,351</b>	<b>267,425</b>
<b>Non-current portion</b>		
Amounts due to related parties	1,072	1,347
<b>Total non-current payables</b>	<b>1,072</b>	<b>1,347</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 March 2023**

	Actual 31 March 2023 \$000	Actual 28 February 2023 \$000
<b>5 Employee entitlements</b>		
<b>Current portion</b>		
Accrued salaries and wages	8,066	5,598
Accrued leave	13,688	12,879
<b>Total current employee entitlements</b>	<b>21,754</b>	<b>18,477</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	1,159	1,158
Loans from Auckland Council	8,067	8,106
<b>Total current borrowings</b>	<b>9,226</b>	<b>9,264</b>
<b>Non-current portion</b>		
Finance lease	1,992	2,081
Loans from Auckland Council	462,205	463,010
<b>Total non-current borrowings</b>	<b>464,197</b>	<b>465,091</b>
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$470 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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## Section 5 – Cashflow

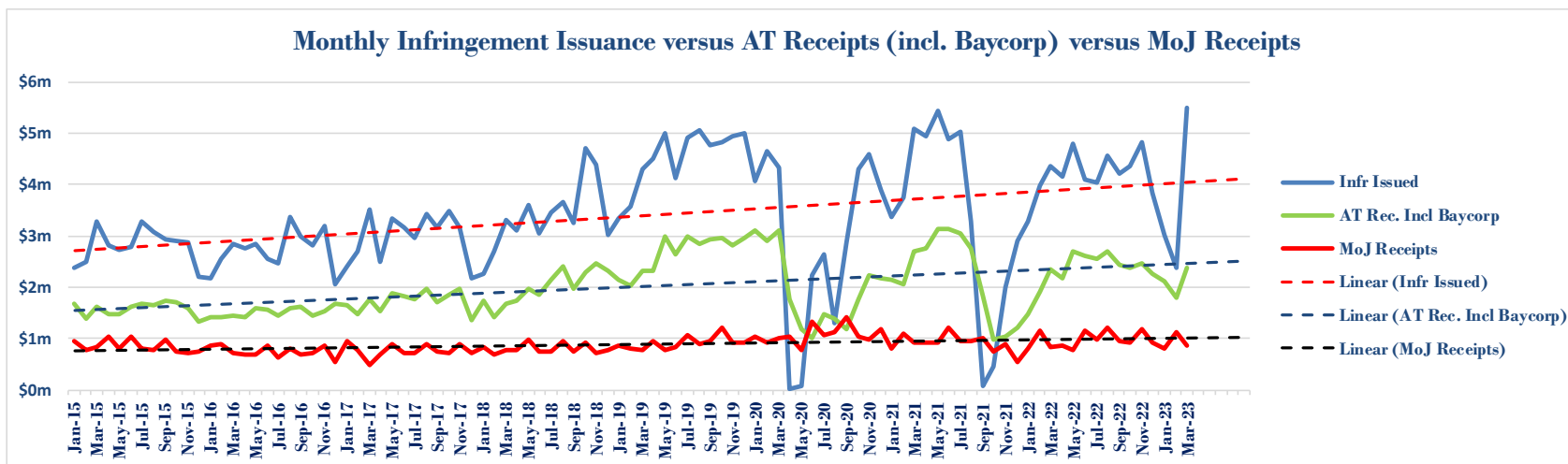
	Year to Date		Full year
	Actual \$000	Budget \$000	Budget \$000
<b>Cash flows from operating activities</b>			
<b>Total cash provided</b>	<b>1,431,018</b>	<b>1,485,743</b>	<b>2,018,764</b>
<b>Cash applied to</b>			
Payments to suppliers and employees	819,145	827,134	1,125,754
Interest paid	18,930	21,435	28,495
<b>Total cash applied</b>	<b>838,075</b>	<b>848,569</b>	<b>1,154,249</b>
<b>Net cash from operating activities</b>	<b>592,943</b>	<b>637,174</b>	<b>864,515</b>
<b>Cash flows from investing activities</b>			
<b>Cash provided from</b>			
Sale of property, plant and equipment	1,270	-	-
<b>Cash applied to:</b>			
Purchase of property, plant and equipment	589,624	631,322	856,730
<b>Net cash from investing activities</b>	<b>(588,354)</b>	<b>(631,322)</b>	<b>(856,730)</b>
<b>Cash flows from financing activities</b>			
<b>Cash applied to</b>			
Repayments of EMU loan from Auckland Council	5,851	5,852	7,785
Repayments of finance lease principal	795	-	-
<b>Net cash from financing activities</b>	<b>(6,646)</b>	<b>(5,852)</b>	<b>(7,785)</b>
<b>Net (decrease)/increase in cash and cash equivalent</b>	<b>(2,057)</b>	<b>-</b>	<b>-</b>
Opening cash and cash equivalents	4,390	-	-
<b>Closing cash balance</b>	<b>2,333</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>485,951</b>
<b>Add/(less) non-cash items</b>	
Depreciation and amortisation	393,464
Vested asset income	(258,148)
Gain on disposal of property, plant and equipment	(6,322)
(Gains)/losses on derivatives	1,666
	<b>130,660</b>
<b>Add/(less) movements in balance sheet items</b>	
Receivables	(31,057)
Inventories	1,337
Other assets	(9,228)
Non-current assets held for sale	(1,451)
Payables and accruals	12,464
Employee entitlements	4,267
	<b>(23,668)</b>
<b>Net cash from operating activities</b>	<b>592,943</b>


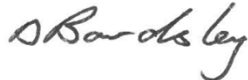
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## Section 6 – Infringement Overview

Over 99 months (January 2015 to March 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

<b>Submitted by</b>	Sam Ho <b>Financial Reporting Manager</b>	
<b>Recommended by</b>	David Bardsley <b>Group Manager Finance</b>	
<b>Approved for submission</b>	Mark Laing <b>Executive General Manager Finance</b>	