

Financial Results for the Eight Months Ended 29 February 2012

This report should be read in conjunction with the financial report which can be found in the open section of the agenda papers.

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Financial Results for the Eight Months Ended 29 February 2012

Glossary

Auckland Council	(AC)
Auckland Transport	(AT)
Electric Multiple Unit	(EMU)
Funding Assistance Rate	(FAR)
New Zealand Transport Authority	(NZTA)

Executive Summary

This report provides commentary on the financial result for the period to 29 February 2012 and gives an update on developments in the financial reporting.

Recommendation

It is recommended that the Board:

- i). Receive the report

Statement of Financial Performance

Three major points stand out in this statement.

- 1) NZTA operational subsidy is more than the forecast amount. The forecast has taken account of the FAR variance agreement and for the year to date the revenue expected is more than forecast. We are reviewing the phasing of the FAR variance forecast, as it was not anticipated to have a significant effect on our operating subsidy. The forecast for the subsidy for the year is a reduction of \$16.7m. This is due to AT estimates including a provision for subsidy which may have been able to be carried forward, as it has turned out the funding was not able to be carried forward and so the reduction has been included in the forecast. Staff are re-evaluating the forecast in light of the fact that we have a year to date actual to forecast which is favourable. The CFO will update the meeting on the result of that review.
- 2) Parking revenue is below forecast for the month and for year to date. With February being a short month with a statutory holiday one would expect the revenue to be lower than a normal length month. This does not appear to have been factored into the phasing of the revenue for this item. With revenue from parking averaging about \$270k per working day short months like February can have quite an impact. We are reviewing the phasing for all budgets and our accuracy on the phasing will improve as more information and history is available to inform the splits between months.
- 3) Income for capital projects from NZTA is below forecast for the month and this largely reflect the extent to which capital work has been achieved. Capital work excluding EMU and Depot is \$40m behind forecast. There is also an element of product mix change which can impact on the subsidy. The over-programming approach used by AT is in its infancy and the mechanism by which projects are substituted takes account of the likelihood of NZTA subsidy, but if a project is substituted that does not have NZTA subsidy then the capital spend availability is reduced by the amount of the subsidy that will no longer be received. As AC have identified they will provide \$395m of capital funding the

total amount of capital work that can be done is determined by adding AC funding and NZTA capital funding to give the capital funding envelope. This inevitably creates some uncertainty for the organisation as capital subsidy levels are dependent on the approval of the work by NZTA. AT continues to work closely with NZTA on subsidy and capital projections.

Overall our operating result is going to be significantly down on budget. The reasons for this have been covered in the past reports and are down to three major issues. NZTA Subsidy for operations and capital will be down by at least \$78m and may be more depending on the final mix of the capital work. This will be mitigated through doing less capital work, and by the FAR variance which will only change the timing of the subsidy between years. Other operations will come in with a lower overall operating position but not sufficient to fill the negative operating position from NZTA operating subsidy. Staff are working on the organisational response to that position but examining the year to date operating expenses pro rata to a full year indicates there is scope for the organisation to tighten its belt in response to the change in circumstances.

Activity Operating Results

Section 1a is a new section. These are waterfall charts which highlight the areas which contribute to the variance between expected result to actual, and Budget for the full year to forecast. These were suggested by Mr Lockey and are believed to add to the information for the Board.

Rail

The activity is forecast to require an additional net funding requirement of \$4.9m compared to an actual position of \$99k. As an activity it is reasonably on target for year to date position with a range of offsetting variations. The variance in revenue is being analysed as it is outside our expectation, patronage has risen and so the expectation would be that fares would be higher. This could be an issue of product mix flowing into higher numbers but lower average fare or the phasing of the budget, however given that the forecast is for a reduction in fare income it is unlikely to be a phasing. The CFO will update the Board on progress made on this matter.

Bus

Year to date result is \$296k variance to forecast. There are a number of minor and off-setting movements. The most significant items in the statement are the increase in revenue from Bus income and Operator access fees which while minor in the year to date figures are expected to provide an additional \$1.4m of income. Also service delivery costs are expected to be below budget by \$4.58m by year end. The CFO will update the Board on the reasons for this reduction.

Other Public Transport Operations

This is the first time the reports have been produced on this basis and analysis of this function cannot be done in isolation to the other PT activities. NZTA operating subsidy is below for the year to date to forecast but is forecast to be \$5.8m above the budget. In the total PT budget it is noted that Rail subsidy is expected to be down by \$7.2m. Staff are working to verify the match between the spread of budgets and forecasts between the three PT components to ensure the organisation understands the allocation and monitoring of the costs at this level.

On-Street Parking

Revenue for the activity will be below forecast for the full year. The expenditure for the month and year to date shows a favourable position which reflects the activity mitigating the loss of revenue. However the forecast position reflects an increase in operating costs and a reduction in revenue. Staff are working with the Parking operation to determine the reality of the forecast spending in light of the year to date total spending and the reduction in infringement income.

Off-Street Parking Operations

Revenue is higher than target for the month and for the year to date. The forecast reflects that the remainder of the year will not have increased revenue which was included in the budget phasing. The operation is contributing \$714m more to operating funds for the year to date but is forecast to contribute \$117k less for the full year.

Roading Operations

The most notable areas for this activity are the increase in the operating subsidy year to date compared to the forecast and the favourable variance in service delivery costs. These two variances could be due to the product mix for the service delivery as items have different subsidy rates. This is being examined.

Other Operational Activities

This covers all parts of the operation which are not in other parts of the report. This activity reflects the reduction in NZTA operating subsidy which was provided for at the start of the year (referred to under point 1 above). There are a range of variances in individual lines which reflects the uncertainty when budgets were prepared. The forecasts for the activity will be reviewed in light of the actual results year to date.

Capital Spending

New capital spending is below forecast by \$24m. The forecast reflects that the spend will be below budget which was reported in the first AT forecast. Given the level of spending for the eight months the average monthly spend for the organisation on new capital would need to double the monthly average, this seem an unlikely result. However we have reviewed a number of elements in the capital programme, in particular the land acquisition programme which has highlighted that it would be prudent for us to do less acquisition in this year, reducing the capital spend but not impact on the capital delivery programme.

Renewal capital expenditure is below budget for the year to date but have advised that the programme is expected to be on target within the construction season.

EMU and Depot are behind for the month and year to date.

The capital funding table in Section 4 highlights that if our capital programme is delivered according to the forecast AT will require more funding from AC. Staff are working to firm up our expected capital work programme delivery which will impact on NZTA subsidy levels and the AC funding requirement. While our forecasts reflect an additional funding requirement it is not expected that this will eventuate.

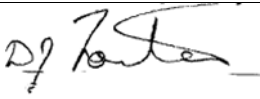
Report Development

A number of new reports have been added to the Financial Report, which makes it a large document. The information contained in the reports is important information for the Board to be aware of, however in considering the volume and scope it is suggested that some of the information be provided on a quarterly basis rather than every month. It has been suggested that the activity statements would be produced on a quarterly basis with more information about performance in the activity against the SOI performance measures. Also the information on procurement and contract statistics would be produced on a quarterly basis with more analysis of the information and trends. This would be done on an off month for the Activity information to allow more time to consider the information. Another suggestion has been that we should take a “deep-dive”, which would involve a more detailed examination and report on an area of business to provide more information and greater context about the composition of the activity.

This would be undertaken on an alternating programme of:

- Quarterly report;
- “Deep Dive”; and
- Procurement, Receivable and Payables Statistics and Analysis.

The regular monthly report would include consist of the report on Financial performance, report on Capital, Statement of Finance Position and Statement of Cashflow.

<p>WRITTEN and RECOMMENDED BY</p>	<p>Dave Foster Chief Financial Officer</p>	
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Section 1 - Statement of Financial Performance for the eight months ended 29 February 2012

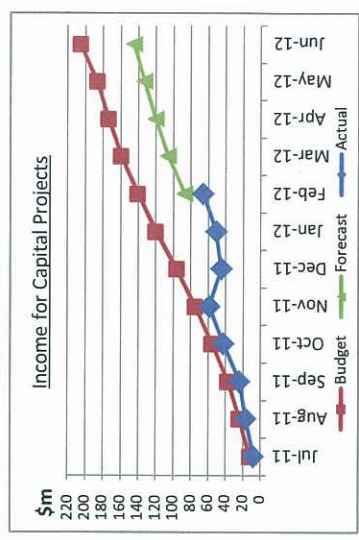
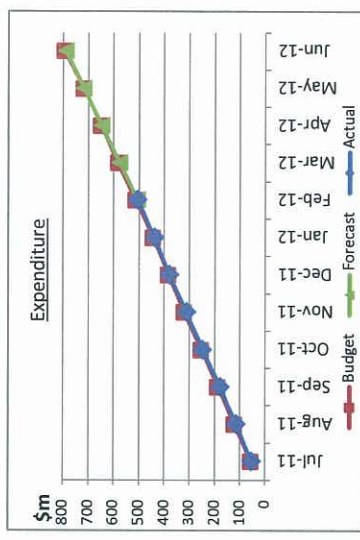
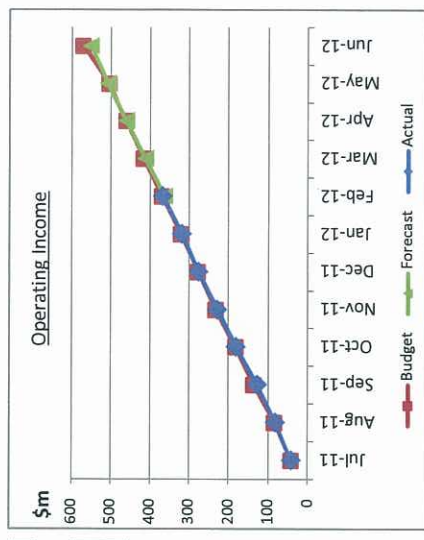
Split by category

	Current month			Year to date			Full Year			Results achieved
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	
Income										
Operating income										
Auckland Council funding	18,548	18,548	-	148,383	148,383	-	222,574	222,574	222,574	●
NZ Transport Agency	18,855	21,271	(2,416)	125,467	120,298	5,169	189,320	206,057	(16,737)	●
NZ Transport Agency - EMU's	184	-	184	654	-	654	-	-	-	●
Parking and enforcement income	5,846	7,025	(1,179)	46,139	47,590	(1,451)	70,785	77,306	(6,521)	●
Public transport income	3,535	3,830	(295)	29,712	29,902	(190)	46,779	44,541	2,238	●
Other revenue including other grants and subsidies	1,674	1,394	280	16,154	16,038	116	21,909	19,339	2,570	●
Total operating income	48,642	52,068	(3,426)	366,509	362,211	4,298	551,367	569,817	(18,450)	●
Expenditure										
Personnel costs	6,961	7,246	285	54,787	55,862	1,075	84,771	82,696	(2,075)	●
Capitalised personnel costs	(1,611)	(1,568)	43	(7,759)	(9,795)	(2,036)	(15,947)	(13,951)	1,996	●
Depreciation and amortisation expense	18,955	18,650	(305)	150,629	147,099	(3,530)	221,698	222,962	1,264	●
Other expenses	39,153	41,753	2,600	303,801	310,887	7,086	493,870	493,072	(798)	●
Interest costs (EMU)	296	502	206	1,094	1,405	311	4,039	8,000	3,961	●
Total operating expenditure	63,754	66,583	2,829	502,552	505,458	2,906	788,431	792,779	4,348	●
Profit/(loss) from Operations	(15,112)	(14,515)	(597)	(136,043)	(143,247)	7,204	(237,064)	(222,962)	(14,102)	●
Income for capital projects										
NZ Transport Agency	9,958	10,840	(882)	27,901	49,529	(21,628)	89,412	151,185	(61,773)	●
Auckland Council funding	4,553	4,563	-	36,427	36,427	-	54,641	54,641	-	●
Other capital grants	-	-	-	530	-	530	-	-	-	●
Vested asset income	-	-	-	831	831	-	831	-	831	●
Total income for capital projects	14,511	15,393	(882)	65,689	86,787	(21,098)	144,884	205,826	(60,942)	●
Net surplus/(deficit) before tax	(601)	878	(1,479)	(70,354)	(56,460)	(13,894)	(92,180)	(17,136)	(75,044)	●
Income tax expense	-	-	-	4,452	-	(4,452)	-	-	-	●
Net surplus/(deficit) after tax	(601)	878	(1,479)	(74,806)	(56,460)	(18,346)	(92,180)	(17,136)	(75,044)	●

● : Largely on track

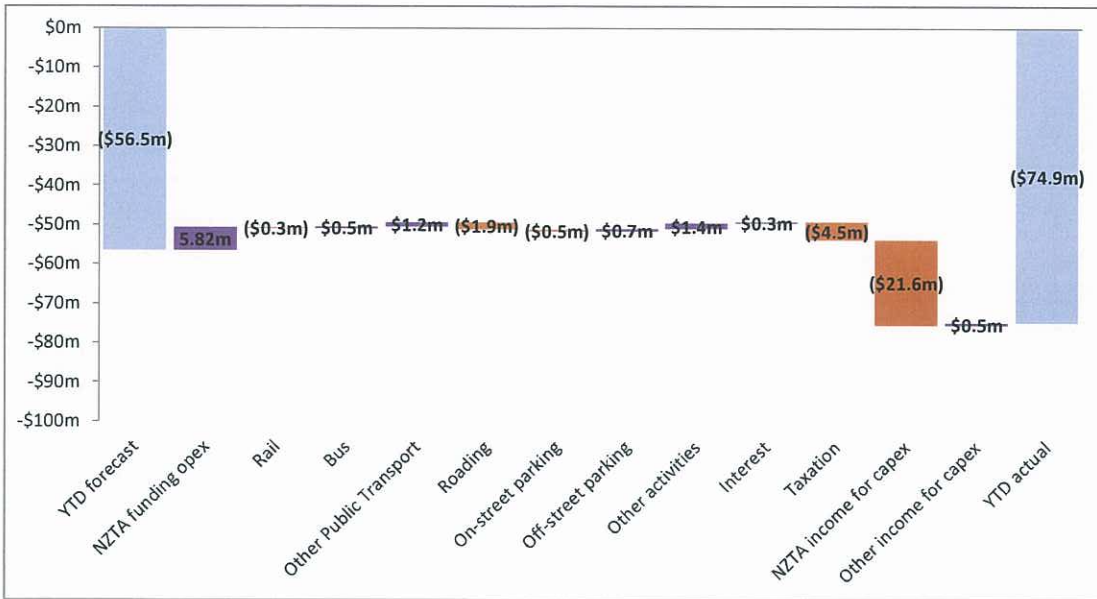
● : Monitoring/some action

● : Action required/taken

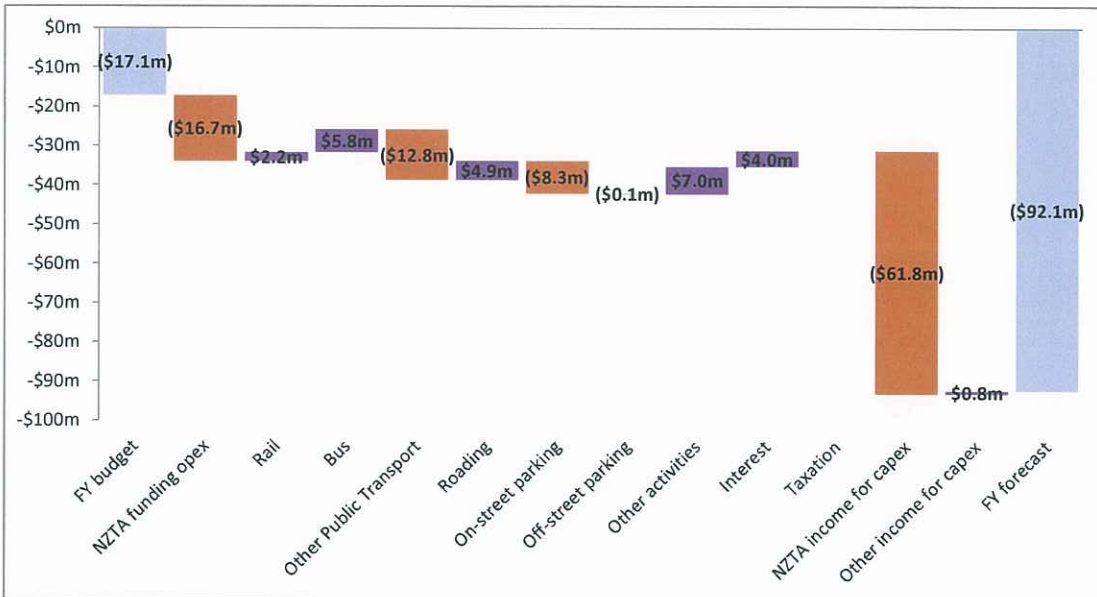


Section 1a - Net surplus/(deficit) waterfall

Net surplus/(deficit) - Year to date forecast to actual



Net surplus/(deficit) - Full Year budget to forecast



Section 2 - Summary of financial results by activity for the eight months ended 29 February 2012

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Budget 30 June 2012 \$000	Variance \$000
Rail	(871)	(2,911)	2,040	(23,995)	(23,896)	(99)	(41,899)	(36,927)	(4,972)
Bus	(5,723)	(4,654)	(1,069)	(33,926)	(34,222)	296	(53,855)	(59,462)	5,607
Other Public Transport	(3,860)	(4,090)	230	(36,105)	(36,498)	393	(55,445)	(48,519)	(6,926)
Roading	(22,170)	(19,521)	(2,649)	(181,424)	(186,065)	4,641	(277,754)	(284,864)	7,110
On-street parking and enforcement	1,618	2,753	(1,135)	14,024	14,554	(530)	19,354	27,678	(8,324)
Off-street parking	1,102	992	110	8,425	7,711	714	7,518	7,635	(117)
Other	(3,460)	(5,130)	1,670	(30,331)	(31,809)	1,478	(53,518)	(43,077)	(10,441)
Interest	(296)	(502)	206	(1,094)	(1,405)	311	(4,039)	(8,000)	3,961
Taxation	-	-	-	(4,452)	-	(4,452)	-	-	-
Auckland Council operating funding	18,548	18,548	-	148,383	148,383	-	222,574	222,574	-
Capex funding	14,511	15,393	(882)	65,689	86,787	(21,098)	144,884	205,826	(60,942)
Net surplus/(deficit) after tax	(601)	878	(1,479)	(74,806)	(56,460)	(18,346)	(92,180)	(17,136)	(75,044)

Section 2a - Rail Operations for the eight months ended 29 February 2012

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Budget 30 June 2012 \$000	Variance \$000
Operating Income									
Rail income	2,176	2,525	(349)	17,138	17,571	(433)	28,773	29,117	(344)
Operator access fees	6	4	2	44	42	2	58	419	(361)
Rental income	30	57	(27)	243	296	(53)	523	669	(146)
Other income	24	9	15	127	112	15	146	112	34
NZTA operating subsidy*	6,235	3,690	2,545	29,860	29,621	239	43,152	50,366	(7,214)
Total operating income	8,471	6,285	2,186	47,412	47,642	(230)	72,652	80,683	(8,031)
Operating Expenditure									
Personnel costs including capitalised costs	38	(20)	(58)	430	148	(282)	79	2,467	2,388
Service delivery costs and professional services	6,337	6,749	412	56,294	57,123	829	89,761	90,346	585
Occupancy costs	317	280	(37)	2,262	2,351	89	3,593	3,767	174
On Track access charges	1,939	1,516	(423)	6,195	5,772	(423)	14,900	15,466	566
Other expenditure	293	233	(60)	2,886	2,766	(120)	3,713	3,141	(572)
Total operating expenditure	8,924	8,758	(166)	68,067	68,160	93	112,046	115,187	3,141
Depreciation	418	438	20	3,340	3,378	38	2,505	2,423	(82)
Surplus/(deficit) from Operations	(871)	(2,911)	2,040	(23,995)	(23,896)	(99)	(41,899)	(36,927)	(4,972)

* February NZTA operating subsidy includes claims from January.

Section 2b - Bus Operations for the eight months ended 29 February 2012

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Budget 30 June 2012 \$000	Variance \$000
Operating Income									
Bus income	806	715	91	6,570	6,533	37	9,570	8,654	916
Operator access fees	28	30	(2)	347	352	(5)	481	-	481
Other income	10	5	5	596	457	139	478	125	353
NZTA operating subsidy	2,423	4,121	(1,698)	31,780	31,991	(211)	49,767	49,917	(150)
Total operating income	3,267	4,871	(1,604)	39,293	39,333	(40)	60,296	58,696	1,600
Operating Expenditure									
Personnel costs including capitalised costs	92	82	(10)	780	388	(392)	720	430	(290)
Service delivery costs and professional services	8,783	9,217	434	71,661	72,246	585	112,053	116,636	4,583
Other expenditure	93	203	110	603	744	141	1,247	965	(282)
Total operating expenditure	8,968	9,502	534	73,044	73,378	334	114,020	118,031	4,011
Depreciation	22	23	1	175	177	2	131	127	(4)
Surplus/(deficit) from Operations	(5,723)	(4,654)	(1,069)	(33,926)	(34,222)	296	(53,855)	(59,462)	5,607

Section 2c - Other Public Transport Operations for the eight months ended 29 February 2012

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Budget 30 June 2012 \$000	Variance \$000
Operating Income									
Ferry income	36	29	7	275	274	1	388	348	40
Operator access fees	276	324	(48)	2,221	2,318	(97)	3,391	3,712	(321)
Rental income	59	51	8	367	499	(132)	807	479	328
Advertising and sponsorships	-	-	-	1,109	779	330	1,116	-	1,116
Other Income	84	81	3	675	669	6	1,048	906	142
NZTA operating subsidy	3,576	3,961	(385)	25,840	26,643	(803)	42,143	36,313	5,830
Total operating income	4,031	4,446	(415)	30,487	31,182	(695)	48,893	41,758	7,135
Operating Expenditure									
Personnel costs including capitalised costs	673	563	(110)	5,336	5,204	(132)	7,457	5,810	(1,647)
Service delivery costs and professional services	3,673	4,111	438	34,123	34,814	691	50,920	51,707	787
IT costs	93	176	83	854	916	62	1,693	1,551	(142)
Occupancy costs	101	60	(41)	695	634	(61)	905	682	(223)
Other expenditure	716	890	174	4,599	4,926	327	8,471	6,303	(2,168)
Efficiency target	-	-	-	-	-	-	-	(6,555)	(6,555)
Internal charges/recoveries	277	266	(11)	2,019	2,007	(12)	3,070	-	(3,070)
Total operating expenditure	5,533	6,066	533	47,626	48,501	875	72,516	59,498	(13,018)
Depreciation	2,358	2,470	112	18,966	19,179	213	31,822	30,779	(1,043)
Surplus/(deficit) from Operations	(3,860)	(4,090)	230	(36,105)	(36,498)	393	(55,445)	(48,519)	(6,926)

Section 2d - On-Street Parking and Enforcement Operations for the eight months ended 29 February 2012

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Budget 30 June 2012 \$000	Variance \$000
Operating Income									
Parking fees	1,137	1,223	(86)	8,649	8,973	(324)	14,272	14,157	115
Infringement income*	3,009	4,127	(1,118)	23,855	25,048	(1,193)	36,024	42,026	(6,002)
Total operating income	4,146	5,350	(1,204)	32,504	34,021	(1,517)	50,296	56,183	(5,887)
Operating Expenditure									
Personnel costs including capitalised costs	998	1,206	208	7,870	8,293	423	13,122	12,268	(854)
Service delivery costs and professional services	251	260	9	2,173	2,277	104	3,411	3,505	94
Other expenditure	871	780	(91)	5,375	5,914	539	10,023	9,797	(226)
Efficiency target	-	-	-	-	-	-	-	(255)	(255)
Internal charges/recoveries	113	98	(15)	884	863	(21)	1,255	-	(1,255)
Total operating expenditure	2,233	2,344	111	16,302	17,347	1,045	27,811	25,315	(2,496)
Depreciation	295	253	(42)	2,178	2,120	(58)	3,131	3,190	59
Surplus/(deficit) from Operations	1,618	2,753	(1,135)	14,024	14,554	(530)	19,354	27,678	(8,324)

*YE infringement income has been forecast down by \$6m due to reduced receipts from Khyber Pass and Grafton Bridge, and as a result of a change in policy of issuing Traffic Infringement Notices.

Section 2e - Off-street Parking Operations for the eight months ended 29 February 2012

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Budget 30 June 2012 \$000	Variance \$000
Operating Income									
Parking fees	1,700	1,675	25	13,635	13,569	66	20,489	21,123	(634)
Total operating income	1,700	1,675	25	13,635	13,569	66	20,489	21,123	(634)
Operating Expenditure									
Personnel costs including capitalised costs	123	73	(50)	1,046	982	(64)	1,279	1,427	148
Service delivery costs and professional services	38	39	1	267	313	46	850	612	(238)
Occupancy costs	96	206	110	1,294	1,617	323	4,765	4,576	(189)
Other expenditure	99	121	22	663	1,028	365	3,184	3,936	752
Efficiency target	-	-	-	-	-	-	-	(253)	(253)
Internal charges/recoveries	(53)	(9)	44	(238)	(202)	36	(238)	-	238
Total operating expenditure	303	430	127	3,032	3,738	706	9,840	10,298	458
Depreciation	295	253	(42)	2,178	2,120	(58)	3,131	3,190	59
Surplus/(deficit) from Operations	1,102	992	110	8,425	7,711	714	7,518	7,635	(117)

Section 2f - Roading Operations for the eight months ended 29 February 2012

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Budget 30 June 2012 \$000	Variance \$000
Operating Income									
Petrol tax	723	700	23	5,647	5,628	19	8,426	8,400	26
Other income	150	205	(55)	1,443	1,622	(179)	2,444	3,633	(1,189)
NZTA operating subsidy*	5,991	8,714	(2,723)	31,941	25,428	6,513	44,790	42,567	2,223
Total operating income	6,864	9,619	(2,755)	39,031	32,678	6,353	55,660	54,600	1,060
Operating Expenditure									
Personnel costs including capitalised costs	1,145	1,284	139	12,188	11,355	(833)	16,668	19,079	2,411
Service delivery costs and professional services	12,023	12,038	15	77,879	81,048	3,169	125,266	126,275	1,009
Occupancy costs	261	708	447	6,500	5,853	(647)	10,399	13,592	3,193
Other expenditure	102	136	34	1,064	1,005	(59)	1,702	3,351	1,649
(Profit)/loss on disposal of assets	-	-	-	(215)	(215)	-	(215)	-	215
Efficiency target	-	(169)	(169)	-	(337)	(337)	(1,012)	(3,187)	(2,175)
Internal charges/recoveries	155	144	(11)	1,180	1,177	(3)	1,754	-	(1,754)
Total operating expenditure	13,686	14,141	455	98,596	99,886	1,290	154,562	159,110	4,548
Depreciation	15,348	14,999	(349)	121,859	118,857	(3,002)	178,852	180,354	1,502
Surplus/(deficit) from Operations	(22,170)	(19,521)	(2,649)	(181,424)	(186,065)	4,641	(277,754)	(284,864)	7,110

*NZTA operating subsidy for February is below forecast due to a change in the S6 FAR rate.

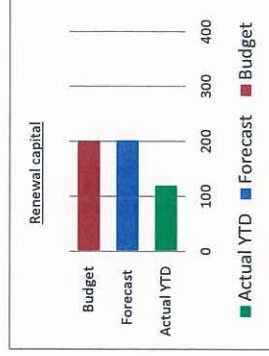
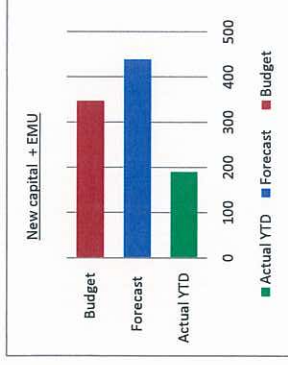
Section 2g - Other operational activities for the eight months ended 29 February 2012

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Budget 30 June 2012 \$000	Variance \$000
Operating Income									
Rental income	244	424	(180)	5,450	5,442	8	7,183	7,306	(123)
Other income	557	65	492	3,614	3,346	268	3,856	-	3,856
NZTA operating subsidy - EMU's	184	-	184	654	-	654	-	-	-
NZTA operating subsidy	630	785	(155)	6,046	6,615	(569)	9,468	26,894	(17,426)
Total operating income	1,615	1,274	341	15,764	15,403	361	20,507	34,200	(13,693)
Operating Expenditure									
Personnel costs including capitalised costs	2,281	2,490	209	19,378	19,697	319	29,499	27,264	(2,235)
Directors Fees	33	32	(1)	262	259	(3)	386	382	(4)
Service delivery costs and professional services	1,356	2,406	1,050	14,620	16,431	1,811	27,579	20,904	(6,675)
IT costs	569	269	(300)	2,152	1,666	(486)	2,381	5,412	3,031
Exchange rate loss/(gain)	28	-	(28)	372	-	(372)	-	-	-
Other expenditure	1,086	1,496	410	11,248	11,761	513	17,936	21,367	3,431
Efficiency target	-	-	-	-	-	-	-	(951)	(951)
Internal charges/recoveries	(497)	(503)	(6)	(3,870)	(3,870)	-	(5,882)	-	5,882
Total operating expenditure	4,856	6,190	1,334	44,162	45,944	1,782	71,899	74,378	2,479
Depreciation	219	214	(5)	1,933	1,268	(665)	2,126	2,899	773
Surplus/(deficit) from Operations	(3,460)	(5,130)	1,670	(30,331)	(31,809)	1,478	(53,518)	(43,077)	(10,441)

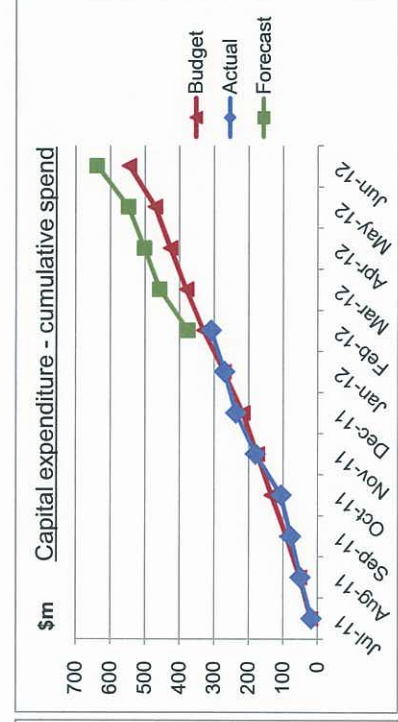
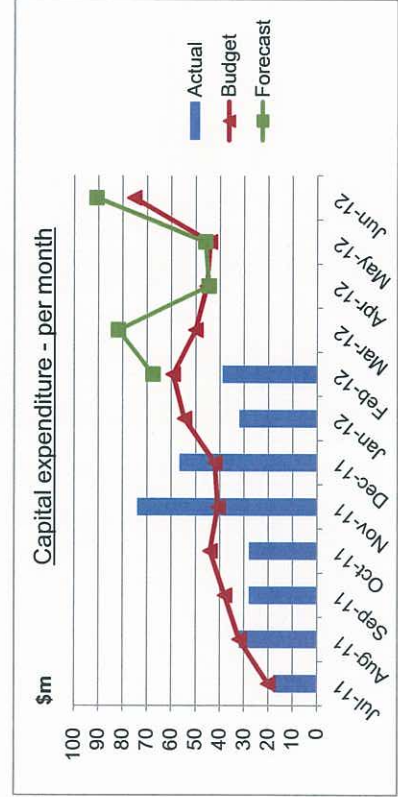
Section 3 - Summary of Capital Expenditure for the eight months ended 29 February 2012

Split by activity

	Current month			Year to date			Full Year			
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Results Achieved	Forecast 30 June 2012 \$000	Budget 30 June 2012 \$000	Variance \$000
New capital expenditure										
Parking operations	1,605	2,800	1,195	11,611	13,978	2,367	●	21,861	16,745	(5,116)
Public transport	5,062	8,830	3,768	34,423	40,196	5,773	●	81,227	75,879	(5,348)
Roads	13,318	22,640	9,322	88,540	104,330	15,790	●	179,719	252,865	73,146
Other	376	531	155	5,623	5,705	82	●	9,469	756	(8,713)
Total new capital	20,361	34,801	14,440	140,197	164,209	24,012	●	292,276	346,245	53,969
Renewal capital expenditure										
Parking operations	-	31	31	29	56	27	●	303	176	(127)
Public transport	1,235	1,317	82	2,405	2,717	312	●	13,559	14,145	586
Roads	15,243	25,638	10,395	116,613	132,419	15,806	●	186,654	185,117	(1,537)
Other	-	-	-	-	-	-	●	-	517	517
Total renewal	16,478	26,986	10,508	119,047	135,192	16,145	●	200,516	199,955	(561)
Electric motor units (EMUs)										
Procurement	967	381	(586)	32,086	55,342	23,256	●	118,669	-	(118,669)
Depot	1,329	5,370	4,041	16,945	21,035	4,090	●	27,239	-	(27,239)
Total EMUs	2,296	5,751	3,455	49,031	76,377	27,346	●	145,908	-	(145,908)
Total direct capital	39,135	67,538	28,403	308,275	375,778	67,503	●	638,700	546,200	(92,500)
Vested assets	-	-	-	831	831	-	●	831	-	(831)
Total capital	39,135	67,538	28,403	309,106	376,609	67,503	●	639,531	546,200	(93,331)

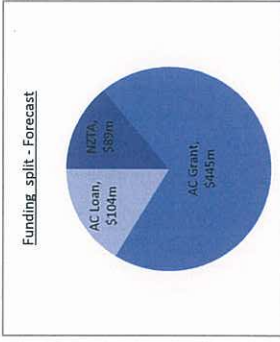


● : Largely on track
 ● : Some issues or risks
 ● : Project issues or risks



Section 4 - Capital Expenditure Funding for the eight months ended 29 February 2012

Funding	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Results Achieved	Budget 30 June 2012 \$000	
NZTA - new capital	1,786	6,770	4,984	19,729	30,552	10,823		103,677	40,515
NZTA - renewal capital	8,172	4,070	(4,102)	8,172	18,977	10,805		47,508	21,258
Other grants and subsidies	-	-	-	530	-	(530)		-	-
Auckland Council grant (Non-EMU)	26,881	50,947	24,066	230,813	249,872	19,059		395,015	(8,365)
Auckland Council grant (EMU)	-	-	-	-	-	-		41,948	(41,948)
Auckland Council loan (EMU)	2,296	5,751	3,455	49,031	76,377	27,346		103,960	(103,960)
Vested assets	-	-	-	831	831	-		831	(831)
Total funding	39,135	67,538	28,403	309,106	376,609	67,503	639,531	546,200	(93,331)



Section 5 - Capital expenditure report for the eight months ended 29 February 2012
Projects > \$1.5 m forecast

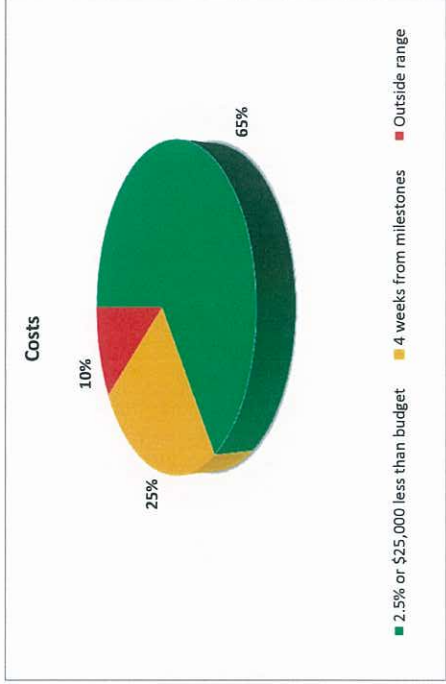
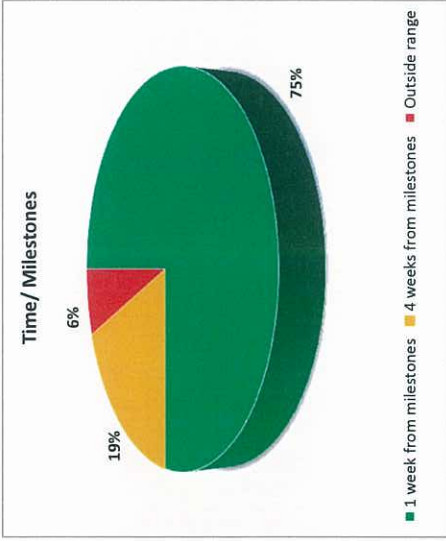
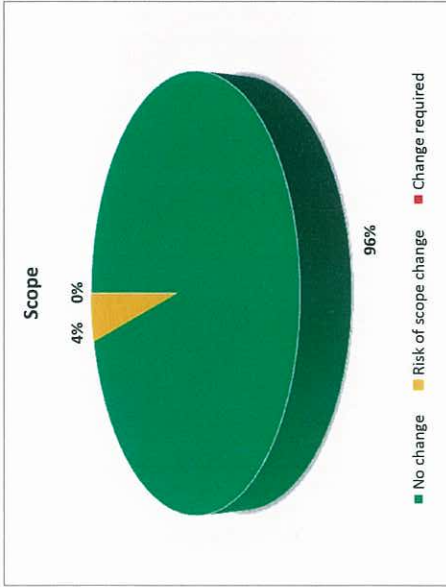
Project definition	Project description	Year to date project performance				Full year project performance				Project phase					Project status			NOTE
		Actual \$000	Forecast \$000	Variance \$000	%	Budget \$000	Forecast \$000	Variance \$000	%	Initiation	Investigation	Design	Construction	Closure/Completion	Scope / Quality	Time / Milestones	Costs	
C.001172	NSCC Albany Park and Ride Extension	1	574	573	100%	3,500	4,899	1,399	29%			X			●	●	●	
C.001056	Ferry Terminal Upgrade - Hobsonville	101	139	38	27%	3,482	3,489	7	0%		X				●	●	●	
C.100128	Mt Albert Train Station Upgrade	337	126	(211)	-167%	4,150	2,331	(1,819)	-78%		X				●	●	●	
C.001013	HGI Wharves Development (Tryphena)	204	329	125	38%	2,265	2,262	(3)	0%		X				●	●	●	
C.001014	PT Bus Stop Improvements	846	993	147	15%	2,805	2,105	(700)	-33%			X			●	●	●	
C.001054	Ferry Terminal Upgrade DT Pier 1C	384	402	18	4%	2,016	2,016	-	0%			X			●	●	●	
C.100141	South Western Airport Multi-modal proj	-	-	-	0%	2,000	2,000	-	0%		Not started				n/a	n/a	n/a	
C.001578	Otara Bus I/change & Streetscape	330	522	192	37%	1,598	1,651	53	3%			X			●	●	●	
C.001171	NSCC Albany Highway (Sunset to SH18)	391	424	33	0%	1,880	1,584	(296)	-19%		X				●	●	●	
	Public Transport and EMU > \$1.5m	77,690	111,797	34,107	31%	144,786	216,054	154,279	107%									
	Parking and Enforcement (>\$1.5m)																	
	CAPEX overprogramming	-	-	-	-	(6,028)	(4,142)	1,886	-46%						n/a	n/a	n/a	
C.100125	Davies Ave Carpark Building - Manukau	8,166	8,594	428	5%	14,152	14,098	(54)	0%			X			●	●	●	
C.001034	ACC Carpark Operating Equipment	664	1,032	368	36%	1,616	1,616	-	0%			X			●	●	●	
	Parking and Enforcement > \$1.5m	8,830	9,626	796	8%	9,740	11,572	1,832	16%									
	Others (>\$1.5m)																	
C.100146	Online Programme	1,990	2,170	180	8%	-	3,755	3,755	100%			X			●	●	●	
	Others > \$1.5m	1,990	2,170	180	8%	-	3,755	3,755	100%									
	Total new capital expenditure + EMU > \$1.5 m forecast	156,751	200,610	43,859	22%	271,006	346,033	158,038	58%									
	Total new capital expenditure + EMU < \$1.5 m forecast	32,477	39,976	7,499	19%	75,239	92,151	16,912	22%									
	Total new capital expenditure + EMU	189,228	240,586	51,358	21%	346,245	438,184	91,939	27%									

Project status legend		Scope/Quality		Time/Milestones		Costs	
●	No change	●	1 week from milestone	●	2.5% or less than budget	●	Change required
●	1 week from milestone	●	4 weeks from milestone	●	\$10,000 less than budget	●	Outside range
●	1 week from milestone	●	1% or less	●	Outside range	●	Outside range

Notes:

- 1 Various issues are being monitored and managed. Delays in land purchase and consents are of concern.
- 2 Key land still to be acquired for Panmure, Phase 1 works started October 2011.
- 3 Overall project design and land purchase is progressing well. However there is a risk of going to environment court and the NZTA funding has not been approved for a 2 year programme.
- 4 The owners of Lynn Mall are concerned about the impact of the works on the flow of traffic along Great North Road. They believe it has an impact on their business.
- 5 One property owner is considered an "unwilling seller" and it is possible that a compulsory purchase of land may be required. This land purchase is identified as likely to be protracted and difficult.

Section 5 - Capital expenditure report for the eight months ended 29 February 2012



Section 5a – Capital expenditure variance explanation

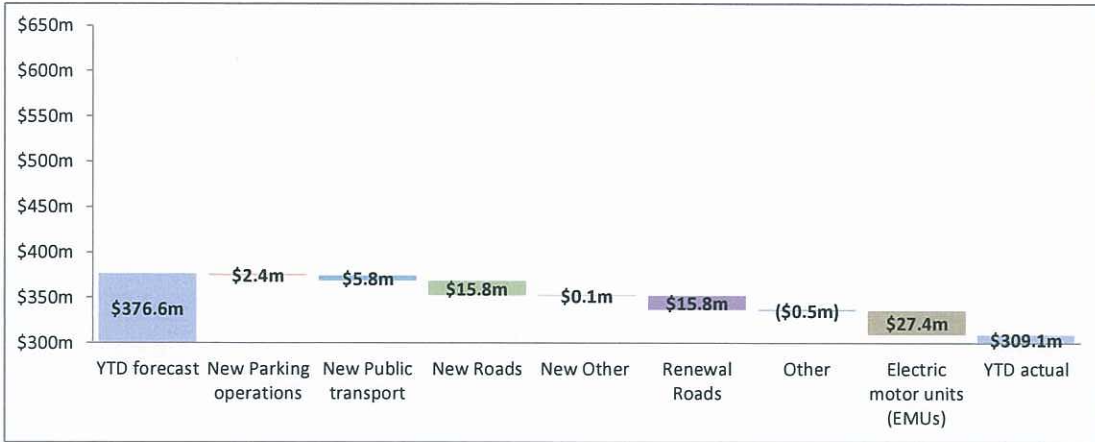
Capital expenditure for the month was \$39.1m, an underspend to forecast of \$28.4m. YTD capital expenditure was \$309.1m, a variance to forecast of \$67.5m.

The YTD variance is mainly due to:

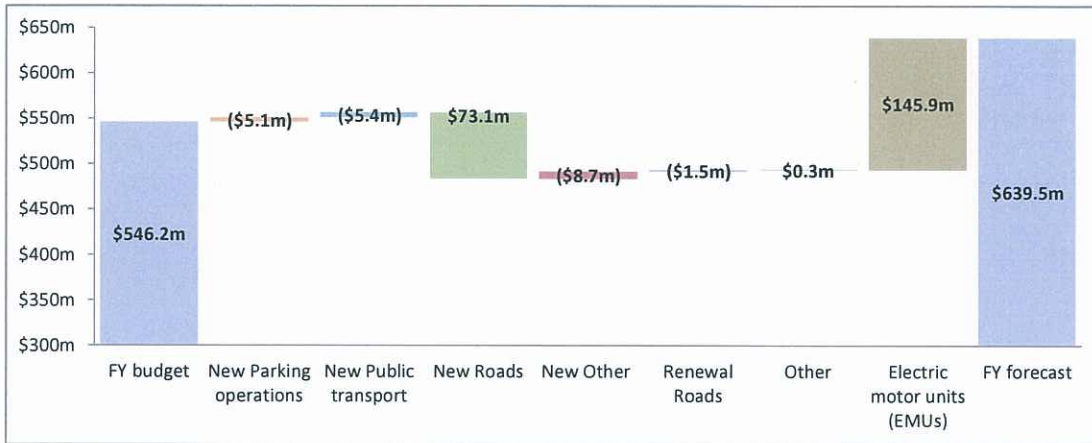
- \$15.8m underspends in Roads new capital expenditure. This is primarily due to:
 - \$5.2m AMETI-Package 1 Panmure Corridor project. The construction works on the main contract are progressing slower than forecast.
 - \$1.0m MCC pavement reconstruction project. The project has been delayed but is expected to be completed by the end of the financial year.
 - \$1.0m Albany Highway upgrade. This is mainly due to major property acquisition's being significantly behind forecast.
- \$15.8m underspends in various road renewal projects. This is mainly due to delay in the surfacing and Area Wide Pavement Treatment (road rehabilitation) of the South and Central areas. The delay is primarily due to contractors not starting work as planned due to health and safety concerns. In addition to this, road renewals, in general, are behind due to unseasonal inclement weather in February. It is expected that the majority of the road renewal projects will be delivered by the end of the financial year.
- \$27.3m underspends in the EMU project. This is due to the following:
 - \$23.3 underspends in EMU procurement project. This is mainly due to the deferral of the project milestone payment to the contractor (CAF) as they had not achieved the required project milestone (design specification). This late payment is not on the critical path.
 - \$4.1m underspends in EMU depot project. The final land settlement forecasted in February 2012 has been moved to May 2012.

Section 5b - Capital expenditure waterfall

Capital expenditure - Year to date forecast to actual



Capital expenditure - Full Year budget to forecast



**Section 6 - Statement of Financial Position
As at 29 February 2012**

	Note	Actual 29 February 2012 \$000	Actual 31 January 2012 \$000
Assets			
Current assets			
Cash and cash equivalents	1	5,367	7,598
Trade and other receivables	2	147,617	145,858
Inventories		5,515	5,455
Non-current assets held for sale		1,629	1,629
Total current assets		160,128	160,540
Non-current assets			
Property, plant and equipment - assets		12,582,877	12,554,145
Property, plant and equipment - work-in-progress		500,679	514,560
Intangible assets		31,645	30,375
Total non-current assets		13,115,201	13,099,080
Total assets		13,275,329	13,259,620
Liabilities			
Current liabilities			
Derivative financial instruments	3	8,976	7,732
Trade and other payables	4	117,219	121,303
Employee benefit liabilities	5	7,709	7,115
Borrowings	6	192	197
Other liabilities		558	448
Total current liabilities		134,654	136,795
Non-current liabilities			
Derivative financial instruments	3	35,760	44,138
Employee benefit liabilities	5	935	935
Borrowings	6	40,288	40,303
Deferred tax liability	7	17,228	17,228
Total non-current liabilities		94,211	102,604
Total liabilities		228,865	239,399
Net assets		13,046,464	13,020,221
Equity			
Contributed equity		12,068,982	12,068,982
Retained earnings/(losses)		(114,269)	(113,667)
Reserves		909,001	901,839
Current year AC capital expenditure grant		182,750	163,067
Total equity		13,046,464	13,020,221

Section 6a - Notes to the Financial Statements As at 29 February 2012

	Actual 29 Feb 2012	Actual 31 Jan 2012
	\$000	\$000

1 Cash and cash equivalents

Cash at bank	5,228	7459
Till floats	139	139
Total cash and cash equivalents	5,367	7,598

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

2 Trade and other receivables

Trade debtors	2,877	2,606
Infringements receivable	8,532	8,288
Amounts due from related parties	23,566	36,390
Cash investment with Auckland Council	68,059	62,102
Accrued income	38,495	25,351
Goods and services tax	6,092	11,216
	147,621	145,953
Less provision for impairment of receivables	(4)	(95)
Total trade and other receivables	147,617	145,858

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 the reporting date is the carrying value of each class of receivable mentioned above.

The ageing profile of receivables at 29 February 2012 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	139,791	-	139,791
Past due 1 - 30 days	-	-	-
Past due 31 - 60 days	2,673	-	2,673
Past due 61 - 90 days	350	-	350
Past due > 90 days	4,807	(4)	4,803
	147,621	(4)	147,617

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 Auckland Transport management concluding that it is remote that the overdue amounts will be recovered.

Movements in the provision for impairment of receivables are as follows:

	Actual
	\$000
At 30 June 2011	95
Additional provisions made	-
Provisions reversed	(91)
Receivables written-off	-
At 29 February 2012	4

Section 6a - Notes to the Financial Statements (continued)
As at 29 February 2012

	Actual	Actual
	29 Feb 2012	31 Jan 2012
	\$000	\$000

3 Derivative financial instruments

Current liability portion

Forward foreign exchange contracts - cash flow hedges	5,872	4,656
Forward foreign exchange contracts - not hedge accounted	3,104	3,076
Current derivative financial instruments	8,976	7,732

Non-current liability portion

Interest rate swaps - cash flow hedges	8,030	20,579
Forward foreign exchange contracts - cash flow hedges	27,730	23,559
Non-current derivative financial instruments	35,760	44,138

Fair value

Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined by using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices.

Interest rate swaps

The notional principal amount of the outstanding interest rate swap contracts was \$505m at 29 February 2012, and their fixed interest rates varied from 4.75% to 5.41%. These interest rate swaps have been accounted for as effective and the loss of \$8.03m on their revaluation has been transferred to the cash flow hedge reserve within equity.

Forward foreign exchange contracts

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges at 29 February 2012 was NZD\$397.398m. These cash flow hedges have been accounted for as effective and the loss of \$33.6m on their revaluation has been transferred to the cash flow hedge reserve within equity.

At 29 February 2012 the notional principal amount of outstanding forward foreign exchange contract that are not hedge accounted was NZD\$11.598m. The loss on their revaluation of \$3.104m has been recorded in the Statement of Financial Performance.

4 Trade and other payables

Creditors	28,328	39,382
Accrued expenses	84,335	78,061
Amounts due to related parties	4,556	3,860
	117,219	121,303

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.

Section 6a - Notes to the Financial Statements (continued)
As at 29 February 2012

	Actual	Actual
	29 Feb 2012	31 Jan 2012
	\$000	\$000

5 Employee benefit liabilities

Current portion

Accrued salaries and wages	2,335	2,020
Accrued leave	5,374	5,095
Current employee benefit liabilities	7,709	7,115

Non-current portion

Retirement gratuities	387	387
Long service leave	548	548
Non-current employee benefit liabilities	935	935

6 Borrowings

Current loans from Auckland Council	192	197
Non-current loans from Auckland Council	40,288	40,303
Total borrowings	40,480	40,500

Weighted average cost of funds on total borrowings	4.53%	4.53%
--	-------	-------

Auckland Transport's debt of \$40,480,000 is issued at fixed rates of interest ranging from 4.20% to 5.55%.

In February 2012 a principal repayment of \$20,044 was made to Auckland Council.

7 Deferred tax liability

	Actual
	29 Feb 2012
	\$000

Components of income tax expense

Current tax	-
Deferred tax	4,452
Income tax expense	4,452

Relationship between tax income expense and accounting profit

(Deficit)/surplus before tax	(80,590)
Tax at 28 per cent	(22,565)
<i>Plus/(less) tax effects of:</i>	
Non-taxable income	22,565
Non-deductible expenditure	-
Tax losses not recognised	-
Deferred tax adjustment	4,452
Income tax	4,452

	Property, plant and equipment	Other provisions	Tax losses	Total
	\$000	\$000	\$000	\$000
Deferred tax liability				
Balance at 1 July 2011	(13,265)	25	464	(12,776)
Charged to income	(4,736)	(25)	309	(4,452)
Charged to equity	-	-	-	-
Balance at 29 February 2012	(18,001)	-	773	(17,228)

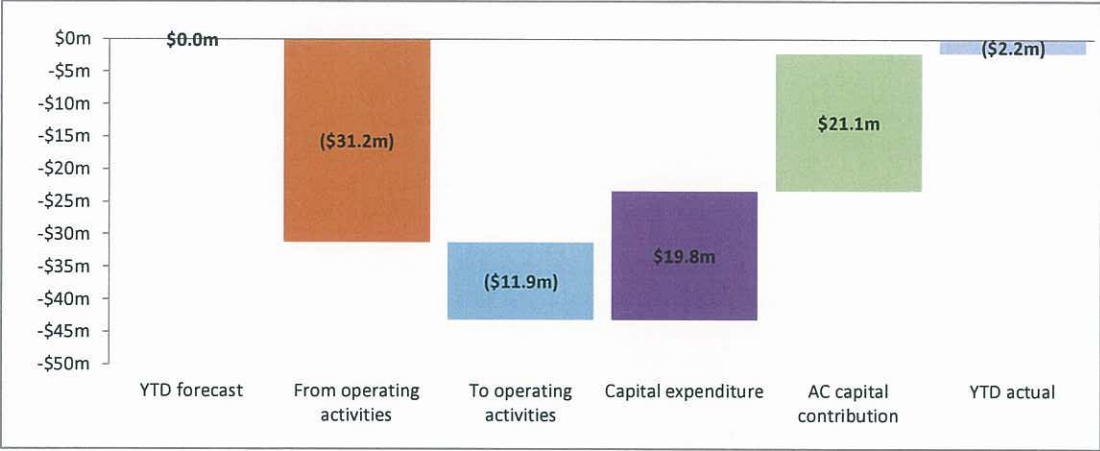
Section 7 - Cash Flow Rolling Forecast as at 29 February 2012

	Current month		Forecast rolling 3 months		
	Actual \$000	Forecast \$000	Forecast Mar 2012 \$000	Forecast Apr 2012 \$000	Forecast May 2012 \$000
Cash flows from operating activities					
Total cash provided	36,276	67,461	32,000	32,000	32,000
Cash applied to:					
Payments to suppliers, employees and directors	31,770	19,923	20,187	37,460	36,088
Interest paid	88	-			
Total cash applied	31,858	19,923	20,187	37,460	36,088
Net cash from operating activities	4,418	47,538	11,813	(5,460)	(4,088)
Cash flows from investing activities					
Cash applied to:					
Capital expenditure projects	47,728	67,538	81,813	44,540	45,912
Total cash applied	47,728	67,538	81,813	44,540	45,912
Net cash from investing activities	(47,728)	(67,538)	(81,813)	(44,540)	(45,912)
Cash flows from financing activities					
Cash provided from:					
Loan from Auckland Council - EMU	-	-	20,000	-	-
Capital contribution from Auckland Council	41,099	20,000	50,000	50,000	50,000
Total cash provided	41,099	20,000	70,000	50,000	50,000
Cash applied to:					
Repayments of EMU loan from Auckland Council	20	-	-	-	-
Total cash provided	20	-	-	-	-
Net cash from financing activities	41,079	20,000	70,000	50,000	50,000
Net (decrease)/increase in cash and cash equivalents	(2,231)	-	-	-	-
Opening cash balance	7,598	-	-	-	-
Closing cash balance	5,367	-	-	-	-

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities		Current month
Surplus/(deficit) after tax	Actual \$000	(601)
Add/(less) non cash items		
Depreciation and amortisation	18,955	
Loss in fair value of derivatives	28	
Vested assets	-	
Gain on disposal of assets	-	
	18,983	
Add/(less) movements in working capital		
Decrease/(Increase) in trade and other receivables	(18,355)	
Decrease/(Increase) in inventories	(60)	
(Decrease)/Increase in accounts payable and accruals	3,716	
(Decrease)/Increase in employee benefits payable	626	
(Decrease)/Increase in other liabilities	109	
	(13,964)	
Net cash flow from operating activities		4,418

Section 7a - Cash flow

Cash flow - Current month forecast to actual



Section 8 - Accounts Receivable and Accounts Payable Monthly Report.

Accounts Receivable

An overview of the Debtors as at 29 February with 95.4% of adjusted Debtors in 30 and 60 days.

Debtors Ageing Analysis as at 29 February 2012

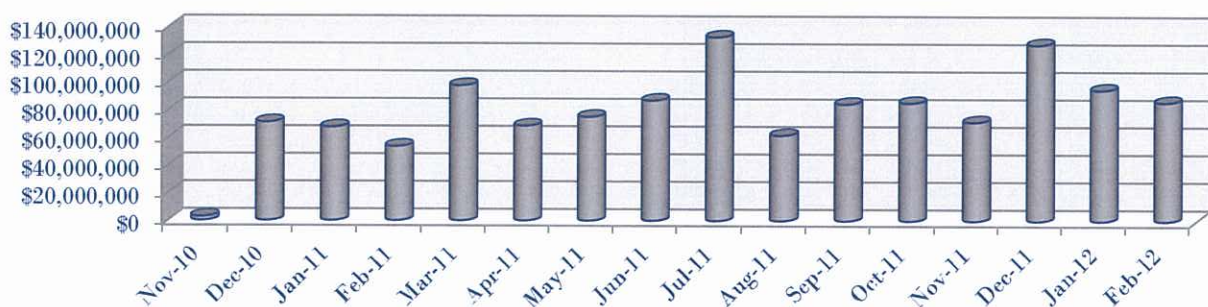
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
Debtors Ageing 29 Feb	59	3,838,815	2,215,322	1,144,437	25,811	360,877	92,369	
		100.0%	57.7%	29.8%	0.7%	9.4%	2.4%	
O/s Related Parties	54	961,324	514,325	431,884	-460	-512	16,086	1
Trade Debtors	57	2,877,492	1,700,997	712,553	26,271	361,389	76,282	
		100.0%	59.1%	24.8%	0.9%	12.6%	2.7%	
O/s Queries to Business	100	20,888	2,047	-271	8,822	5,900	4,390	2
Disputed Invoices	281	327,588	0	0	0	318,712	8,876	3
To Write-off (GNA)	275	2,507	0	0	0	0	2,507	4
Debtors paid to AC	46	8,189	7,987	187	15	0	0	5
Adjusted Debtors	N/a	2,518,320	1,690,962	712,637	17,434	36,777	60,509	
		100.0%	67.1%	28.3%	0.7%	1.5%	2.4%	

- 1 - This section relates to amounts owed by related parties (inter-company).
- 2 - A number of invoices have been returned to the business where the Debtors have queried charges. We have been able to resolve many of these queries through interaction with the departments.
- 3 - Road Corridor Access have still not been able to resolve the dispute with Fletchers Construction and the most recent report from them indicates that they are reviewing fees and hope to resolve the matter shortly. The amount in 120+ days is owed by Tournament Parking and is currently being investigated by the Parking Group.
- 4 - These are amounts which may in the future be written off. All amounts written off are approved by the CFO in accordance with accepted practice.
- 5 - A considerable amount of effort in this area has paid off, with very few Debtors incorrectly paying their accounts to Council.

Accounts Payable

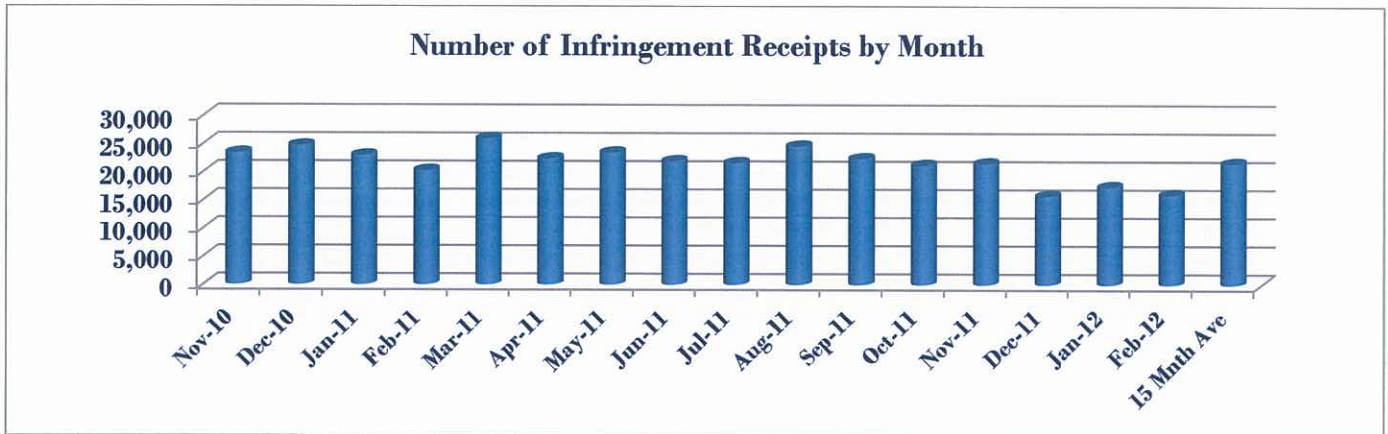
The Accounts Payable (AP) team paid out \$86m in February. The average monthly pay out in the current Financial Year is \$ 93m.

AP Payments by Month



Infringements

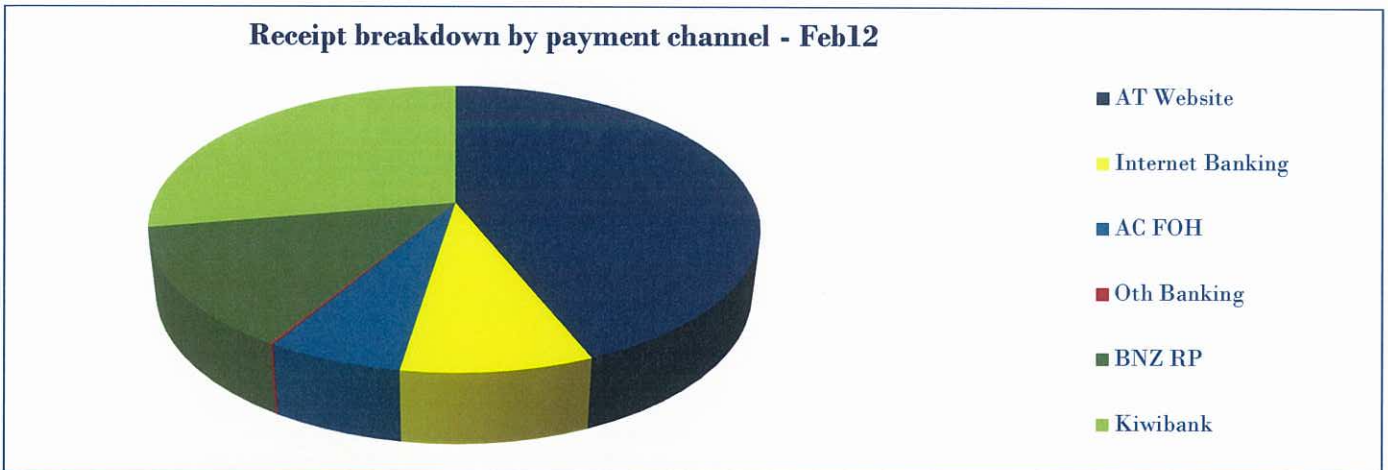
During the first 8 months of Auckland Transport up to June 2011, the average receipts per month totalled \$ 1,294m per month. For the first 8 months of the current financial year since July 2011, the average value of receipts is \$ 1,101m per month.



Plotting payments by month and year on a graph does however show that the number and value of infringement receipts drops over the period December to February. There does appear to be some recovery from March onwards.

Infringement Payment Channels

The AT Website and Kiwibank are the major payment channels again with a combined collection rate of 72%.



Ministry of Justice

AT obtained agreement from AC late in January which allowed AT to instruct the Ministry of Justice (MOJ) to pay all legacy Council collections directly to AT. This was carried out for the first time in February and we are happy to report, that by 24 February, AT had receipted, analysed and disbursed back to the relevant legacy Councils within AC their share of infringements collected together with an electronic breakdown of the payment. There is no change on collections for lodgements post 1 November 2010 by either AT or AC.

From March this will allow AT to report on both AT lodged collection rates and legacy Council lodged collections.

Section 9 – Tender and Contracts Stats

Tender Stats:

OPEN TENDERS AS AT 29 FEB 2012			
AT Reference	Contract Description	Close date	Estimated Value (Millions)
AKTSPT-541555	332-12-233 Replacement of retaining Walls	08 Mar 12	\$0.400
AKTSPT-543432	340-12-290 New Lynn TC:	19 Mar 12	\$4.600
AKTSPT-544091	340-12-302 Construction of Additional Canopies	16 Mar 12	\$1.500
AKTSPT-544252	322-12-117 Traffic Counting Services - North	22 Mar 12	\$0.518
AKTSPT-544253	322-12-118 Traffic Counting Services - Central	22 Mar 12	\$0.518
AKTSPT-544257	322-12-119 Traffic Counting Services - South	22 Mar 12	\$0.518
AKTSPT-527954	332-12-51 Tiverton-Wolverton Route Stage 2	22 Mar 12	\$24.756
AKTSPT-534070	322-12-115 Rooding Asset Management South	24 Mar 12	\$0.518
AKTSPT-534052	322-12-120 Rail and Bus Facilities Asset Management	23 Mar 12	\$0.518
AKTSPT-534057	322-12-121 Wharves and Ferry Facilities Asset	23 Mar 12	\$0.518
AKTSPT-534061	322-12-189 Rooding Asset Management Central	24 Mar 12	\$0.518
AKTSPT-534060	322-12-190 Rooding Asset Management North	24 Mar 12	\$0.518
AKTSPT-534074	322-12-191 Structures Asset Management West	23 Mar 12	\$0.518
AKTSPT-534076	332-12-116 Structures Asset Management South	23 Mar 12	\$0.518
AKTSPT-534072	332-12-192 Structures Asset Management North	23 Mar 12	\$0.518
AKTSPT-534583	340-12-239 EMU Maintenance Depot RFT	04 Apr 12	\$55.000
AKTSPT-540802	160-12-341 Locally Operated Points System	29 Mar 12	\$1.906
Total			\$93.862

CLOSED TENDERS UNDER EVALUATION AS AT 29 FEB 2012		
AT Reference	Contract Description	Estimated Value (Millions)
AKTSPT-533951	Provision of Auckland CBD Vehicle Towing and Storage Services	\$0.450
AKTSPT-533953	Auckland Central Suburbs Vehicle Towing and Storage Services	\$0.450
AKTSPT-535351	Arthur Street Local Area Traffic Management	\$0.460
AKTSPT-535794	Enforcement Infringement Issuance Software	\$0.212
AKTSPT-536377	AMETI Package 06: Mt Wellington Area Investigations	\$0.600
AKTSPT-536550	Construction of a New Carpark at 19 and 23 Totara Avenue	\$0.280
AKTSPT-538029	Auckland City Centre Future Access Study	\$0.450
AKTSPT-538097	Warkworth Western Collector - Mansell Drive - Falls Road	\$0.175
AKTSPT-538297	Wiri EMU Depot - Maintenance of Equipments	\$2.600
AKTSPT-538734	Wiri EMU Depot - Carriage Wash	\$1.985
AKTSPT-539336	South East Urban Road Corridor Maintenance	\$20.000
AKTSPT-539355	South West Urban Road Corridor Maintenance	\$30.000
AKTSPT-539356	South Rural Road Corridor Maintenance	\$20.000
AKTSPT-539668	Principal Advisor Role for Auckland City Rail Link Project	\$1.980
AKTSPT-540477	East Coast Road Corridor Management Plan	\$0.180
AKTSPT-540802	Locally Operated Points System	\$1.906
AKTSPT-540858	Pomaria Road and Te Pai Place Cycleway	\$0.715
AKTSPT-542176	Albany Centre Rooding Improvements Scheme Assessment	\$0.546
AKTSPT-542548	Medallion Drive Upgrade Scheme Assessment	\$0.198
Total		\$83.187

Contract Stats:

CONTRACTS AWARDED >\$2m (FY 11/12)						
Contract	Item	Contract Name	Vendor	Start Date	Fin date	Value (Millions)
4100001209	10	Mountain Road Bridge Const	DOWNER EDI WORKS LIMITED	Sep-11	Aug-12	\$8.842
4100001209	20	Contingency	DOWNER EDI WORKS LIMITED	Sep-11	Aug-12	\$1.768
					Total	\$10.610
4100001247	10	D/Town Ferry Terminal- P1	HEB STRUCTURES LIMITED	Oct-11	Mar-12	\$2.160
4100001247	20	Contingency	HEB STRUCTURES LIMITED	Oct-11	Mar-12	\$0.196
					Total	\$2.356
4100001254	10	Clevedon Rd Reconstruction2	HIGGINS CONTRACTORS LIMITED	Oct-11	Feb-12	\$2.393
4100001254	20	Contingency	HIGGINS CONTRACTORS LIMITED	Oct-11	Feb-12	\$0.239
					Total	\$2.632
4100001257	10	Franklin Ward Renewals Pck1	BLACKTOP CONSTRUCTION	Nov-11	Apr-12	\$2.050
4100001257	20	Contingency	BLACKTOP CONSTRUCTION	Nov-11	Apr-12	\$0.205
					Total	\$2.255
4100001331	10	Regional Portfolio Mngmt	URBAN SOLUTIONS LIMITED	Sep-11	Jun-14	\$3.642
					Total	\$3.642
4100001379	10	Flatbush School Road Upgrade	ROSS REID CONTRACTORS	Nov-11	Jun-12	\$3.261
4100001379	20	Contingency	ROSS REID CONTRACTORS	Nov-11	Jun-12	\$0.326
					Total	\$3.587
4100001412	10	Auckland EMU Supply & Main	CONSTRUCCIONES Y AUXILIAR	Sep-11	Aug-16	\$388.375
					Total	\$388.375
4100001425	10	Infrastructure Funding (IFA)	AUCKLAND COUNCIL (EX ACC)	Dec-11	Jan-12	\$7.200
4100001425	20	Works Development 1 (WDA1)	AUCKLAND COUNCIL (EX ACC)	Dec-11	Jan-12	\$2.200
4100001425	30	Works Development 4 (WDA4)	AUCKLAND COUNCIL (EX ACC)	Dec-11	Jan-12	\$3.200
					Total	\$12.600
4100001428	10	EMU mnt depot design stage2	OPUS INTERNATIONAL	Dec-11	May-13	\$3.991
					Total	\$3.991
4100001429	10	Wiri Platform Works	WINSTONE AGGREGATES	Dec-11	Feb-12	\$1.547
4100001429	20	Wiri Platform Works	WINSTONE AGGREGATES	Dec-11	Feb-12	\$5.352
					Total	\$6.899
4100001435	10	Parnell Station Project Ph	KIWIRAIL - OPERATIONS	Dec-11	Dec-12	\$8.171
4100001435	20	Contingency	KIWIRAIL - OPERATIONS	Dec-11	Dec-12	\$0.814
					Total	\$8.985
4100001444	10	New Lynn TOD McCraw Way	DEMPSEY WOOD CIVIL LIMITED	Jan-12	Dec-12	\$2.800
4100001444	20	Contingency	DEMPSEY WOOD CIVIL LIMITED	Jan-12	Dec-12	\$0.280
					Total	\$3.080
4100001446	10	Glenfield Road Stage 4 PW	FULTON HOGAN CONTRACTING	Dec-11	Mar-13	\$11.487
4100001446	20	Contingency	FULTON HOGAN CONTRACTING	Dec-11	Mar-13	\$1.723
					Total	\$13.210
4100001472	10	Albany Busway Station Carp	OPIE CONTRACTORS LIMITED	Jan-12	Mar-12	\$3.259
4100001472	20	334-12-259-T2 Contingency	OPIE CONTRACTORS LIMITED	Jan-12	Mar-12	\$0.411
					Total	\$3.670
4100001476	10	Parnell Station Project	KIWIRAIL - NETWORK	Jan-12	Dec-12	\$8.171
4100001476	20	Contingency	KIWIRAIL - NETWORK	Jan-12	Dec-12	\$0.814
					Total	\$8.985
4100001482	10	AMETI Package 1 Panmure	THE FLETCHER CONSTRUCTION	Jan-12	May-14	\$99.600
4100001482	20	Contingency	THE FLETCHER CONSTRUCTION	Jan-12	May-14	\$17.000
					Total	\$116.600
4100001511	10	Movement of infra – AMETI	VECTOR LIMITED	Feb-12	Mar-14	\$4.800
4100001511	20	Contingency	VECTOR LIMITED	Feb-12	Mar-14	\$0.480
					Total	\$5.280
4100001526	10	Shoal Bay Wharf Development	DOWNER NEW ZEALAND LIMITED	Feb-12	Feb-13	\$2.300
4100001526	20	Contingency	DOWNER NEW ZEALAND LIMITED	Feb-12	Feb-13	\$0.230
					Total	\$2.530
Grand Total						\$599.288

Section 10 – Vendor Stats

Vendor Spend Stats:

TOP 10 VENDOR SPEND (FY 11/12)			
Vendor	Expenditure (Millions)	% of Total Spend	Trending
DOWNER NEW ZEALAND	\$57.126	13%	↑
FULTON HOGAN CONTRACTING	\$56.079	13%	↓
VEOLIA TRANSPORT	\$33.166	7%	●
KIWIRAIL – NETWORK	\$31.483	7%	●
KIWIRAIL – OPERATIONS	\$23.901	5%	●
CONSTRUCCIONES Y AUXILIAR	\$20.159	5%	●
ARMA WEST	\$16.048	4%	↑
OPUS INTERNATIONAL	\$15.109	3%	↓
AUCKLAND COUNCIL (EX ACC)	\$13.071	3%	●
JOHN FILLMORE CONTRACTING	\$10.925	2%	●
Top 10 Vendor Spend	\$277.067	62%	
Total Vendor Spend	\$444.771	100%	

TOP 10 VENDOR SPEND CAPEX (FY 11/12)			
Vendor	Expenditure (Millions)	% of Total Spend	Trending
FULTON HOGAN CONTRACTING	\$40.987	17%	●
DOWNER NEW ZEALAND	\$38.164	16%	●
KIWIRAIL – NETWORK	\$28.233	12%	●
CONSTRUCCIONES Y AUXILIAR	\$20.159	8%	●
AUCKLAND COUNCIL (EX ACC)	\$12.772	5%	●
ARMA WEST	\$12.689	5%	●
OPUS INTERNATIONAL	\$11.340	5%	●
JOHN FILLMORE CONTRACTING	\$10.925	5%	●
BLACKTOP CONSTRUCTION	\$6.742	3%	●
DEMPSEY WOOD CIVIL	\$4.538	2%	●
Total	\$186.550	78%	
Total CAPEX Vendor Spend	\$238.296	100%	

TOP 10 VENDOR SPEND OPEX (FY 11/12)			
Vendor	Expenditure (Millions)	% of Total Spend	Trending
VEOLIA TRANSPORT	\$33.166	16%	●
KIWIRAIL – OPERATIONS	\$22.861	11%	●
DOWNER NEW ZEALAND	\$17.362	8%	●
FULTON HOGAN CONTRACTING	\$14.954	7%	●
NEW ZEALAND BUS	\$9.632	5%	●
AUCKLAND COUNCIL (EX ARC)	\$5.818	3%	↑
THALES NEW ZEALAND	\$5.223	3%	↓
MERIDIAN ENERGY	\$4.996	2%	↓
HEB CONSTRUCTION	\$3.785	2%	↑
ARMA WEST	\$3.565	2%	↓
Total	\$121.362	59%	
Total OPEX Vendor Spend	\$206.475	100%	

Vendor Commitments Stats:

TOP 10 VENDOR COMMITMENTS AS AT 01 MAR 2012			
Vendor	Value Outstanding (Millions)	Total % Outstanding	Trending
CONSTRUCCIONES Y AUXILIAR	\$368.216	44%	●
THE FLETCHER CONSTRUCTION CO	\$115.426	14%	●
DOWNER NEW ZEALAND	\$61.000	7%	●
FULTON HOGAN CONTRACTING	\$48.711	6%	●
KIWIRAIL – OPERATIONS	\$21.017	3%	●
ARMA WEST	\$15.247	2%	●
KIWIRAIL – NETWORK	\$12.574	2%	▲
VEOLIA TRANSPORT	\$11.590	1%	▲
JOHN FILLMORE CONTRACTING	\$11.247	1%	▼
OPUS INTERNATIONAL	\$9.786	1%	▼
Total	\$674.814	81%	
Total Commitments	\$828.700	100%	

TOP 10 VENDOR CAPEX COMMITMENTS AS AT 01 MAR 2012			
Vendor	Value Outstanding (Millions)	Total % Outstanding	Trending
CONSTRUCCIONES Y AUXILIAR	\$368.216	52%	●
THE FLETCHER CONSTRUCTION CO	\$115.426	16%	●
DOWNER NEW ZEALAND	\$48.007	7%	●
FULTON HOGAN CONTRACTING	\$40.014	6%	●
ARMA WEST	\$12.982	2%	●
JOHN FILLMORE CONTRACTING	\$11.247	2%	●
KIWIRAIL - NETWORK	\$10.705	2%	●
VECTOR LIMITED	\$7.822	1%	▲
BLACKTOP CONSTRUCTION	\$7.181	1%	▼
OPUS INTERNATIONAL	\$5.729	1%	▼
Total	\$627.329	89%	
Total CAPEX Commitments	\$707.614	100%	

TOP 10 VENDOR OPEX COMMITMENTS AS AT 01 MAR 2012			
Vendor	Value Outstanding (Millions)	Total % Outstanding	Trending
KIWIRAIL – OPERATIONS	\$20.938	17%	●
DOWNER NEW ZEALAND	\$12.993	11%	●
VEOLIA TRANSPORT	\$11.590	10%	●
FULTON HOGAN CONTRACTING	\$8.697	7%	●
OPUS INTERNATIONAL	\$4.058	3%	▲
NEW ZEALAND BUS	\$3.329	3%	▲
AUCKLAND COUNCIL (EX ARC)	\$2.613	2%	▼
HEB CONSTRUCTION	\$2.282	2%	●
SIGTEC	\$2.265	2%	▲
ARMA WEST	\$2.264	2%	▼
Total	\$71.029	59%	
Total OPEX Commitments	\$121.087	100%	

TOP 10 VENDOR COMMITMENTS (FY 11/12)				
Vendor	Value Outstanding (Millions)	Total % Outstanding	Trending	
DOWNER NEW ZEALAND	\$52.303	15%		
FULTON HOGAN CONTRACTING	\$40.413	11%		
CONSTRUCCIONES Y AUXILAR	\$36.896	10%		
KIWIRAIL – OPERATIONS	\$21.018	6%		
ARMA WEST	\$15.247	4%		
THE FLETCHER CONSTRUCTION CO	\$13.326	4%		
KIWIRAIL – NETWORK	\$11.685	3%		
VEOLIA TRANSPORT	\$11.590	3%		
JOHN FILLMORE LIMITED	\$11.246	3%		
BLACKTOP CONSTRUCTION	\$8.995	3%		
Total	\$222.719	62%		
Total Commitments	\$357.024	100%		

TOP 10 VENDOR CAPEX COMMITMENTS (FY 11/12)				
Vendor	Value Outstanding (Millions)	Total % Outstanding	Trending	
DOWNER NEW ZEALAND	\$39.310	16%		
CONSTRUCCIONES Y AUXILAR	\$36.896	15%		
FULTON HOGAN CONTRACTING	\$31.717	13%		
THE FLETCHER CONSTRUCTION CO	\$13.326	5%		
ARMA WEST	\$12.982	5%		
JOHN FILLMORE LIMITED	\$11.247	5%		
KIWIRAIL - NETWORK	\$10.705	4%		
BLACKTOP CONSTRUCTION	\$7.181	3%		
EBERT CONSTRUCTION	\$5.656	2%		
VECTOR LIMITED	\$4.772	2%		
Total	\$173.791	71%		
Total CAPEX Commitments	\$244.194	100%		





TOP 10 VENDOR OPEX COMMITMENTS (FY 11/12)				
Vendor	Value Outstanding (Millions)	Total % Outstanding	Trending	
KIWIRAIL - OPERATIONS	\$20.937	19%		
DOWNER NEW ZEALAND	\$12.993	12%		
VEOLIA TRANSPORT	\$11.590	10%		
FULTON HOGAN CONTRACTING	\$8.697	8%		
OPUS INTERNATIONAL	\$4.058	4%		
NEW ZEALAND BUS	\$3.328	3%		
AUCKLAND COUNCIL (EX ARC)	\$2.874	3%		
HEB CONSTRUCTION	\$2.282	2%		
ARMA WEST	\$2.265	2%		
MICROSOFT NEW ZEALAND	\$2.165	2%		
Total	\$71.189	63%		
Total OPEX Commitments	\$112.830	100%		

Legal Fees Vendor Spend Stats:

LEGAL FEES VENDOR SPEND (FY 11/12)			
Vendor	Expenditure (Millions)	% of Total Spend	Trending
SIMPSON GRIERSON	0.997	45%	●
BELL GULLY BUDDLE	0.589	26%	●
KENSINGTON SWAN	0.403	18%	●
MEREDITH CONNELL	0.130	6%	●
DLA PHILLIPS FOX	0.044	2%	●
BROOKFIELDS LAWYERS	0.031	1%	●
BALDWIN SON AND CAREY	0.017	1%	●
CHAPMAN TRIPP	0.010	0%	●
ELLIS GOULD LAWYER	0.005	0%	●
BUDDLE FINDLAY	0.003	0%	●
CHRIS M WALKER LAW	0.002	0%	●
NEILSONS LAWYERS	0.001	0%	●
RUSSELL MCVEAGH	0.001	0%	●
MINTER ELLISON RUDD WATTS	0.00	0%	●
Total Vendor Spend	\$2.231	100%	

Recommendation

- (i) That the report be received.

<p>WRITTEN BY</p>	<p>Name: Harlem Cabuhat Title: Planning and Reporting Accountant</p> <p>Name: Susan Cairns Title: Senior Financial Reporting Accountant</p>	 
<p>RECOMMENDED BY</p>	<p>Name: Julian Michael Title: Financial Reporting Manager</p> <p>Name: Stephen Smith Title: Finance Manager</p>	 
<p>APPROVED FOR SUBMISSION BY</p>	<p>Name: David Foster Title: Chief Financial Officer</p>	