

Financial Results for the Six Months Ended 31 December 2011

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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Section 1 - Statement of Financial Performance for the six months ended 31 December 2011

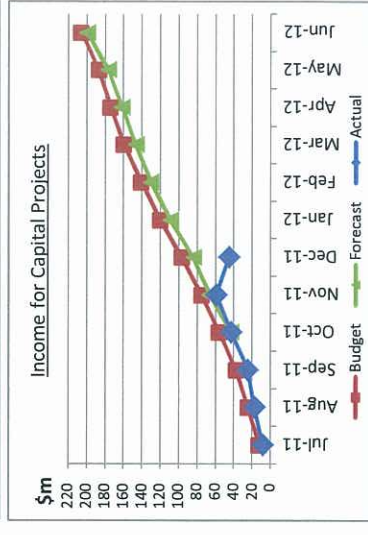
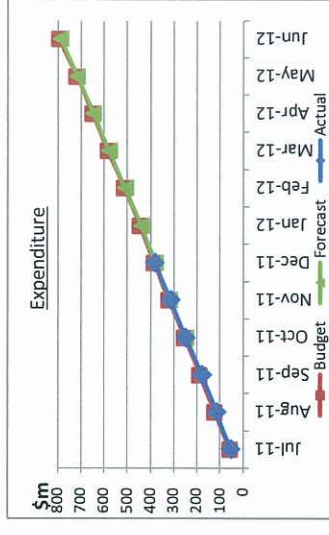
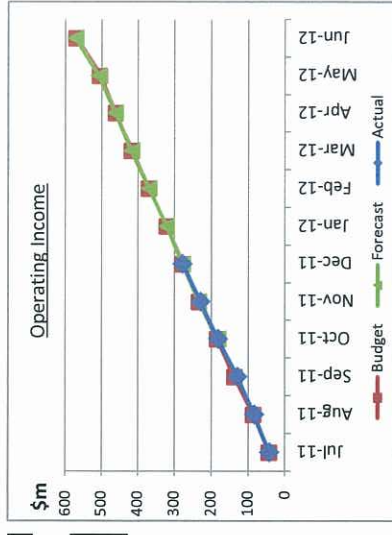
Split by category

Income	Current month			Year to date			Full Year			Results achieved
	Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget	Variance	
	\$000	\$000	\$000	\$000	\$000	\$000	30 June 2012	30 June 2012	\$000	
Operating Income										
Auckland Council funding	18,548	18,548	-	111,287	111,287	-	222,574	222,574	-	●
NZ Transport Agency	17,732	15,906	1,826	94,403	96,476	(2,073)	206,057	206,057	-	●
Parking and enforcement income	6,849	5,624	1,225	35,831	36,360	(529)	76,845	77,306	(461)	●
Public transport income	3,264	3,325	(61)	22,825	22,397	428	45,840	44,541	1,299	●
Other revenue including other grants and subsidies	2,340	1,486	854	13,133	11,361	1,772	20,843	19,339	1,504	●
Total operating income	48,733	44,889	3,844	277,479	277,881	(402)	572,159	569,817	2,342	●
Expenditure										
Personnel costs	6,193	6,996	803	41,425	42,172	747	84,283	82,696	(1,587)	●
Depreciation and amortisation expense	20,850	18,666	(2,184)	109,799	110,966	1,167	222,962	222,962	-	●
Other expenses	41,024	36,405	(4,619)	228,014	225,278	(2,736)	476,737	479,121	2,384	●
Interest costs (EMU)	285	285	-	480	480	-	2,668	8,000	5,332	●
Total operating expenditure	68,352	62,352	(6,000)	379,718	378,896	(822)	786,650	792,779	6,129	●
Profit/(loss) from Operations	(19,619)	(17,463)	(2,156)	(102,239)	(101,015)	(1,224)	(214,491)	(222,962)	8,471	●
Income for capital projects										
NZ Transport Agency	(19,669)	13,169	(32,838)	16,901	56,577	(39,676)	144,186	151,185	(6,999)	●
Auckland Council funding	4,553	4,553	-	27,321	27,321	-	54,641	54,641	-	●
Other capital grants	-	-	-	-	-	-	-	-	-	●
Vested asset income	658	-	658	658	-	658	-	-	-	●
Total income for capital projects	(14,458)	17,722	(32,180)	44,880	83,898	(39,018)	198,827	205,826	(6,999)	●
Net surplus/(deficit) before tax	(34,077)	259	(34,336)	(57,359)	(17,117)	(40,242)	(15,664)	(17,136)	1,472	●
Income tax expense	4,452	-	(4,452)	4,452	-	(4,452)	-	-	-	●
Net surplus/(deficit) after tax	(38,529)	259	(29,884)	(61,811)	(17,117)	(35,790)	(15,664)	(17,136)	1,472	●

● : Largely on track




● : Monitoring/some action

● : Action required/taken



**Section 2 - Financial results by activity
For the six months ended 31 December 2011**

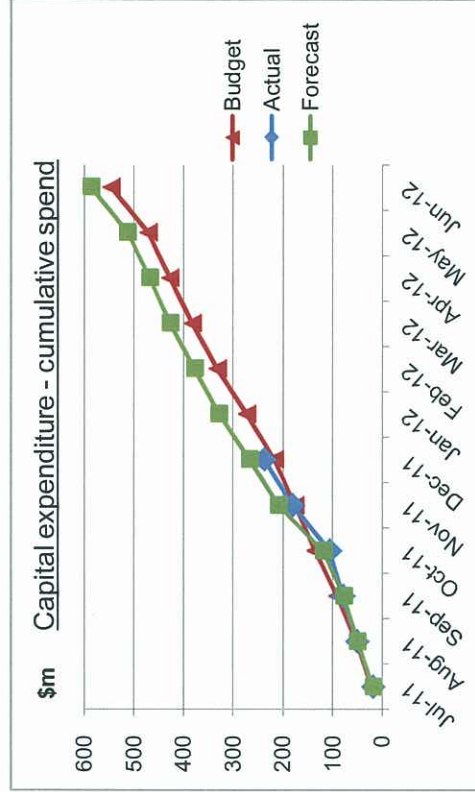
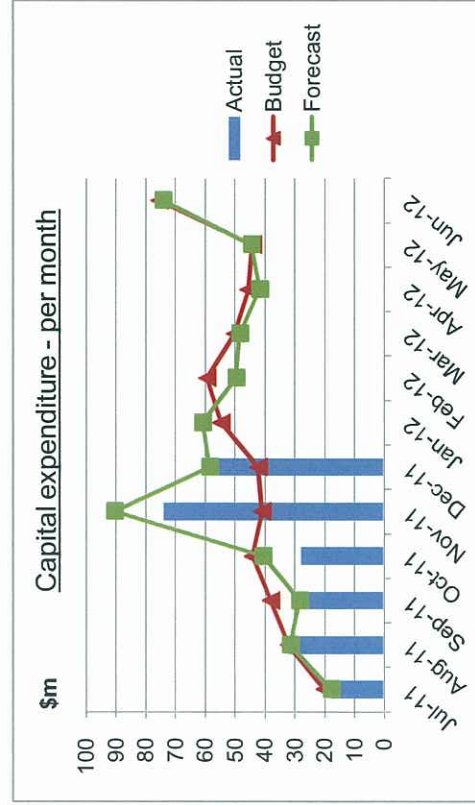
		Parking and Enforcement \$000	Public Transport \$000	Road Network \$000	Other \$000	Total \$000
Operational costs: (excluding income for capital projects)						
YTD Actual/Forecast variance	Revenue - NZTA	-	(728)	(645)	(700)	(2,073)
	Revenue - Other	(529)	428	440	1,332	1,671
	Expenditure	818	(5,216)	1,016	2,560	(822)
	Net result	289	(5,516)	811	3,192	(1,224)
FY Forecast/Budget variance	Revenue - NZTA	-	5,405	(3,137)	(2,268)	-
	Revenue - Other	(461)	1,299	(1,048)	2,552	2,342
	Expenditure	(1,031)	2,000	2,995	2,165	6,129
	Net result	(1,492)	8,704	(1,190)	2,449	8,471
Capital Expenditure:						
YTD Actual/Forecast variance		161	(8,353)	39,671	(609)	30,870
FY Forecast/Budget variance		(4,642)	(99,309)	70,149	(6,319)	(40,122)

 : Largely on track
 : Monitoring/minor action taken
 : Action required/taken

Section 3 - Summary of capital expenditure results for the six months ended 31 December 2011

	Current month			Year to date			Full Year			
	Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget	Variance	
	\$000	\$000	\$000	\$000	\$000	\$000	30 June 2012	30 June 2012	\$000	
New capital expenditure	20,053	36,454	16,401	102,408	133,974	31,566		296,015	346,245	50,230
Renewal capital expenditure	20,629	20,745	116	87,344	98,664	11,320		202,974	199,955	(3,019)
Electric motor units (EMUs)	15,518	1,154	(14,364)	46,603	34,587	(12,016)		87,333	0	(87,333)
Total direct capital	56,200	58,353	2,153	236,355	267,225	30,870		586,322	546,200	(40,122)
Vested assets	658	-	(658)	658	-	(658)		-	-	-
Total capital	56,858	58,353	1,495	237,013	267,225	30,212		586,322	546,200	(40,122)

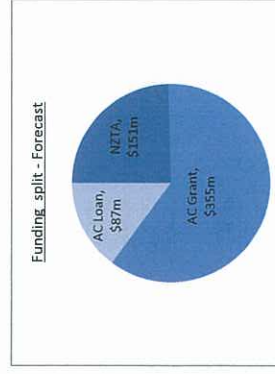
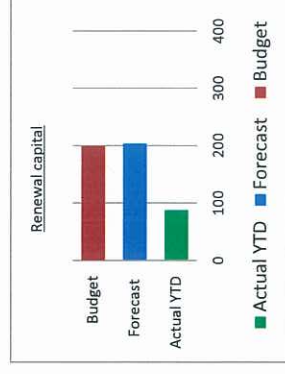
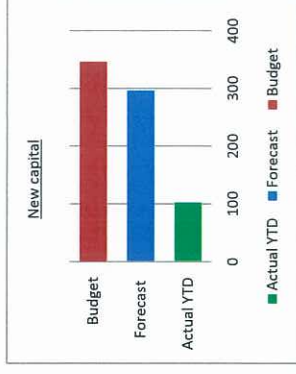
- : Largely ontrack
- : Monitoring, may require action
- : Action required, project issues or risks



Section 4 - Summary of Capital Expenditure for the six months ended 31 December 2011 Split by activity

	Current month			Year to date			Full Year Budget		Variance \$000
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	30 June 2012 \$000	30 June 2012 \$000	
New capital expenditure									
Parking operations	2,000	2,013	13	8,707	8,852	145	21,260	16,745	(4,515)
Public transport	4,839	5,164	325	25,603	27,716	2,113	86,197	75,879	(10,318)
Roads	11,206	28,476	17,270	64,036	93,953	29,917	180,965	252,865	71,900
Other	2,008	801	(1,207)	4,062	3,453	(609)	7,592	756	(6,836)
Total new capital	20,053	36,454	16,401	102,408	133,974	31,566	296,015	346,245	50,230
Renewal capital expenditure									
Parking operations	7	18	11	18	34	16	303	176	(127)
Public transport	(197)	1,212	1,409	1,028	2,578	1,550	15,803	14,145	(1,658)
Roads	20,819	19,515	(1,304)	86,298	96,052	9,754	186,868	185,117	(1,751)
Other	-	-	-	-	-	-	-	517	517
Total renewal	20,629	20,745	116	87,344	98,664	11,320	202,974	199,955	(3,019)
Electric motor units (EMUs)	15,518	1,154	(14,364)	46,603	34,587	(12,016)	87,333	0	(87,333)
Total direct capital	56,200	58,353	2,153	236,355	267,225	30,870	586,322	546,200	(40,122)
Vested assets	658	-	(658)	658	-	(658)	-	-	-
Total capital	56,858	58,353	1,495	237,013	267,225	30,212	586,322	546,200	(40,122)
Funding									
NZTA - new capital	1,717	5,802	4,085	16,901	24,068	7,167	94,240	103,677	9,437
NZTA - renewal capital	(21,386)	7,367	28,753	-	32,509	32,509	49,946	47,508	(2,438)
Other grants and subsidies	-	-	-	-	-	-	-	-	-
Auckland Council grant	60,351	44,030	(16,321)	172,851	176,061	3,210	354,803	395,015	40,212
Auckland Council loan (EMU)	15,518	1,154	(14,364)	46,603	34,587	(12,016)	87,333	-	(87,333)
Vested assets	658	-	(658)	658	-	(658)	-	-	-
Total funding	56,858	56,353	1,495	237,013	267,225	30,212	586,322	546,200	(40,122)

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



Section 4a – Capital expenditure variance explanation

Capital expenditure for the month was \$56.9m, an underspend to forecast of \$1.5m. YTD capital expenditure was \$237.0m, a variance to forecast of \$30.2m.

The YTD variance is due to:

- \$29.9m underspends in Roads new capital expenditure. This is primarily due to:
 - \$18.2m AMETI-Land (wider project). The purchase of some of the larger properties will take longer than anticipated. Property purchases expected to occur in December 2011 have been deferred to April-June 2012.
 - \$5.1m NORSGA PC 15 Massey North. Construction is delayed due to wet weather conditions, however the project is still expected to be finished by the end of the financial year.
- \$9.7m underspends in various road renewal projects. This is mainly due to delay in the resurfacing and Area Wide Pavement Treatment (AWPT) of the South and Central areas. The delay is primarily due to wet weather conditions, however it is expected that the majority of the road renewal projects will be delivered by the end of the financial year.

This has been partly offset by:

- \$9.9m overspends in public transport new capital expenditure. This is primarily due to:
 - \$10.5m in EMU procurement project. This represents the amount paid to KiwiRail for their project costs. These costs were allowed for in the overall project budget but not included in the last forecast because the amount and timing of the payment was unknown.
 - \$1.5m in EMU depot project. Land development costs were paid in December 2011 but forecasted in January 2012. The good weather in November allowed the contractor to proceed at a faster pace than expected.
- Vested assets amounting to \$0.7m were received from Auckland Council in December 2011.

Section 5 - New capital expenditure report for the six months ended 31 December 2011

Projects > \$1.5 m

Project Name	Current month		Year to date		Results Achieved	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Remaining Budget \$000	Confidence rating	Project Status
	Forecast \$000	Variance \$000	Forecast \$000	Variance \$000									
	Actual \$000	Forecast \$000	Actual \$000	Forecast \$000									
New capital expenditure - projects > \$1.5m budget													
Capex overprogramming	-	-	-	-	●	(120,817)	-	-	(120,817)	-	(120,817)	High	
Waiouru Peninsula to Highbrook	-	0	51	45	●	7,045	(6)	51	7,045	(6)	6,994	Low	Old Land Dispute in court
NSSC Busway - Westlake Station Land	-	5	-	62	●	6,995	62	-	6,995	62	6,995	Low	Old Land Dispute in court
South Western Airport Multi-modal projec	-	0	-	0	●	2,000	-	-	2,000	-	2,000	Low	Not started
New Lynn TOD McCrae Way	80	12	93	82	●	3,315	(11)	93	3,315	(11)	3,222	Medium	Design
Whangaparaoa Rd Four Laning	9	35	199	257	●	3,134	58	199	3,134	58	2,935	Medium	Design
Flat Bush School Rd Upgrade - STAGE 2	347	300	473	453	●	3,105	(20)	473	3,105	(20)	2,632	Medium	Construction
PDC Annual Pavement Reconstruction Progr	542	273	1,146	1,055	●	3,053	(91)	1,146	3,053	(91)	1,907	Medium	Design-NZTA funding to be approved
WCC Te Atatu Rd : Corridor Improvements	95	30	287	262	●	3,049	(25)	287	3,049	(25)	2,762	Medium	Design
Porchester Road - Walters to Airfiel	200	150	1,114	967	●	2,877	(147)	1,114	2,877	(147)	1,763	Medium	Construction
Ferry Terminal Upgrade - Bayswater	1	30	9	61	●	2,573	52	9	2,573	52	2,564	Medium	Design
AMETI -Package 1 Panmure Corridor	2,928	1,249	10,387	6,984	●	35,471	(3,403)	10,387	35,471	(3,403)	25,084	Medium	Design
AMETI - Land (Wider project)	(112)	11,732	3,111	21,327	●	26,052	18,216	3,111	21,327	18,216	22,941	Medium	Land for all AMETI Projects
NORSSGA PC 15 Massey North T/C	130	3,429	9,046	14,190	●	25,598	5,144	9,046	25,598	5,144	16,552	Medium	Construction - AC led
AIFS Project Management	(499)	347	4,078	5,659	●	18,893	1,581	4,078	18,893	1,581	14,815	Medium	Construction/Implementation
Davies Ave Carpark Building - Manukau	1,667	1,677	5,748	5,169	●	13,338	(579)	5,748	13,338	(579)	7,590	Medium	Construction
NSSC Albany Highway Upgrade	307	506	1,688	2,243	●	10,107	555	1,688	10,107	555	8,419	Medium	Investigation
RDC Park and Ride Silverdale	33	696	231	1,286	●	9,085	1,286	231	9,085	1,286	8,854	Medium	Design
New Lynn TOD STAGE 2 AND 3	136	114	5,171	5,874	●	6,743	703	5,171	6,743	703	1,572	Medium	Construction
Rail Bridge Improvements (KiwRail)	303	810	569	1,388	●	6,728	819	569	6,728	819	6,159	Medium	Design
NORSSGA PC14 Hobsonville Village	105	55	735	501	●	5,074	(234)	735	5,074	(234)	4,339	Medium	Design - AC Led
Dominion Road Corridor Upgrade	231	361	938	1,472	●	5,000	534	938	5,000	534	4,062	Medium	Land Purchase & Investigation
NSSC Glenfield Road (Bentley to Sunset)	104	246	419	453	●	4,803	34	419	4,803	34	4,384	Medium	Design
NSSC Albany Park and Ride Extension	14	259	165	367	●	4,715	202	165	4,715	202	4,550	Medium	Design
New Lynn TOD Stage 5 Great North Road	174	119	288	330	●	4,386	42	288	4,386	42	4,098	Medium	Design
Smales Allens Rd Widening & I/SCTN	46	778	328	1,037	●	3,493	709	328	3,493	709	3,165	Medium	Land Purchase & Investigation
Ferry Terminal Upgrade - Hobsonville	-	30	74	64	●	3,479	(10)	74	3,479	(10)	3,405	Medium	Design
Distributed Stabling -Detailed Design	783	105	3,241	2,779	●	3,419	(462)	3,241	3,419	(462)	178	Medium	Construction
NORSSGA PC 13 Hobsonville Point	2	220	16	471	●	2,522	455	16	2,522	455	2,506	Medium	Design - AcC led
Mt Albert Train Station Upgrade	6	62	10	98	●	2,317	88	10	2,317	88	2,307	Medium	Design
WCC Footpath Construction	351	242	2,277	2,585	●	3,319	308	2,277	3,319	308	1,042	Medium	Construction





Section 5 - New capital expenditure report for the six months ended 31 December 2011 (continued)

Projects > \$1.5 m




	Current month		Year to date		Results Achieved	Forecast \$'000	Variance \$'000	Actual \$'000	Full Year		Remaining Budget \$'000	Confidence rating	Project Status
	Forecast \$'000	Variance \$'000	Forecast \$'000	Variance \$'000					Forecast \$'000	Variance \$'000			
	Actual \$'000												
New capital expenditure - projects > \$1.5m budget													
Online Programme	374	389	1,497	546	●	3,139	2,188	Medium	Being investigated				
Ferry Terminal Upgrade DT Pier 1C	292	200	266	(66)	●	2,316	1,984	Medium	Design				
HGI Wharves Development (Tryphena)	18	10	129	(6)	●	2,271	2,136	Medium	Design				
New Lynn TOD canopies	50	25	70	7	●	2,198	2,135	Medium	Design				
Ferry Terminal Upgrades - Birkenhead	-	200	205	197	●	2,105	2,097	Medium	Design				
NCCC Taharoto/Wairau corridor - construc	41	27	162	-	●	2,099	1,937	Medium	Design				
Fiat Bush School Rd Upgrade - STAGE 4	2	25	1,161	50	●	1,969	858	Medium	Design				
NCCC Albany Highway (Sunset to SH18)	92	33	245	(114)	●	1,959	1,600	Medium	Investigation				
Cycleway-Rathgar, Pomatia & Te Pai	8	200	216	193	●	1,758	1,735	Medium	Construction				
NCCC Gasometer Development Parking	-	5	67	64	●	1,680	1,677	Medium	Design				
ACC Carpark Operating Equipment	(53)	30	772	184	●	1,616	1,028	Medium	Delivery				
NCCC Local Bus Improvements Programme	16	90	288	95	●	1,551	1,358	Medium	Design				
Lincoln Rd - Corridor Improvements	32	20	89	5	●	1,500	1,416	Medium	Investigation				
Tiverton-Wolverton Stage 2	98	50	603	(360)	●	2,919	1,956	High	Design				
PT Bus Stop Improvements	98	100	910	117	●	2,805	2,012	High	On Target				
Otara Bus I/change & Streetscape	6	100	298	186	●	1,613	1,501	High	Construction				
AMETI - Package 2 Sylvia Park Bus Lanes	139	112	906	61	●	1,531	686	High	Design				
WCC Road Reconstruction	754	200	2,068	(1,218)	●	2,068	(1,218)	High	Design-NZTA funding to be approved				
Regional safety programme	64	221	394	153	●	1,719	1,478	High	Design				
MCC Rural-Forestry Rd Improvement	17	287	823	768	●	1,639	1,584	High	Design				
Parnell Train Station	3,071	108	494	(2,901)	●	10,500	7,105	High	Design				
PT Real Time Passenger Information Sys	512	762	3,940	345	●	6,886	3,291	High	On Target				
Manukau City Rail Link	73	66	2,430	62	●	6,435	4,067	High	Construction				
Neilson St T2 Truck Lane	392	500	2,007	144	●	5,635	3,772	High	Construction				
Safety and minor improvement	1,440	1,154	4,198	302	●	14,013	10,117	High	Design				

Section 5 - New capital expenditure report for the six months ended 31 December 2011 (continued)

Projects > \$1.5 m

	Current month			Year to date			Full Year		Confidence rating	Project Status	
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Results Achieved	Forecast \$000			
Safety around schools	338	446	108	1,155	1,542	387		8,000	6,845	High	Design
MCC Pavement Reconstruction	1	1,188	1,187	29	2,492	2,463		3,682	3,653	High	Design-NZTA funding to be approved
Total projects > \$1.5m	15,858	30,420	14,562	78,500	106,024	27,524		206,477	127,977		
Other projects < \$1.5m	4,195	6,034	1,839	23,908	27,950	4,042		89,538	65,630		
Portfolio provision for non-completion of projects	-	-	-	-	-	-		-	-		
Total new capital expenditure	20,053	36,454	16,401	102,408	133,974	31,566		296,015	193,607		

Results Achieved:

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

Confidence Rating Definition:

High – indicates that there is a high level of confidence that the project is on track based on the planned timeline. And the actual project cost will likely be in line with its full year forecast/budget by the end of the financial year. There are no major issues that will unfavourably impact the completion of the project.

Low – indicates that there is a low level of confidence that the project will be accomplished based on the planned timeline. And/ or the actual project cost will likely be way over/ under its full year forecast/budget by the end of the financial year. There are major issues that will unfavourably impact the completion of the project on time. (e.g. difficulties with land acquisition, design difficulties, consent issues.etc.).

Medium – indicates that there is a medium level of confidence that the project is on track based on the planned timeline. And/ or the actual project cost will likely be slightly over its full year forecast/budget by the end of the financial year. There are no major issues that will unfavourably impact the completion of the project.

Section 6 - Statement of Financial Position As at 31 December 2011

	Note	Actual 31 December 2011 \$000	Actual 30 November 2011 \$000
Assets			
Current assets			
Cash and cash equivalents	1	5,369	2,960
Trade and other receivables	2	148,781	190,861
Inventories		5,274	5,283
Non-current assets held for sale		1,629	1,629
Total current assets		161,053	200,733
Non-current assets			
Property, plant and equipment - assets		12,537,178	12,486,527
Property, plant and equipment - work-in-progress		523,236	536,161
Intangible assets		28,371	32,694
Total non-current assets		13,088,785	13,055,382
Total assets		13,249,838	13,256,115
Liabilities			
Current liabilities			
Trade and other payables	3	143,949	163,947
Employee benefit liabilities	4	7,967	9,079
Other liabilities		705	764
Total current liabilities		152,621	173,790
Non-current liabilities			
Borrowings		40,508	20,525
Derivative financial instruments	5	33,056	15,163
Deferred tax liability	6	17,228	12,776
Total non-current liabilities		90,792	48,464
Total liabilities		243,413	222,254
Net assets		13,006,425	13,033,861
Equity			
Contributed equity		12,068,982	12,158,785
Retained earnings/(losses)		(101,274)	(62,971)
Reserves		920,550	938,047
Current year AC capital expenditure grant		118,167	-
Total equity		13,006,425	13,033,861

Section 6a - Notes to the Financial Statements As at 31 December 2011

	Actual 31 Dec 2011	Actual 30 Nov 2011
	\$000	\$000

1 Cash and cash equivalents

Cash at bank	5,230	2,820
Till floats	139	140
Total cash and cash equivalents	5,369	2,960

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

2 Trade and other receivables

Trade debtors	2,806	13,529
Infringements receivable	8,452	8,768
Amounts due from related parties	71,446	115,360
Accrued income	47,076	48,001
Goods and services tax	19,096	5,298
	148,876	190,956
Less provision for impairment of receivables	(95)	(95)
Total trade and other receivables	148,781	190,861

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 31 December 2011 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	140,140	-	140,140
Past due 1 - 30 days	-	-	-
Past due 31 - 60 days	3,704	-	3,704
Past due 61 - 90 days	838	-	838
Past due > 90 days	4,194	(95)	4,099
	148,876	(95)	148,781

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	-
Receivables written-off	-
At 31 December 2011	95

	Actual	Actual
	31 Dec 2011	30 Nov 2011
	\$000	\$000

3 Trade and other payables

Creditors	74,829	35,793
Accrued expenses	57,025	125,781
Amounts due to related parties	12,095	2,373
	143,949	163,947

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.

4 Employee benefit liabilities

Current portion

Accrued salaries and wages	1,424	1,816
Accrued leave	6,543	7,263
	7,967	9,079

	Actual 31 Dec 2011	Actual 30 Nov 2011
	\$000	\$000

5 Derivative financial instruments

Current liability portion

Forward foreign exchange contracts - cash flow hedges	806	48
Forward foreign exchange contracts - not hedge accounted	2,974	2,577
Total current liability portion	3,780	2,625

Non-current liability portion

Interest rate swaps - cash flow hedges	23,231	10,766
Forward foreign exchange contracts - cash flow hedges	6,045	1,772
Total non-current liability portion	29,276	12,538
Total derivative financial instrument liabilities	33,056	15,163

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 31 December 2011, and their fixed interest rates varied from 4.72% to 5.41%.

The loss of \$23.2m relating to the ineffective interest rate swaps has been recorded in the Statement of Financial Performance.

Forward foreign exchange contracts

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges at 31 December 2011 was NZD\$397.318m. These cash flow hedges have been accounted for as effective and the loss of \$6.9m on their revaluation has been transferred to the cash flow hedge reserve within equity.

At 31 December 2011 the notional principal amount of outstanding forward foreign exchange contract that are not hedge accounted was NZD\$14.118m. The loss on their revaluation of \$2.97m has been recorded in the Statement of Financial Performance.

6 Deferred tax liability

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	(57,359)
Tax at 28 per cent	(16,061)
<i>Plus/(less) tax effects of:</i>	
Non-taxable income	16,061
Non-deductible expenditure	-
Tax losses not recognised	-
Deferred tax adjustment	4,452
Income tax	4,452

	Property, plant and equipment \$000	Other provisions \$000	Tax losses \$000	Total \$000
Deferred tax liability				
Balance at 1 July 2011	(13,265)	25	464	(12,776)
Charged to profit and loss	(4,736)	(25)	309	(4,452)
Charged to equity	-	-	-	-
Balance at 31 December 2011	(18,001)	-	773	(17,228)

Actual	Actual
31 Dec 2011	30 Nov 2011
\$000	\$000

7 Borrowings

Current loans from Auckland Council	190	189
Non-current loans from Auckland Council	40,318	20,336
Total borrowings	40,508	20,525
Weighted average cost of funds on total borrowings	4.53%	4.63%

Auckland Transport's debt of \$40,508,000 is issued at fixed rates of interest ranging from 4.20% to 5.55%.

Section 7 - Accounts Receivable and Accounts Payable Monthly Report.

Accounts Receivable

An overview of the Debtors as at 17 January with 92.8% of outstanding Debtors in 30 and 60 days.

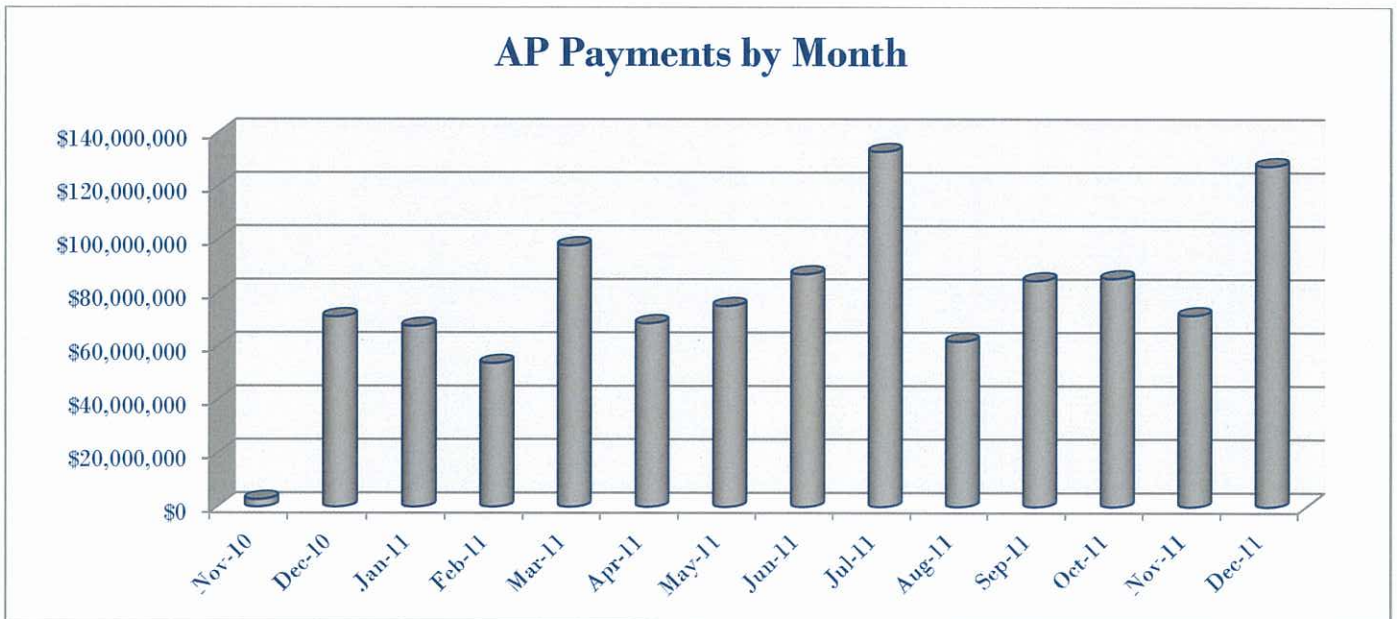
Debtors Ageing Analysis as at 17 January 2012

<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 17 Jan	58	3,268,975	969,837	1,937,126	185,617	92,584	83,811	
		100.0%	29.7%	59.3%	5.7%	2.8%	2.6%	
O/s AC and CCO's	62	706,547	140,542	439,644	96,496	11,774	18,092	1
O/s Queries to Business	94	11,273	-920	-232	2,356	1,082	8,986	2
Disputed Invoices	286	9,428	0	0	0	0	9,428	3
Debtors paid to AC	109	32,581	0	0	467	3,573	28,541	4
<u>Adjusted Debtors</u>	<u>N/a</u>	<u>2,509,146</u>	<u>830,215</u>	<u>1,497,714</u>	<u>86,298</u>	<u>76,155</u>	<u>18,764</u>	
		100.0%	33.1%	59.7%	3.4%	3.0%	0.7%	

- 1 - Of the amounts outstanding from Auckland Council and CCO's, 82.2% are less than 60 days old.
- 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 - We have very few disputed invoices in the system at present, with the largest dispute being an amount of \$7.668 owing by Tournament Parking. The matter has been referred to the Parking Group.
- 4 - These relate to a few Parking lease and other Debtors who have paid their outstanding amounts across to Auckland Council in error. We are working closely with AC to facilitate transfer of these monies across.

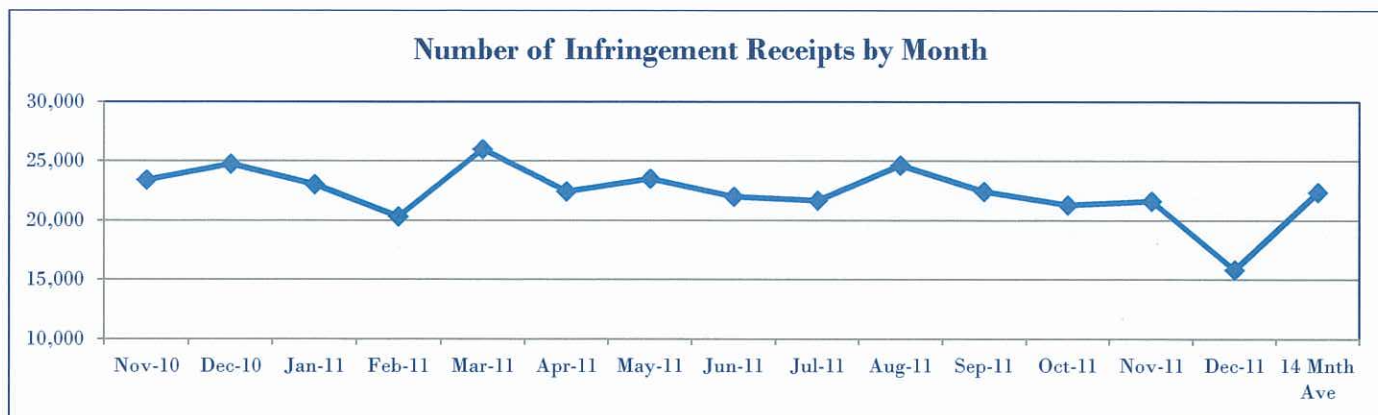
Accounts Payable

The Accounts Payable (AP) team experienced a bumper month in December, paying out \$ 127m.

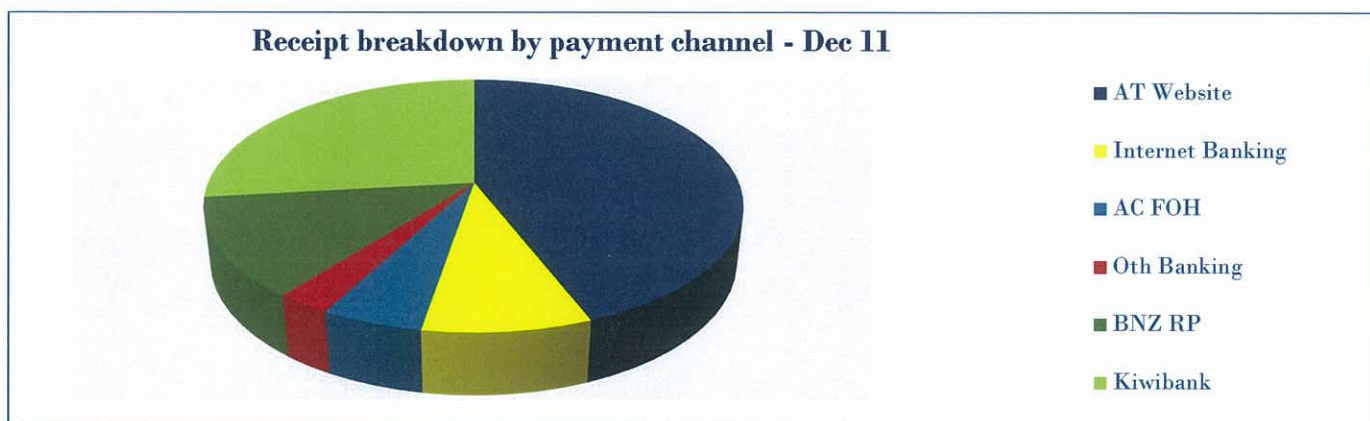


Infringements

The number of receipts processed during December was well down on any of the previous 13 months, coming in at 71% of the 14 month average. The same percentage was applicable on receipts by value. This is a direct result of the close down between Christmas and the New Year and receipts during this period will reflect in January results.



Members of the public continue to make use of the AT Website and Kiwibank to pay infringements and currently those two options account for 71% of receipts. The BNZ over the counter payment channels for and cheques posted to AT account for 13% of all payments while Internet Banking accounts for 9%. AC service centres only make up 5% of receipts but their average receipt size is almost double that of any of the other channels.



The following table is an overview of Infringements issued, paid and lodged with the Ministry of Justice between 1 November 2010 and 31 October 2011. As expected, almost 70% of the lower value PINS infringements are paid within 63 days compared with only 20% of TINS and 56% of BusBike infringements.

OVERVIEW OF INFRINGEMENTS ISSUED, PAID and LODGED WITH MOJ - 1 NOVEMBER 10 to 31 OCTOBER 11													
Section	Range of Infringements	Ave value Infringement	Nett Infr. Issued PA	Nett Infr. Value PA '000	Est Paid		Actual Value Paid		Estimated Lodged MOJ		Est Value Lodged MOJ	Cost of MOJ Lodgement	Total cost of Lodgement
					Volume	%	'000	%	%	%	'000	'000	
PINS	\$12 to \$60	\$30.98	257,290	\$7,970	175,209	68.1%	\$5,427	82,081	31.9%	\$2,543	\$26.67	\$2,189	
TINS	\$200+	\$201.94	101,548	\$20,507	19,909	19.6%	\$4,021	81,639	80.4%	\$16,486	\$26.67	\$2,177	
Bus/Bike	\$150	\$150.07	20,626	\$3,095	11,462	55.6%	\$1,720	9,164	44.4%	\$1,375	\$26.67	\$245	
Totals		\$83.20	379,464	\$31,572	206,580	35.4%	\$11,168	172,884	64.6%	\$20,404	\$26.67	\$4,611	

In our first 12 months of lodgement with MOJ, they have collected 86% of PINS, 35% of TINS and 60% of Busbike infringements. In addition to this, they also have a substantial amount of collections currently under a payment arrangement which is not reflected in these collection percentages.

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>	

Financial Results for the Seven Months Ended 31 January 2012

Glossary

Auckland Council	(AC)
Auckland Transport	(AT)
Electric Multiple Unit	(EMU)
Finance and Risk Committee	(FRC)
Foreign Exchange	(FX)
Funding Assistance Rate	(FAR)
KiwiRail Group	(KRG)
New Zealand Transport Authority	(NZTA)

Executive Summary

This report updates the Board on progress with the financial reports and forecast. It also covers a request from AC that AT meets the costs of the KiwiRail FX losses paid by AC as part of the EMU funding agreement with the Crown.

Recommendation

It is recommended that the Board:

- i) Agrees to meet the costs of the KiwiRail FX losses paid by Auckland Council
- ii) Notes that the Crown Grant of up to \$90m will be paid to AT as a Grant.

Forecast

The Forecast includes a reduction to the NZTA subsidy to reflect a lower subsidy due to the FAR variance model adopted by the Board. With the over-programming methodology adopted by AT for the first time in 2012, the FAR variance model and some uncertainty at the time the original estimates were completed, we have a range of changes which are impacting on the level of expected funding from NZTA. We have identified some risk that the subsidy from NZTA will be significantly lower than expected. We are getting on top of the issue and now have significant clarity on the cause of the changes. We have had preliminary discussion with NZTA and we are meeting with them to identify the issues and discuss potential solutions. The CFO will update the meeting on the implications for the forecasts and any potential remediation AT will need to put in place.

There are a number of minor issues in the forecast but the major change is the expected \$6m reduction to the Parking revenue.

Please refer Section 7 and 7a of the January 2012 Financial Results section for the full quarter two forecast details. This forecast has not been incorporated into the January report as we do not roll forecast information into the Statements until it has been accepted by the Board.

Report Development

Finance have added a sample activity statement to the report, and would welcome any feedback on the formats. Staff are currently working to ensure that the alternate “view” of the organisation reconciles to other financial information. We are also working on a report that reflects the organisational structure view of the financial information. We have removed the statement of cash flows due to the reconciliation difficulties with the capital spend. With a significant portion of AT spend being on capital the breakdown of our payables into operations and capital needs to be built into the report as a note. The report will be included in the February month end report.

KiwiRail Foreign Exchange Losses

AC have written to AT to request that AT meet the costs of the KRG FX loss which was included in the Agreement for EMU's. The level of the loss is \$42m and for it to be paid by AT will require a Board resolution. The matter was discussed by the FRC due to the potential impact on the 6 month financial information for the Auckland Council Group half year report.

AC's view is that it is a cost of the EMU agreement and should reflect in AT statements for the purposes of transparency. This then raises the issue of which organisation will get the Government Grant which was also part of the agreement. It was anticipated originally that the loss would be paid from the Government Grant, and the net funding then applied to the capital costs of the project. When the agreement was completed the Grant was not included into cashflows until 2014/15, creating a gap between payment of the loss and receiving the revenue. The FRC indicated that the principle adopted should be that the KRG FX costs be met by the organisation that receives the Grant. The view also was that the Grant should be paid to AT and therefore the KRG FX should be paid by AT.

We have been working with AC to ensure that there is adequate documentation in place to ensure that the Grant will be paid to AT. The agreement is silent on whether the Crown will pay it to AC or AT. The CFO and the FRC Chair are seeking confirmation from AC that any Grant paid to AC will be paid to AT as a Grant. The current letter from AC states that the net benefit of the Grant will go to the benefit of AT, but does not state that it will be paid as a Grant. This potentially means that the Grant will be retained by AC and used to repay loans raised by the AC to fund the acquisition of EMU's. While this is also what AT would do with the funds it does mean that AT would have the cost of the loss but not the revenue as a Grant.

AC has been asked to provide assurance that the Grant will be paid to AT, and the Board will be updated on progress at the Board meeting.

The expense will impact on the Profit and Loss Statement and will increase the loss by \$42m. The actual funding will come from a loan and will be repaid when the Grant is received. It does not impact on the costs of the project simply on where costs are met within the total funding package. Our analysis and modelling to date has included the cost but has offset it directly against the Grant, so the cost does not impact on our net expected position for the EMU and depot, which was a debt of \$544m.

**WRITTEN and
RECOMMENDED BY**

Dave Foster
Chief Financial Officer



Financial Results for the Seven Months Ended 31 January 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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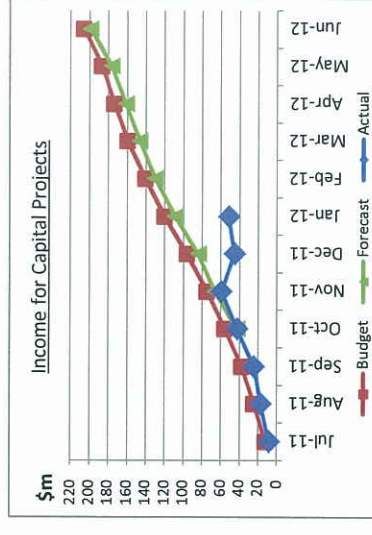
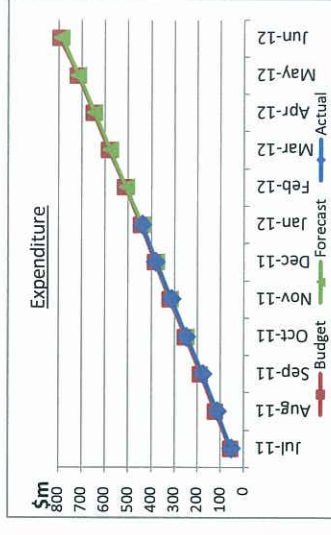
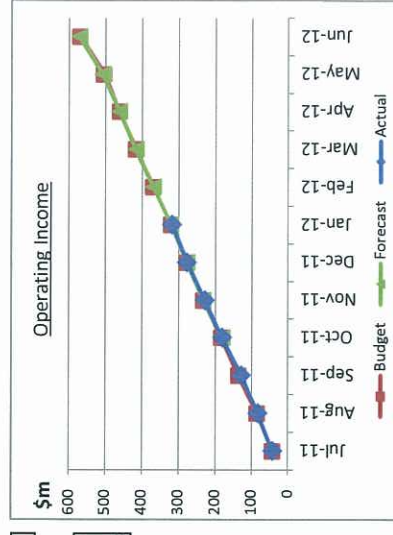
1. Executive Summary – Financial results overview (included in open agenda item)
2. Statement of Financial Performance
 - a. Split by category ([section 1](#))
 - b. Split by activity ([section 2](#))
3. Capital expenditure results
 - a. Overview of results ([section 3](#))
 - b. Split by activity ([section 4](#))
 - c. Variance explanation ([section 4a](#))
 - d. Projects > \$1.5m ([section 5](#))
4. Statement of Financial Position
 - a. Statement of financial position ([section 6](#))
 - b. Notes to the financial statements ([section 6a](#))
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 - a. Forecast review change summary ([section 7](#))
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7. Tender and contract stats ([section 9](#))
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Section 1 - Statement of Financial Performance for the seven months ended 31 January 2012

Split by category




	Current month			Year to date			Full Year			
	Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget	Variance	
	\$000	\$000	\$000	\$000	\$000	\$000	30 June 2012	30 June 2012	\$000	
Income										Results achieved
Operating income										
Auckland Council funding	18,548	18,548	-	129,835	129,835	-	222,574	222,574	-	●
NZ Transport Agency	12,679	14,924	(2,245)	107,083	111,400	(4,317)	206,057	206,057	-	●
Parking and enforcement income	4,463	5,167	(704)	40,294	41,526	(1,232)	76,845	77,306	(461)	●
Public transport income	3,351	2,745	606	26,176	25,142	1,034	45,840	44,541	1,299	●
Other revenue including other grants and subsidies	1,346	1,786	(440)	14,480	13,147	1,333	20,843	19,339	1,504	●
Total operating income	40,387	43,170	(2,783)	317,868	321,050	(3,182)	572,159	569,817	2,342	●
Expenditure										
Personnel costs	6,400	7,004	604	47,826	49,176	1,350	84,283	82,696	(1,587)	●
Depreciation and amortisation expense	21,875	18,666	(3,209)	131,674	129,632	(2,042)	222,962	222,962	-	●
Other expenses	30,262	35,029	4,767	258,502	260,289	1,787	476,737	479,121	2,384	●
Interest costs (EMU)	317	320	3	797	800	3	2,668	8,000	5,332	●
Total operating expenditure	58,854	61,019	2,165	438,799	439,897	1,098	786,650	792,779	6,129	●
Profit/(loss) from Operations	(18,467)	(17,849)	(618)	(120,931)	(118,847)	(2,084)	(214,491)	(222,962)	8,471	●
Income for capital projects										
NZ Transport Agency	1,041	20,431	(19,390)	17,943	77,008	(59,065)	144,186	151,185	(6,999)	●
Auckland Council funding	4,553	4,553	-	31,874	31,874	-	54,641	54,641	-	●
Other capital grants	530	-	530	530	-	530	-	-	-	●
Vested asset income	173	-	173	831	-	831	-	-	-	●
Total income for capital projects	6,297	24,984	(18,687)	51,178	108,882	(57,704)	198,827	205,826	(6,999)	●
Net surplus/(deficit) before tax	(12,170)	7,135	(19,305)	(69,753)	(9,965)	(59,788)	(15,664)	(17,136)	1,472	●
Income tax expense	-	-	-	4,452	-	(4,452)	-	-	-	●
Net surplus/(deficit) after tax	(12,170)	7,135	(19,305)	(74,205)	(9,965)	(55,336)	(15,664)	(17,136)	1,472	●

- : Largely on track
- : Monitoring/some action
- : Action required/taken



Section 2 - Financial results by activity
For the seven months ended 31 January 2012

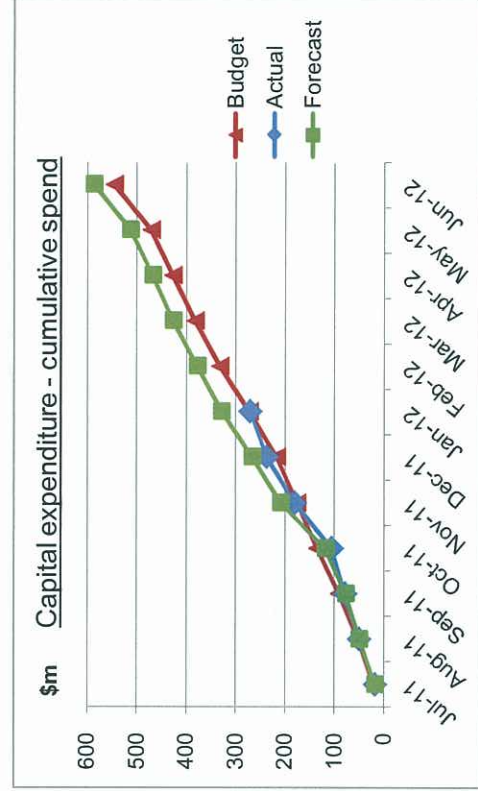
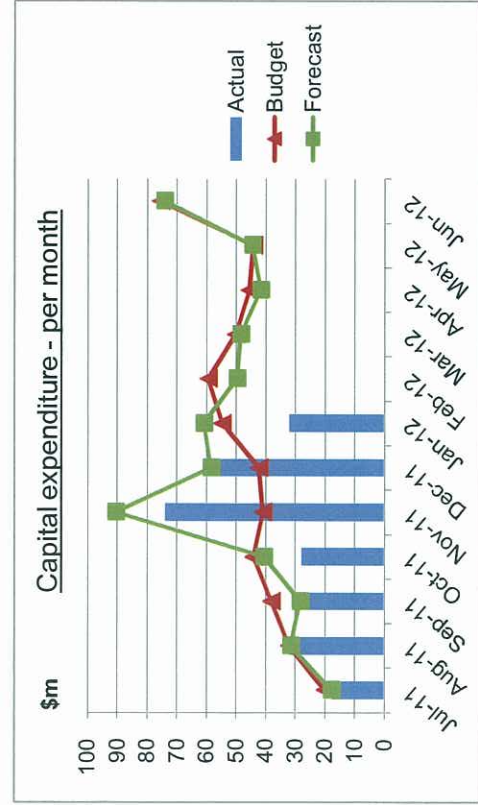
	Parking and Enforcement \$000	Public Transport \$000	Road Network \$000	Other \$000	Total \$000
Operational costs: (excluding income for capital projects)					
YTD Revenue - NZTA		(3,050)	(300)	(967)	(4,317)
YTD Revenue - Other	(1,232)	1,034	502	831	1,135
YTD Expenditure	1,768	(2,985)	1,857	458	1,098
YTD Net result	536	(5,001)	2,059	322	(2,084)
FY Revenue - NZTA		5,405	(3,137)	(2,268)	-
FY Revenue - Other	(461)	1,299	(1,048)	2,552	2,342
FY Expenditure	(1,031)	2,000	2,995	2,165	6,129
FY Net result	(1,492)	8,704	(1,190)	2,449	8,471
Capital Expenditure:					
YTD Actual/Forecast variance	1,229	18,703	39,727	(821)	58,838
FY Forecast/Budget variance	(4,642)	(99,309)	70,149	(6,319)	(40,122)

 : Largely on track
 : Monitoring/minor action taken
 : Action required/taken

Section 3 - Summary of capital expenditure results for the seven months ended 31 January 2012

	Current month			Year to date			Full Year			
	Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget	Variance	
	\$000	\$000	\$000	\$000	\$000	\$000	30 June 2012	30 June 2012	\$000	
New capital expenditure	17,465	18,575	1,110	119,872	152,549	32,677	296,015	346,245	50,230	
Renewal capital expenditure	15,225	16,922	1,697	102,570	115,585	13,015	202,974	199,955	(3,019)	
Electric motor units (EMUs)	(393)	25,293	25,686	46,735	59,881	13,146	87,333	0	(87,333)	
Total direct capital	32,297	60,790	28,493	269,177	328,015	58,838	586,322	546,200	(40,122)	
Vested assets	173	-	(173)	831	-	(831)	-	-	-	
Total capital	32,470	60,790	28,320	270,008	328,015	58,007	586,322	546,200	(40,122)	

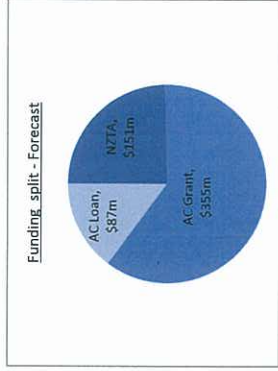
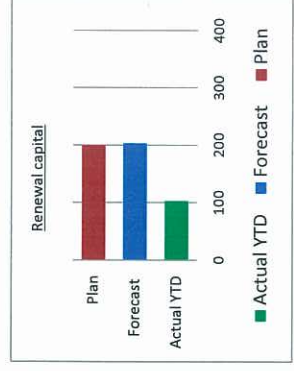
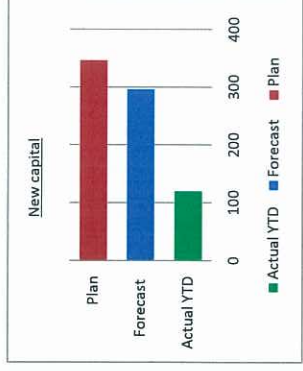
- : Largely ontrack
- : Monitoring, may require action
- : Action required, project issues or risks



Section 4 - Summary of Capital Expenditure for the seven months ended 31 January 2012 Split by activity

	Current month			Year to date			Full Year	
	Actual	Variance	Actual	Forecast	Variance	Forecast	Budget	Variance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
New capital expenditure								
Parking operations	1,299	1,070	10,006	11,221	1,215	21,260	16,745	(4,515)
Public transport	3,795	224	29,398	31,734	2,336	86,197	75,879	(10,318)
Roads	11,187	27	75,220	105,167	29,947	180,965	252,865	71,900
Other	1,184	(211)	5,248	4,427	(821)	7,592	756	(6,836)
Total new capital	17,465	1,110	119,872	152,549	32,677	296,015	346,245	50,230
Renewal capital expenditure								
Parking operations	11	(2)	29	43	14	303	176	(127)
Public transport	142	1,672	1,170	4,391	3,221	15,803	14,145	(1,658)
Roads	15,072	27	101,371	111,151	9,780	186,868	185,117	(1,751)
Other	-	-	-	-	-	-	517	517
Total renewal	15,225	1,697	102,570	115,585	13,015	202,974	199,955	(3,019)
Electric motor units (EMUs)	(393)	25,686	46,735	59,881	13,146	87,333	0	(87,333)
Total direct capital	32,297	28,493	269,177	328,015	58,838	586,322	546,200	(40,122)
Vested assets	173	(173)	831	-	(831)	-	-	-
Total capital	32,470	28,320	270,008	328,015	58,007	586,322	546,200	(40,122)
Funding								
NZTA - new capital	1,042	11,820	17,943	36,930	18,987	94,240	103,677	9,437
NZTA - renewal capital	-	7,569	-	40,078	40,078	49,946	47,508	(2,438)
Other grants and subsidies	530	(530)	530	-	(530)	-	-	-
Auckland Council grant	31,118	(16,052)	203,969	191,126	(12,843)	354,803	395,015	40,212
Auckland Council loan (EMU)	(393)	25,686	46,735	59,881	13,146	87,333	-	(87,333)
Vested assets	173	(173)	831	-	(831)	-	-	-
Total funding	32,470	28,320	270,008	328,015	58,007	586,322	546,200	(40,122)

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



Section 4a – Capital expenditure variance explanation

Capital expenditure for the month was \$32.5m, an underspend to forecast of \$28.3m. YTD capital expenditure was \$270.0m, a variance to forecast of \$58.0m.

The YTD variance is mainly due to:

- \$29.9m underspends in Roads new capital expenditure. This is primarily due to:
 - \$19.0m AMETI-Land (wider project). The purchase of some of the larger properties will take longer than anticipated. Property purchases expected to occur in December 2011 have been deferred to April-June 2012. A number of land purchase agreements are currently being finalised.
 - \$5.0m NORSGA PC 15 Massey North. Construction activities were delayed by the developer and are progressing slower than originally anticipated. Extended periods of wet weather have also caused construction delays. It should be noted that the Line deviation component of the project has been removed from AT's budget and this will now be paid for by Auckland Council.
 - \$3.6m MCC pavement reconstruction project. The project has been delayed but is expected to be completed by the end of the financial year.
 - \$1.5m Albany Highway upgrade. This is mainly due to major property acquisition significantly behind forecast.
- \$9.8m underspends in various road renewal projects. This is mainly due to a delay in the resurfacing and Area Wide Pavement Treatment (AWPT) of the South and Central areas. The delay is primarily due to wet weather conditions, however it is expected that the majority of the road renewal projects will be delivered by the end of the financial year.
- \$13.1m underspend in the EMU project. This is mainly due to the deferral of the project milestone payment in January 2012 due to the contractor (CAF) not achieving the required project milestone (design specification).

Section 5 - New capital expenditure report for the seven months ended 31 January 2012
Projects > \$1.5 m

	Current month			Year to date			Full Year		Confidence rating		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Results Achieved	Forecast	Remaining Budget	Project Status	
	\$000	\$000	\$000	\$000	\$000	\$000		\$000	\$000		
New capital expenditure - projects > \$1.5m budget											
Capex overprogramming	-	-	-	-	-	-	●	(120,817)	(120,817)		
Waiau Peninsula to Highbrook	2	0	(2)	53	45	(8)	●	7,045	6,992	Low	Old Land Dispute in court
NSSC Busway - Westlake Station Land	-	5	5	-	67	67	●	6,995	6,995	Low	Old Land Dispute in court
South Western Airport Multi-modal projec	-	0	-	-	0	-	●	2,000	2,000	Low	Not started
New Lynn TOD McCrae Way	202	243	41	295	325	30	●	3,315	3,020	Medium	Design
Whangaparaoa Rd Four Lanning	5	88	83	204	345	141	●	3,134	2,930	Medium	Design
Fiat Bush School Rd Upgrade - STAGE 2	297	300	3	770	753	(17)	●	3,105	2,335	Medium	Construction
PDC Annual Pavement Reconstruction Progr	322	623	301	1,468	1,677	209	●	3,053	1,585	Medium	Design-NZTA funding to be approved
WCC Te Atatu Rd : Corridor Improvements	80	30	(50)	367	292	(75)	●	3,049	2,682	Medium	Design
Ponchester Road - Walters to Airfiel	62	200	138	1,176	1,167	(9)	●	2,877	1,701	Medium	Construction
Ferry Terminal Upgrade - Bayswater	1	30	29	10	91	81	●	2,573	2,563	Medium	Design
AMETI -Package 1 Panmure Corridor	4,531	3,420	(1,111)	14,918	10,405	(4,513)	●	35,471	20,553	Medium	Design
AMETI - Land (Wider project)	674	1,502	828	3,785	22,829	19,044	●	26,052	22,267	Medium	Land for all AMETI Projects
NORSGA PC 15 Massey North T/C	1,503	1,352	(151)	10,549	15,541	4,992	●	25,598	15,049	Medium	Construction - AC led
AIFS Project Management	234	6,535	6,301	4,312	12,194	7,882	●	18,893	14,581	Medium	Construction/Implementation
Davies Ave Carpark Building - Manukau	1,112	1,408	296	6,860	6,577	(283)	●	13,338	6,478	Medium	Construction
NSSC Albany Highway Upgrade	130	1,071	941	1,818	3,313	1,495	●	10,107	8,289	Medium	Investigation
RDC Park and Ride Silverdale	36	686	650	267	2,203	1,936	●	9,085	8,818	Medium	Design
New Lynn TOD STAGE 2 AND 3	36	118	82	5,207	5,992	785	●	6,743	1,536	Medium	Construction
Rail Bridge Improvements (KiwRail)	364	1,040	676	933	2,428	1,495	●	6,728	5,795	Medium	Design
NORSGA PC14 Hobsonville Village	36	50	14	770	551	(219)	●	5,074	4,304	Medium	Design - AC Led
Dominion Road Corridor Upgrade	69	567	498	1,007	2,039	1,032	●	5,000	3,993	Medium	Land Purchase & Investigation
NSSC Glenfield Road (Bentley to Sunset)	38	449	411	457	902	445	●	4,803	4,346	Medium	Design
NSSC Albany Park and Ride Extension	(164)	273	437	1	639	638	●	4,715	4,714	Medium	Design
New Lynn TOD Stage 5 Great North Road	29	35	6	318	365	47	●	4,386	4,068	Medium	Design
Smales Allens Rd Widening & I/SCTN	6	1	(5)	335	1,038	703	●	3,493	3,158	Medium	Land Purchase & Investigation
Ferry Terminal Upgrade - Hobsonville	-	40	40	74	104	30	●	3,479	3,405	Medium	Design
Distributed Stabling -Detailed Design	159	140	(19)	3,400	2,919	(481)	●	3,419	19	Medium	Construction
NORSGA PC 13 Hobsonville Point	-	551	551	16	1,022	1,006	●	2,522	2,506	Medium	Design - AC led
Mt Albert Train Station Upgrade	159	54	(105)	169	152	(17)	●	2,317	2,148	Medium	Design
WCC Footpath Construction	149	231	82	2,426	2,816	390	●	3,319	893	Medium	Construction

Section 5 - New capital expenditure report for the seven months ended 31 January 2012 (continued)

Projects > \$1.5 m

	Current month		Year to date		Full Year		Confidence rating		
	Actual	Forecast	Actual	Forecast	Forecast	Forecast	High	Low	
	\$000	\$000	\$000	\$000	\$000	\$000	Medium	Low	
New capital expenditure - projects > \$1.5m budget									
Online Programme	951	383	1,902	1,880	(22)	3,139	Medium	Being investigated	
Ferry Terminal Upgrade DT Pier 1C	81	200	413	466	53	2,316	Medium	Design	
HGI Wharves Development (Tryphena)	5	6	140	135	(5)	2,271	Medium	Design	
New Lynn TOD canopies	-	47	63	118	55	2,198	Medium	Design	
Ferry Terminal Upgrades - Birkenhead	1	150	9	355	346	2,105	Medium	Design	
NSCC Taharoto/Wairau corridor - construc	1	182	163	344	181	2,099	Medium	Design	
Flat Bush School Rd Upgrade - STAGE 4	9	15	1,121	1,176	55	1,969	Medium	Design	
NSCC Albany Highway (Sunset to SH18)	8	240	368	485	117	1,959	Medium	Investigation	
Cycleway-Rathgar, Pomania & Te Pai	6	250	29	466	437	1,758	Medium	Construction	
NSCC Gasometer Development Parking	-	5	3	72	69	1,680	Medium	Design	
ACC Carpark Operating Equipment	8	428	596	1,200	604	1,616	Medium	Delivery	
NSCC Local Bus Improvements Programme	26	154	219	442	223	1,551	Medium	Design	
Lincoln Rd - Corridor Improvements	20	50	103	139	36	1,500	Medium	Investigation	
Tiverton-Wolverton Stage 2	67	45	1,030	648	(382)	2,919	High	Design	
PT Bus Stop Improvements	12	50	805	960	155	2,805	High	On Target	
Otara Bus I/change & Streetscape	48	300	160	598	438	1,613	High	Construction	
AMETI - Package 2 Sylvia Park Bus Lanes	105	112	950	1,018	68	1,531	High	Design	
WCC Road Reconstruction	10	0	3,295	2,068	(1,227)	2,068	High	Design-NZTA funding to be approved	
Regional safety programme	26	221	268	615	347	1,719	High	Design	
MCC Rural-Forestry Rd Improvement	5	255	60	1,078	1,018	1,639	High	Design	
Parnell Train Station	1,977	148	5,371	642	(4,729)	10,500	High	Design	
PT Real Time Passenger Information Sys	(38)	89	3,557	4,029	472	6,886	High	On Target	
Manukau City Rail Link	213	63	2,581	2,493	(88)	6,435	High	Construction	
Neilson St T2 Truck Lane	333	300	2,195	2,307	112	5,635	High	Construction	
Safety and minor improvement	548	1,635	4,443	5,833	1,390	14,013	High	Design	

Section 5 - New capital expenditure report for the seven months ended 31 January 2012 (continued)
Projects > \$1.5 m

	Current month			Year to date			Full Year		Confidence rating	
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Results Achieved	Forecast \$000		
Safety around schools	307	986	679	1,462	2,528	1,066	●	8,000	6,538	High
MCC Pavement Reconstruction	41	1,191	1,150	70	3,682	3,612	●	3,682	3,612	High
Total projects > \$1.5m	14,842	28,547	13,705	93,341	134,568	41,227	●	206,477	113,136	
Other projects < \$1.5m	2,623	(9,972)	(12,595)	26,531	17,981	(8,550)		89,538	63,007	
Portfolio provision for non-completion of projects	-	-	-	-	-	-		-	-	
Total new capital expenditure	17,465	18,575	1,110	119,872	152,549	32,677	●	296,015	176,143	

Results Achieved:

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

Confidence Rating Definition:

High – indicates that there is a high level of confidence that the project is on track based on the planned timeline. And the actual project cost will likely be in line with its full year forecast/ plan by the end of the financial year. There are no major issues that will unfavourably impact the completion of the project.

Low – indicates that there is a low level of confidence that the project will be accomplished based on the planned timeline. And/ or the actual project cost will likely be way over/ under its full year forecast/ plan by the end of the financial year. There are major issues that will unfavourably impact the completion of the project on time. (e.g. difficulties with land acquisition, design difficulties, consent issues.etc.).

Medium – indicates that there is a medium level of confidence that the project is on track based on the planned timeline. And/ or the actual project cost will likely be slightly over its full year forecast/ plan by the end of the financial year. There are no major issues that will unfavourably impact the completion of the project.

Design
 Design-NZTA funding to be approved

Section 6 - Statement of Financial Position As at 31 January 2012

	Note	Actual 31 January 2012 \$000	Actual 31 December 2011 \$000
Assets			
Current assets			
Cash and cash equivalents	1	7,598	5,369
Trade and other receivables	2	145,858	148,781
Inventories		5,455	5,274
Non-current assets held for sale		1,629	1,629
Total current assets		160,540	161,053
Non-current assets			
Property, plant and equipment - assets		12,554,145	12,537,178
Property, plant and equipment - work-in-progress		514,560	523,236
Intangible assets		30,375	28,371
Total non-current assets		13,099,080	13,088,785
Total assets		13,259,620	13,249,838
Liabilities			
Current liabilities			
Trade and other payables	3	121,303	143,949
Employee benefit liabilities	4	8,050	7,967
Other liabilities		448	705
Total current liabilities		129,801	152,621
Non-current liabilities			
Borrowings	7	40,500	40,508
Derivative financial instruments	5	51,870	33,056
Deferred tax liability	6	17,228	17,228
Total non-current liabilities		109,598	90,792
Total liabilities		239,399	243,413
Net assets		13,020,221	13,006,425
Equity			
Contributed equity		12,068,982	12,068,982
Retained earnings/(losses)		(113,667)	(101,274)
Reserves		901,839	920,550
Current year AC capital expenditure grant		163,067	118,167
Total equity		13,020,221	13,006,425

**Section 6a - Notes to the Financial Statements
As at 31 January 2012**

Actual
31 Jan 2012 31 Dec 2011
\$000 \$000

1 Cash and cash equivalents

Cash at bank	7,459	5,230
Till floats	139	139
Total cash and cash equivalents	7,598	5,369

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

2 Trade and other receivables

Trade debtors	2,606	2,806
Infringements receivable	8,288	8,452
Amounts due from related parties	98,492	71,446
Accrued income	25,351	47,076
Goods and services tax	11,216	19,096
	145,953	148,876
Less provision for impairment of receivables	(95)	(95)
Total trade and other receivables	145,858	148,781

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 31 January 2012 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	134,055	-	134,055
Past due 1 - 30 days	-	-	-
Past due 31 - 60 days	1,696	-	1,696
Past due 61 - 90 days	1,814	-	1,814
Past due > 90 days	8,388	(95)	8,293
	145,953	(95)	145,858

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	-
Receivables written-off	-
At 31 January 2012	95

	Actual	Actual
	31 Jan 2012	31 Dec 2011
	\$000	\$000

3 Trade and other payables

Creditors	39,382	74,830
Accrued expenses	78,061	57,024
Amounts due to related parties	3,860	12,095
	121,303	143,949

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.

4 Employee benefit liabilities

Current portion		
Accrued salaries and wages	2,020	1,424
Accrued leave	5,095	5,608
Non-current portion		
Retirement gratuities	387	387
Long service leave	548	548
	8,050	7,967

	Actual	Actual
	31 Jan 2012	31 Dec 2011
	\$000	\$000

5 Derivative financial instruments

Current liability portion

Forward foreign exchange contracts - cash flow hedges	4,656	806
Forward foreign exchange contracts - not hedge accounted	3,076	2,973
Total current liability portion	7,732	3,779

Non-current liability portion

Interest rate swaps - cash flow hedges	20,579	23,231
Forward foreign exchange contracts - cash flow hedges	23,559	6,046
Total non-current liability portion	44,138	29,277
Total derivative financial instrument liabilities	51,870	33,056

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 31 January 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 \$20.58m 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 31 January 2012 was NZD\$397.398m. These cash flow hedges have been accounted for as effective and the loss of \$28.2m on their revaluation has been transferred to the cash flow hedge reserve within equity.

At 31 January 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 \$3.076m has been recorded in the Statement of Financial Performance.

6 Deferred tax liability

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 \$000	Other provisions \$000	Tax losses \$000	Total \$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 31 January 2012	(18,001)	-	773	(17,228)

7 Borrowings

	Actual 31 Jan 2012 \$000	Actual 31 Dec 2011 \$000
Current loans from Auckland Council	197	190
Non-current loans from Auckland Council	40,303	40,318
Total borrowings	40,500	40,508
Weighted average cost of funds on total borrowings	4.53%	4.53%

Auckland Transport's debt of \$40,500,000 is issued at fixed rates of interest ranging from 4.20% to 5.55%.

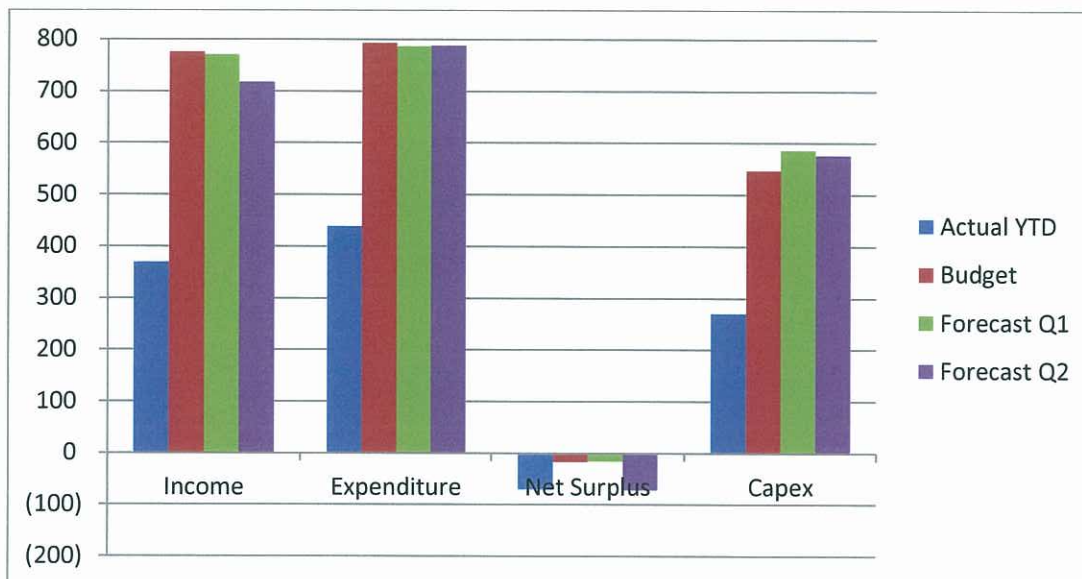
In January 2012, a principal repayment of \$8,000 was made to Auckland Council.

Section 7 - Forecast review changes summary										
For the year ended 30 June 2012										
Reconciliation between Q1 forecast and Q2 forecast to 30 June 2012										
Description of change forecast		Operational results			Capital expenditure					
		Operating costs \$000	Revenue \$000	New capital \$000	Renewal capital \$000					
Total forecast as at 30 September 2011										
		(786,650)	770,993	(383,348)	(202,974)					
1	There is work occurring and our latest review indicates that overall NZTA capital funding calculated will be reduced on the reforecast capital programme. We are working with NZTA on potential solutions.	U	↓							
New forecast changes this quarter										
NZTA changes										
2	Overall reduction in NZTA renewal funding of \$50m under section 6 of FAR variation agreement.	U	↓	(49,946)						
Sub-total for all NZTA revenue changes for the second forecast review										
				(49,946)						
Operating expenditure changes										
3	Decrease in operational costs of mainly due to NORSGA contract accrual reversed as budget is no longer required and ARTA Rail Concept Investigations. This is partly offset by \$0.3m costs in new contract writing due to restructure of AMP budgets.	F	↓	2,871						
<i>Parking and enforcement</i>										
4	Decrease in revenue from infringements mainly due to reduced receipts on Khyber Pass bus lanes due to re-routing to Central Connector; reduced receipts on Graton Bridge where peak officer visitation has reduced by 50% and reduction of receipts impacted by the change in policy of issuing Traffic Infringement Notices	U	↓		(6,061)					
5	Increase from Auckland Council car park costs from 2010/2011 charged in current year	U	↑	(55)						
<i>Road Corridor access</i>										
6	Increase in road opening notices and street damage inspection revenue	F	↑		204					
7	Increase in expenditure mainly due to increase in revenue above plus the allowance for a number of small increases in other areas	U	↑	(245)						
<i>Community transport</i>										
8	Increase in revenue from efficient delivery methods in travel planning and school travel plans	F	↑		10					
9	Savings from Community Transport restructure of \$433k partly offset by increased staff costs	F	↓	352						
<i>Rugby World Cup</i>										
10	Decrease in revenue due to Rugby New Zealand contribution to free travel charged per actual ticket sales	U	↓		(123)					
11	Savings from footpath and road maintenance area in RWC projects	F	↓	992						
<i>Public transport</i>										
12	Increased revenue from increase in patronage and Adshel bus shelter revenue	F	↑		930					
<i>Road Corridor maintenance</i>										
13	Decrease in various small opex projects over the RCM area	F	↓	149						
14	Transfer of Adshel income to PT and minor increase in petrol tax income	U	↓		(319)					
15	Increase in vested assets income	F	↑		658					
<i>Road Corridor operations</i>										
16	Minor savings in opex	F	↓	55						

	Description of change forecast	Operational results		Capital expenditure	
		Operating costs \$'000	Revenue \$'000	New capital \$'000	Renewal capital \$'000
↔	: Transfer between areas				
↓	: Below budget, unfavourable variance				
↓	: Below budget, favourable variance				
↑	: Above budget, unfavourable variance				
↑	: Above budget, favourable variance				
U	: Unfavourable variance				
F	: Favourable variance				
-	: Neutral				

Section 7a - Quarter two forecast for the twelve months ended 30 June 2012

The following is a summary of the forecast results for the twelve months ended 30 June 2012.



	Year to date Actual \$m	Year to date Q1 Forecast \$m	Full Year Budget \$m	Full year Q1 Forecast \$m	Full year Q2 Forecast \$m	Variance Q1 Forecast vs Q2 Forecast	Forecast results
Total operating income	317.9	321.1	569.8	572.2	567.6	(4.6)	↓ ●
Total operating expenditure	438.8	439.9	792.8	786.7	788.4	(1.7)	↑ ●
Profit/(loss) from operations	(120.9)	(118.8)	(223.0)	(214.5)	(220.8)	(6.3)	↓ ●
Income for capital projects	51.2	108.9	205.8	198.8	149.4	(49.4)	↓ ●
Net surplus/(deficit) before tax	(69.8)	(10.0)	(17.1)	(15.7)	(71.4)	(55.7)	↓ ●
Capital expenditure	270.0	328.0	546.2	586.3	576.6	(9.7)	↓ ●

The changes for the quarter two forecast review are as follows:

Operating income is forecast down by \$4.6m due to reduced parking revenue of \$6.1m offset by minor net revenue increases \$1.5m.

Expenditure is forecast to increase by \$1.7m.

Income for capital projects is forecast down by \$49.4m due to reduced NZTA renewal funding of \$50.0m partly offset by increased vested asset income of \$0.6m. The reduction in NZTA subsidy reflects a lower subsidy due to the FAR variance model adopted by the Board. With the over-programming methodology adopted by AT for the first time in 2012, the FAR variance model and some uncertainty at the time the original estimates were completed, we have a range of changes which are impacting on the level of expected funding from NZTA. We have identified some risk that the subsidy from NZTA will be significantly lower than expected. We are getting on top of the issue and now have significant clarity on the cause of the changes. We have had preliminary discussion with NZTA and are meeting with them to identify the issues and discuss potential solutions. The CFO will update the meeting on the implications for the forecasts and any potential remediation AT will need to put in place.

Capital expenditure is forecast down by \$9.7m with a total forecast programme for the year to June 2012 of \$576.6m.

Section 8 - Accounts Receivable and Accounts Payable Monthly Report.

Accounts Receivable

An overview of the Debtors as at 31 January with 96.2% of outstanding Debtors in 30 and 60 days.

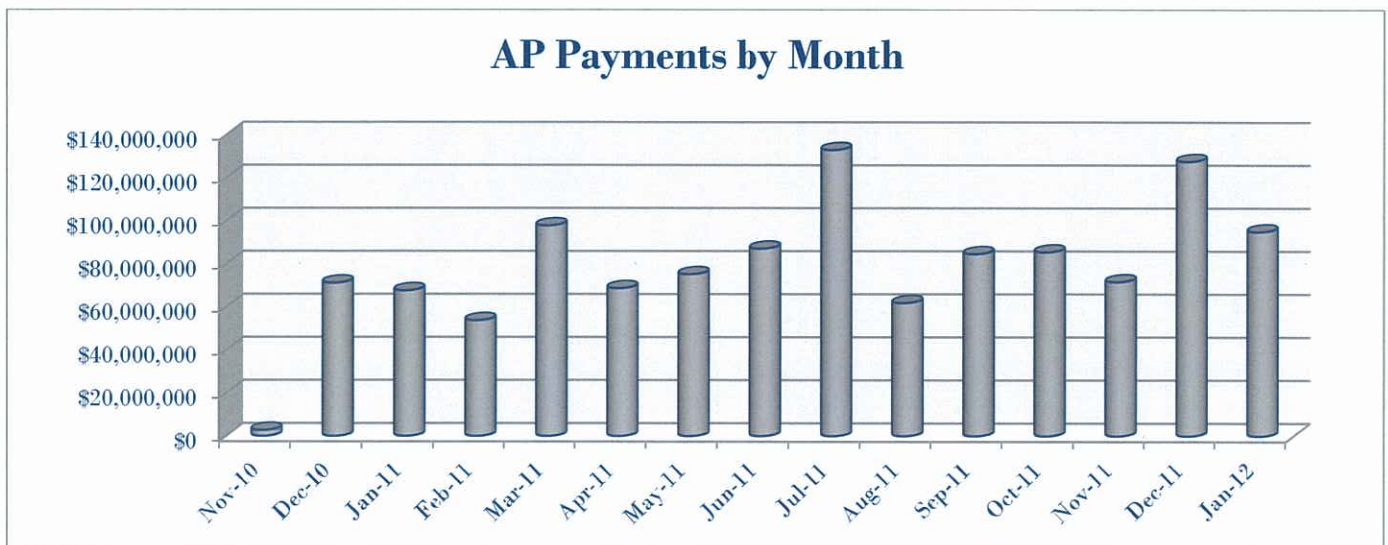
Debtors Ageing Analysis as at 31 January 2012

<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 31 Jan	63	3,632,336	1,943,038	300,455	1,135,520	138,723	114,600	
		100.0%	53.5%	8.3%	31.3%	3.8%	3.2%	
O/s AC and CCO's	62	1,047,429	593,740	235,831	92,397	97,008	28,453	1
O/s Queries to Business	94	11,582	-690	-454	2,837	328	9,561	2
Disputed Invoices	286	734,157	3,862	-326,167	992,093	10,087	54,283	3
Debtors paid to AC	109	33,833	0	0	205	-231	33,859	4
<u>Adjusted Debtors</u>	<u>N/a</u>	<u>1,805,336</u>	<u>1,346,126</u>	<u>391,246</u>	<u>47,989</u>	<u>31,532</u>	<u>-11,557</u>	
		100.0%	74.6%	21.7%	2.7%	1.7%	-0.6%	

- 1 - We are currently working with AC in an effort to introduce a new process to speed up payment. The amounts older than 60 days relate to Parking across various sites.
- 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 - We are currently experiencing 2 large disputes where the business are endeavouring to sort out disputes with Fletchers Construction (Road Corridor Access) and Vodafone NZ (AT Property for Cell Towers). Vodafone have \$673k o/s in 90 days with a credit of \$326k in 60 days. We have now made contact with the Managers of both Departments in an effort to resolve the matters quickly.
- 4 - The \$33k in 120+ days relates to an amount paid by Vodafone to the former Waitakere Legacy Council. We have had confirmation that the amount will be transferred to AT on 10 February.

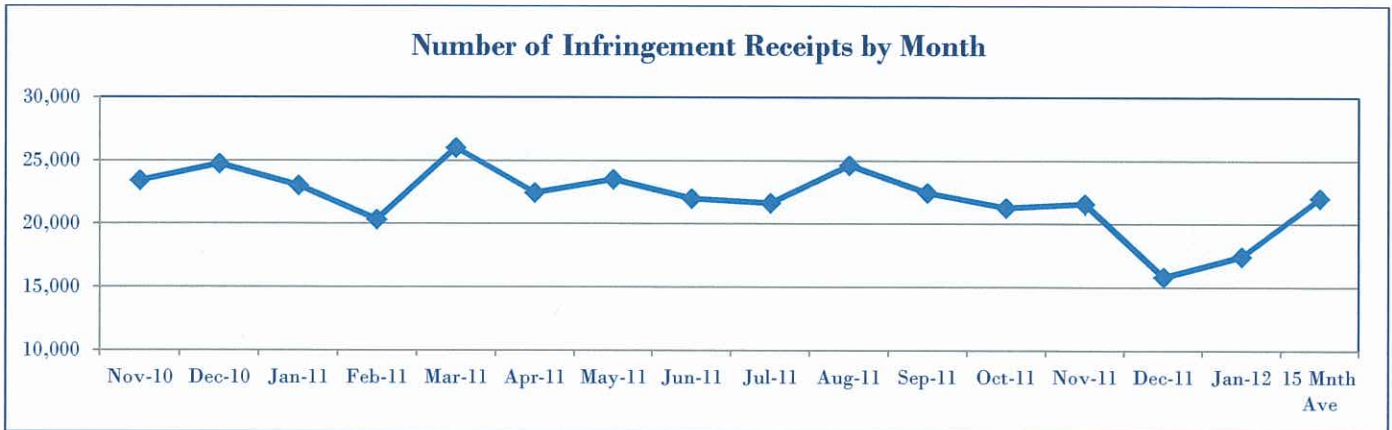
Accounts Payable

The Accounts Payable (AP) team paid out \$95m in January, which is on par with the 7 month average for the current financial year of \$94m per month.

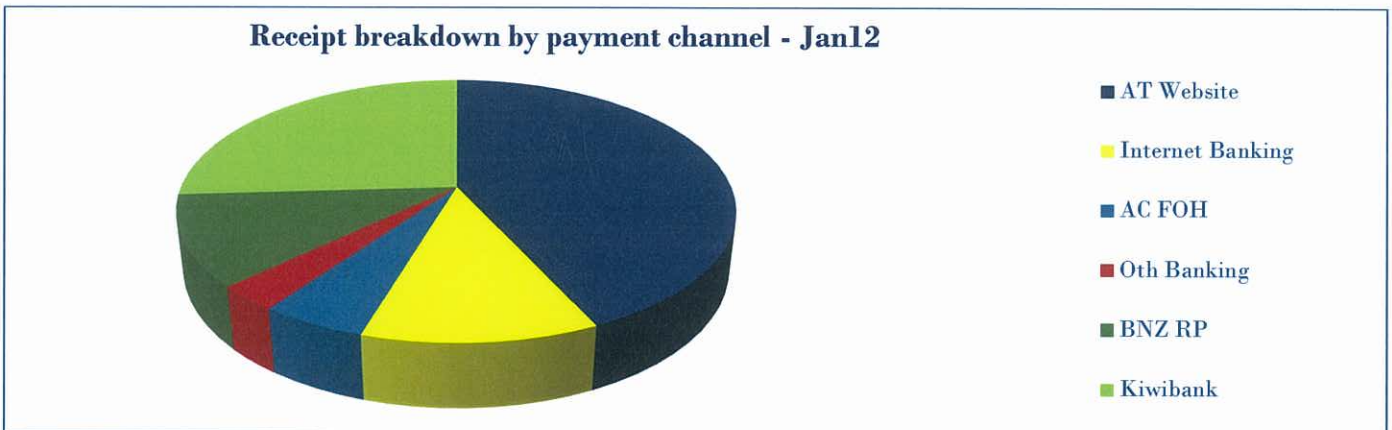


Infringements

The number of receipts processed during January is once again well down on any of the previous 13 months, as was the case in December. The trends displayed in December 2010 and January 2011 showed very little difference to the months before and after. Having looked back over legacy ACC statistics, infringement receipts over these 2 months were always well down on the rest of the year. We would expect this to normalize in February.



While the shape of the chart has not changed much this month, we can report that internet banking has grown substantially in January. This could be as a result of people being on leave and using the easiest method of getting an infringement paid. As mentioned previously, this is our payment method of choice as there is no cost attached to payments via this channel. The AT website and Kiwibank remain the most popular payment methods with a combined 69% of receipts.



Ministry of Justice

We have recently received confirmation from Auckland Council, that they have agreed to the Transport proposal where AT receives all payments in respect of the former Legacy Councils. This change comes into effect from 1 February and will help ensure that Transport receives the electronic court fines and payment in a timely manner from MOJ. Monies not for Transport will be disbursed back to the former Legacy Councils. MOJ are currently providing the reports which have been mislaid by the Legacy Councils.

Transport have recently set up a SQL database which will be used to track all lodgements with and recoveries from MOJ. We are currently in the process of combining electronic files / payments from MOJ and plan to provide a comprehensive analysis of all activity with MOJ in the February report.

Section 9 - Tender and Contract Stats

OPEN TENDERS AS AT 17 JAN 2012		
AT Reference	Contract Description	Estimated Value
AKTSPT-535652	Shoal Bay Wharf Development, Tryphena, Great Barrier Island	\$2,100,000.00
AKTSPT-535794	Enforcement Infringement Issuance Software	\$211,500.00
AKTSPT-537244	Installation of Electronic Signs in Various School Zones	\$350,000.00
AKTSPT-537533	Puhinui Road and Great South Road Cycle Facilities	\$124,830.00
AKTSPT-537509	Redoubt Road - Mill Road Corridor Study	\$1,763,125.00
AKTSPT-537798	Birkenhead Ferry Terminal	\$976,741.00
AKTSPT-538029	Auckland City Centre Future Access Study	\$450,000.00
AKTSPT-538097	Warkworth Western Collector - Mansell Drive/Falls Road	\$175,000.00
AKTSPT-538128	Kyle Road Reconstruction: Scheme Assessment & Preliminary Design	\$550,000.00
AKTSPT-538268	Taharoto-Wairau Road Stages 6 and 8 Construction	\$9,000,000.00
AKTSPT-538297	Wiri EMU Depot - Design, Manufacture, Installation and Maintenance of Equipments	\$2,660,000.00
Total		\$18,361,196.00

CLOSED TENDERS UNDER EVALUATION AS AT 17 JAN 2012		
AT Reference	Contract Description	Estimated Value
LGOL-523148	Illumination Improvements 2011 2012 Stage 1	\$505,000.00
AKTSPT-527954	Tiverton-Wolverton Route Stage 2 Improvements	\$24,756,300.00
AKTSPT-532232	Porchester Road Mid-Block Improvements Stage 3	\$1,600,000.00
AKTSPT-533914	Triangle Road Drainage Extension	\$403,260.00
AKTSPT-533951	Provision of Auckland CBD Roadway Vehicle Towing and Storage Services	\$450,000.00
AKTSPT-533953	Auckland Central Suburbs Roadway Vehicle Towing and Storage Services	\$450,000.00
AKTSPT-534210	Whangaparaoa Rd Upgrade Hibiscus Coast Highway to Red Beach Rd	\$995,000.00
AKTSPT-534642	Downtown Car Park Top Deck Waterproofing	\$700,000.00
AKTSPT-535351	Arthur Street Local Area Traffic Management	\$460,000.00
AKTSPT-536487	Albany Busway Station Car Park Extension	\$3,674,000.00
AKTSPT-536550	Construction of a New Carpark at 19 and 23 Totara Avenue	\$280,000.00
Total		\$34,273,560.00

CONTRACTS OVER 2M AWARDED IN FY 2011/2012

Contract Name	Vendor	Contract Start	Contract End	Value
Mountain Road Bridge Const	DOWNER EDI WORKS LIMITED	Sep-11	Aug-12	\$ 8,841,971.67
Contingency	DOWNER EDI WORKS LIMITED	Sep-11	Aug-12	\$ 1,768,394.33
Total				\$ 10,610,366.00
D/Town Ferry Terminal- P1	HEB STRUCTURES LIMITED	Oct-11	Mar-12	\$ 2,159,795.61
Contingency	HEB STRUCTURES LIMITED	Oct-11	Mar-12	\$ 196,345.06
Total				\$ 2,356,140.67
Clevedon Rd Reconstruction2	HIGGINS CONTRACTORS LIMITED	Oct-11	Feb-12	\$ 2,392,845.10
Contingency	HIGGINS CONTRACTORS LIMITED	Oct-11	Feb-12	\$ 239,284.00
Total				\$ 2,632,129.10
Franklin Ward Renewals Pck1	BLACKTOP CONSTRUCTION	Nov-11	Apr-12	\$ 2,050,000.00
Contingency	BLACKTOP CONSTRUCTION	Nov-11	Apr-12	\$ 205,000.00
Total				\$ 2,255,000.00
Regional Portfolio Mngmt	URBAN SOLUTIONS LIMITED	Sep-11	Jun-14	\$ 3,641,632.28
Total				\$ 3,641,632.28
Flatbush School Road Upgrad	ROSS REID CONTRACTORS	Nov-11	Jun-12	\$ 3,260,981.00
Contingency	ROSS REID CONTRACTORS	Nov-11	Jun-12	\$ 326,099.00
Total				\$ 3,587,080.00
Auckland EMU Supply & Main	CONSTRUCCIONES Y AUXILIAR	Sep-11	Aug-16	\$ 388,375,336.10
Total				\$ 388,375,336.10
Infrastructure Funding (IFA)	AUCKLAND COUNCIL (EX ACC)	Dec-11	Jan-12	\$ 7,200,000.00
Works Development 1 (WDA1)	AUCKLAND COUNCIL (EX ACC)	Dec-11	Jan-12	\$ 2,200,000.00
Works Development 4 (WDA4)	AUCKLAND COUNCIL (EX ACC)	Dec-11	Jan-12	\$ 3,200,000.00
Total				\$ 12,600,000.00
EMU mnt depot design stage 2	OPUS INTERNATIONAL	Dec-11	May-13	\$ 3,990,710.00
Total				\$ 3,990,710.00
Parnell Station Project Ph	KIWIRAIL - OPERATIONS	Dec-11	Dec-12	\$ 8,170,822.00
Contingency	KIWIRAIL - OPERATIONS	Dec-11	Dec-12	\$ 814,400.00
Total				\$ 8,985,222.00
New Lynn TOD McCraw Way PW	DEMPSEY WOOD CIVIL LIMITED	Jan-12	Dec-12	\$ 2,800,000.00
Contingency	DEMPSEY WOOD CIVIL LIMITED	Jan-12	Dec-12	\$ 280,000.00
Total				\$ 3,080,000.00
Glenfield Road Stage 4 PW	FULTON HOGAN CONTRACTING	Dec-11	Mar-13	\$ 11,487,290.00
Contingency	FULTON HOGAN CONTRACTING	Dec-11	Mar-13	\$ 1,723,093.50
Total				\$ 13,210,383.50
334-12-259-T2 Albany Busway Station	OPIE CONTRACTORS LIMITED	Jan-12	Mar-12	\$ 3,259,225.15
334-12-259-T2 Contingency	OPIE CONTRACTORS LIMITED	Jan-12	Mar-12	\$ 410,774.90
Total				\$ 3,670,000.05
Parnell Station Project Ph	KIWIRAIL - NETWORK	Jan-12	Dec-12	\$ 8,170,822.00
Contingency	KIWIRAIL - NETWORK	Jan-12	Dec-12	\$ 814,400.00
Total				\$ 8,985,222.00
Grand Total				\$467,979,221.70

Section 10 - Vendor Spend and Vendor Committal's Stats

TOP 10 VENDOR SPEND IN FY 2011/2012		
Vendor	Expenditure	% of Total Spend
FULTON HOGAN CONTRACTING	\$45,510,577.65	12%
DOWNER EDI WORKS	\$40,456,710.81	11%
VEOLIA TRANSPORT	\$33,165,644.39	9%
ONTRACK NZ	\$26,269,158.41	7%
KIWI RAIL LIMITED	\$21,388,282.75	6%
CONSTRUCCIONES Y AUXILLARY	\$20,159,102.79	5%
ARMA WEST	\$13,615,530.64	4%
OPUS INTERNATIONAL	\$13,526,017.56	4%
AUCKLAND COUNCIL (EX ACC)	\$12,947,020.63	3%
FULTON HOGAN CONTRACTING	\$9,282,903.04	3%
Top 10 Vendor Spend	\$236,320,948.67	64%
Total Vendor Spend	\$370,662,549.96	100%

TOP 10 VENDOR COMMITMENTS AS AT 17 JAN 2012		
Vendor	Value Outstanding	Total % Outstanding
CONSTRUCCIONES Y AUXILLARY	\$368,216,233.31	46%
DOWNER EDI WORKS	\$75,352,142.97	10%
THALES NEW ZEALAND	\$64,601,214.34	8%
FULTON HOGAN CONTRACTING	\$57,314,573.12	7%
KIWI RAIL LIMITED	\$33,239,336.37	4%
ARMA WEST	\$17,629,853.20	2%
JOHN FILLMORE CONTRACTING	\$12,833,775.88	2%
OPUS INTERNATIONAL	\$11,841,324.11	1%
VEOLIA TRANSPORT	\$10,372,964.10	1%
BLACKTOP CONSTRUCTION	\$9,199,102.34	1%
Total	\$660,600,519.74	83%
Total Outstanding Commitments	\$792,364,933.15	100%

TOP 10 VENDOR COMMITMENTS BY CAPEX AS AT 17 JAN 2012		
Vendor	Value Outstanding	Total % Outstanding
CONSTRUCCIONES Y AUXILLARY	\$368,216,233.31	60%
DOWNER EDI WORKS	\$59,083,566.93	10%
FULTON HOGAN CONTRACTING	\$45,871,378.29	7%
THALES NEW ZEALAND	\$16,807,535.97	3%
ARMA WEST	\$15,148,358.99	2%
JOHN FILLMORE CONTRACTING	\$12,833,775.88	2%
ONTRACK NZ	\$7,390,716.12	1%
OPUS INTERNATIONAL	\$7,247,276.55	1%
BLACKTOP CONSTRUCTION	\$7,148,086.83	1%
EBERT CONSTRUCTION	\$6,678,949.50	1%
Total	\$546,425,878.37	88%
Total Outstanding CAPEX Commitments	\$618,778,812.86	100%

TOP 10 VENDOR COMMITMENTS BY OPEX AS AT 17 JAN 2012		
Vendor	Value Outstanding	Total % Outstanding
THALES NEW ZEALAND	\$47,793,678.37	28%
KIWI RAIL LIMITED	\$26,709,459.00	15%
DOWNER EDI WORKS	\$16,268,576.04	9%
FULTON HOGAN CONTRACTING	\$11,443,194.83	7%
VEOLIA TRANSPORT	\$10,372,964.10	6%
OPUS INTERNATIONAL	\$4,594,047.56	3%
NEW ZEALAND BUS	\$3,948,791.60	2%
HEB CONSTRUCTION	\$3,054,316.66	2%
ARMA WEST	\$2,481,494.21	1%
SIGTEC	\$2,326,683.43	1%
Total	\$128,993,205.80	74%
Total Outstanding OPEX Commitments	\$173,586,120.29	100%

Section 11 - Rail Operations for the five months ended 30 November 2011

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Plan 30 June 2012 \$000	Variance \$000
Operating Income									
Rail Income	2,260	2,448	(187)	12,147	11,921	226	28,688	29,117	(430)
Commercial Property Rents	29	33	(14)	291	259	32	689	669	20
Operator Access Fees	28	34	(6)	291	259	32	543	419	124
Advertising & Sponsorships	2	4	(19)	61	11	50	70	-	70
Other Income	2	5	(3)	24	22	2	58	-	58
Total operating income	2,342	2,634	(292)	12,678	12,573	105	30,048	30,205	(157)
Operating Expenditure									
Occupancy Costs	551	539	11	3,062	3,051	(11)	6,917	12,112	5,195
Personnel Costs	274	256	(19)	1,301	1,281	(20)	3,070	3,066	(4)
Public Transport Contracts	7,493	7,033	(459)	36,826	36,344	(482)	89,576	88,348	(1,228)
On Track access charges	223	423	200	2,117	2,317	200	15,100	15,466	366
Repairs & Maintenance	129	168	40	755	791	36	2,050	1,170	(879)
Other expenditure	96	176	79	697	616	(81)	1,984	1,296	(688)
Total operating expenditure	8,766	8,596	(171)	44,758	44,400	(357)	118,697	121,459	2,763
Profit/(loss) from Operations	(6,424)	(5,961)	(463)	(32,080)	(31,828)	(252)	(88,649)	(91,254)	2,606

Section 11 - Bus Operations for the five months ended 30 November 2011

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 June 2012 \$000	Plan 30 June 2012 \$000	Variance \$000
Operating Income									
Bus Income	913	729	183	4,368	3,995	373	9,232	8,887	345
Operator Access Fees	29	-	29	263	205	58	205	-	205
Subsidies -Other	90	75	15	396	383	13	911	906	5
Other Income	2	-	2	11	8	3	4	-	4
Total operating income	1,034	805	229	5,038	4,587	452	10,352	9,793	559
Operating Expenditure									
IT Costs	140	167	28	764	856	93	2,131	2,202	71
Personnel Costs	56	5	(51)	250	222	(27)	480	440	(40)
Public Transport Contracts	9,465	694	(8,771)	45,280	45,782	501	111,450	115,198	3,748
Other expenditure	109	105	4	3,484	4,253	769	13,243	13,292	49
Total operating expenditure	10,358	10,956	598	49,778	51,113	1,335	127,305	131,132	3,828
Profit/(loss) from Operations	(9,324)	(10,151)	827	(44,740)	(46,527)	1,787	(116,952)	(121,339)	4,387

These two reports are presented as examples only, as work is still underway to reconcile and agree these results back to source data within PT operations. Completed reports will be presented to the March Board meeting.

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>	