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Financial Results for the Eight Months Ended 29 February 2024

Reason for inclusion in closed board meeting session	
1. Please state why this report is being considered in the closed board meeting as opposed to the open board meeting. Please refer to the 'reasons for confidentiality' and provide a direct reference to one of these reasons.	To protect information that will soon be publicly available.
2. Please provide an estimated date for release of this report.	26 March 2024

Aronga / Purpose

1. This report provides the financial results for the eight months ended 29 February 2024.

Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

- a) Notes the report.

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Section 1 – Te whakarāpopototanga matua / Executive summary

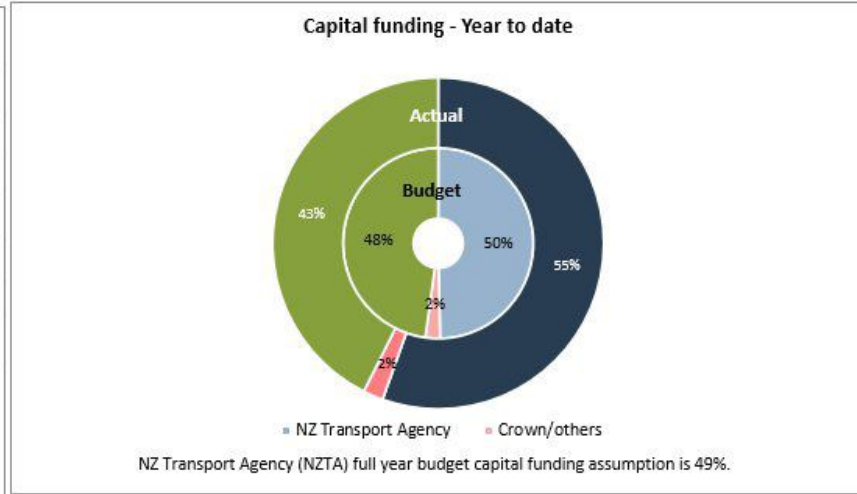
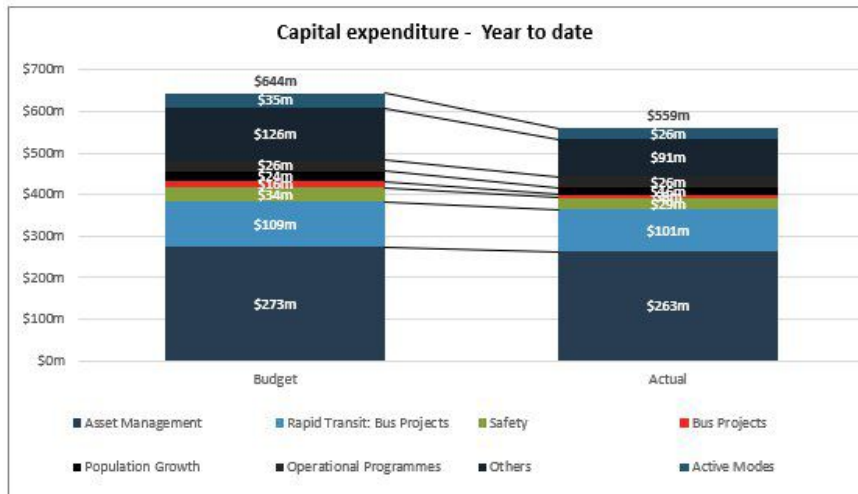
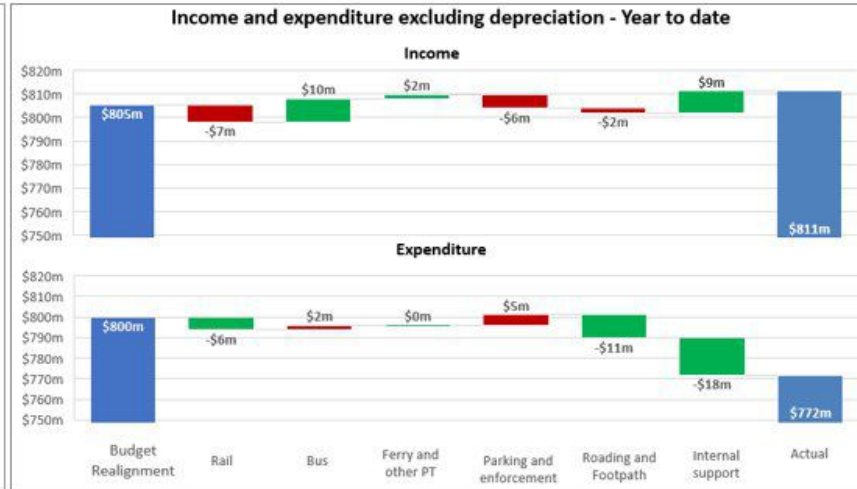
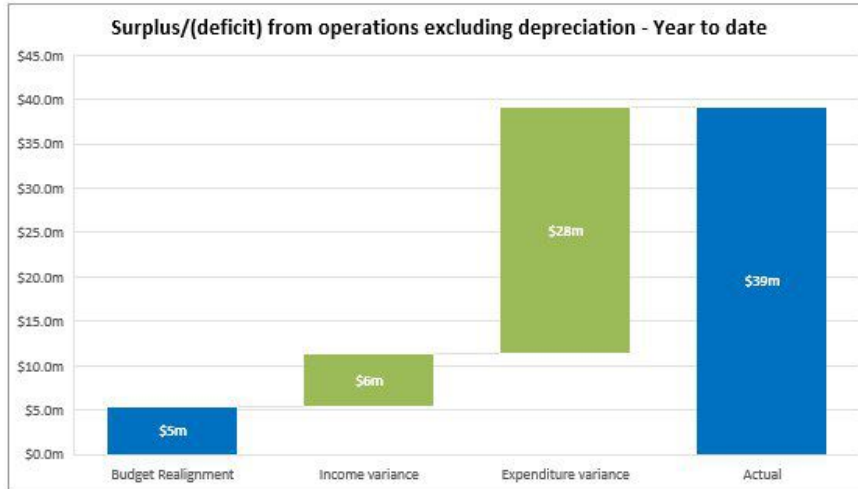
2. Year to date (YTD) **surplus from operations excluding depreciation** of \$39.1 million, is \$33.8 million favourable to the budget. This includes the receipt of \$8.1 million of funding related to 2022/23 flood/storm response costs. Underlying business performance is pleasing with higher public transport (PT) income and cost savings across all major spend areas including lower contractors-maintenance, PT contracts, finance costs and professional services. These are partially offset by lower parking and enforcement income. Based on current trends AT is expecting to deliver ahead of the full year budget.
3. Items to note:
 - a. **New Zealand Transport Agency Waka Kotahi (NZTA) operating funding** is favourable to budget due to a claim for additional adverse weather remediation costs funded at a 91% Funding Assistance Rate, \$8.1 million of which relates to costs incurred in 2022/23. This is partially offset by lower fundable costs with higher PT income and lower contract costs.
 - b. **NZTA top up from the crown** is unfavourable to budget mainly due to lower than expected 16-24 year old uptake of the reduced fare concession against budget across all modes.
 - c. **Parking and enforcement revenue** is unfavourable to budget mainly due to lower on-street parking attributed to lower occupancy and a later than budgeted parking tariff increase and lower enforcement income due to a delay in the implementation of new enforcement technology.

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- d. **PT income** is favourable to budget primarily from higher bus patronage. PT patronage is approximately 94% of pre COVID-19 levels up from circa 75% of pre COVID-19 levels at the beginning of the financial year.
 - e. **Personnel cost** is favourable to budget primarily due to budgeted positions not filled and lower contract staff costs and discretionary spend including learning and development.
 - f. **Capitalised personnel costs** are favourable in February due to higher personnel cost recovery in Business Technology and Infrastructure and Place.
 - g. **PT contract costs** are favourable to budget from the City Rail Link (CRL) Be Ready Project due to CRL project delays, reduced costs from lower train kilometres, lower Zero Emission Bus transition costs and Ferry service cancellations.
 - h. **Contractors-maintenance** is favourable to budget mainly from lower-than-expected road maintenance costs reflecting delivery constraints between flood recovery and unsealed road maintenance activity.
 - i. **Professional services** is favourable to budget primarily within the road network operations and transport safety, mainly due to phasing.
 - j. **Other expenditure** is favourable to budget primarily due to lower-than-expected IT, events, bank charges, and minor maintenance cost. This is partially offset by higher-than-expected total mobility costs due to increased service uptake with 50% fares.
 - k. **Finance costs** are favourable to budget due to lower interest rates due to a loan restructure at the start of the financial year. This is a planned cost reduction to meet Auckland Council cost saving initiatives.
4. **YTD Deficit from operations** is \$43.4 million favourable to budget due to higher PT income and lower contractors-maintenance, PT contracts, professional services, and finance costs. These are partially offset by lower parking fees and enforcement revenue.
 5. **YTD Capital expenditure** of \$559.2 million is tracking at 87% of planned spend. The underspend is within renewals and flood recovery works, rapid bus and rail, population growth and active modes projects.
 6. **YTD other capital grants** is unfavourable to budget due to a change in the accounting recognition timing of Crown Infrastructure Partners capital grants.
 7. **NZTA and other Crown capital funding** YTD of 57% is higher than the budget of 52% reflecting a catch up of New Zealand Upgrade Programme Eastern Busway funding.
 8. **Regional Fuel Tax (RFT)** enabled capital spend for February is \$24.9 million and \$200.2 million YTD, versus a full year planned spend of \$442.2 million. YTD spend is approximately 45% of the full year RFT enabled capital budget. The Government has announced that RFT collection will be ending on 30 June 2024 and that RFT funding is only available to Eastern Busway, electric trains and road corridor projects from the 1 March.
 9. **Climate Action Transport Targeted Rate (CATTR)** gross capital and operating expenditure YTD is \$21.3 million, \$2.0 million lower than budget mainly due to delays to construction projects for this financial year.

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



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Section 2 – Financial results for the eight months ended 29 February 2024

	Current month			Year to date			Full year
	Actual	Budget (Realigned)	Variance	Actual	Budget (Realigned)	Variance	Budget (Realigned)
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating income							
Auckland Council funding	38,602	40,197	(1,595)	271,765	271,765	-	439,358
NZ Transport Agency Waka Kotahi (NZTA) operating funding	35,409	35,892	(483)	298,153	293,628	4,525	432,947
NZ Transport Agency Waka Kotahi (NZTA) operating funding - Top-up from Crown	3,970	4,359	(389)	27,246	32,586	(5,340)	50,302
Parking and enforcement income	8,945	10,208	(1,263)	71,661	77,456	(5,795)	123,261
Public transport income	16,362	14,276	2,086	116,724	104,326	12,398	162,535
Other revenue incl. other grants and subsidies	2,692	2,691	1	25,733	25,558	175	38,733
Total operating income	105,980	107,623	(1,643)	811,282	805,319	5,963	1,247,136
Operating expenditure							
Personnel costs	17,233	18,588	1,355	138,486	141,116	2,630	219,092
Capitalised personnel costs	(3,920)	(2,119)	1,801	(29,778)	(27,937)	1,841	(43,858)
Public transport contracts	52,843	53,344	501	403,696	409,579	5,883	632,997
Contractors-maintenance	11,420	12,072	652	76,522	84,444	7,922	132,914
Professional services	2,075	3,287	1,212	18,472	22,435	3,963	36,267
Track and ferry access charges	3,242	3,743	501	27,982	28,779	797	44,718
Other expenditure	14,739	15,711	972	122,641	122,853	212	188,730
Finance costs	1,669	2,340	671	14,134	18,724	4,590	28,086
Total operating expenditure excluding depreciation	99,301	106,966	7,665	772,155	799,993	27,838	1,238,946
Surplus/(deficit) from operations excluding depreciation	6,679	657	6,022	39,127	5,326	33,801	8,190
Depreciation and amortisation	43,943	46,958	3,015	349,510	359,092	9,582	552,450
Surplus/(deficit) from operations	(37,264)	(46,301)	9,037	(310,383)	(353,766)	43,383	(544,260)
Income for capital projects							
NZ Transport Agency Waka Kotahi (NZTA) capital co-investment	44,333	44,040	293	310,433	320,051	(9,618)	516,415
Auckland Council capital grant	32,321	44,369	(12,048)	238,019	308,381	(70,362)	512,441
Other capital grants	5,257	337	4,920	10,775	15,517	(4,742)	29,135
Vested asset income	3,337	7,865	(4,528)	183,052	150,563	32,489	275,000
Total income for capital projects	85,248	96,611	(11,363)	742,279	794,512	(52,233)	1,332,991
Net surplus/(deficit) before tax and derivatives	47,984	50,310	(2,326)	431,896	440,746	(8,850)	788,731
Gains/(losses) on derivatives	367	-	367	(1,346)	-	(1,346)	-
Gain/(loss) on disposal of assets/ non-operating items	-	-	-	(897)	-	(897)	-
Net surplus/(deficit) after tax and derivatives	48,351	50,310	(1,959)	429,653	440,746	(11,093)	788,731

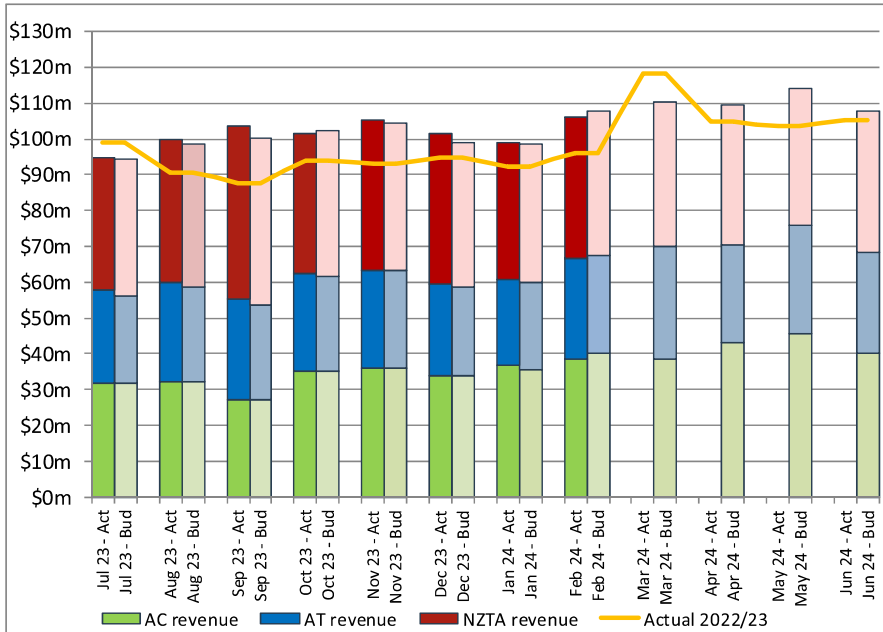
The budget has been realigned to AT's new organisational structure. The overall AT budget remains unchanged.



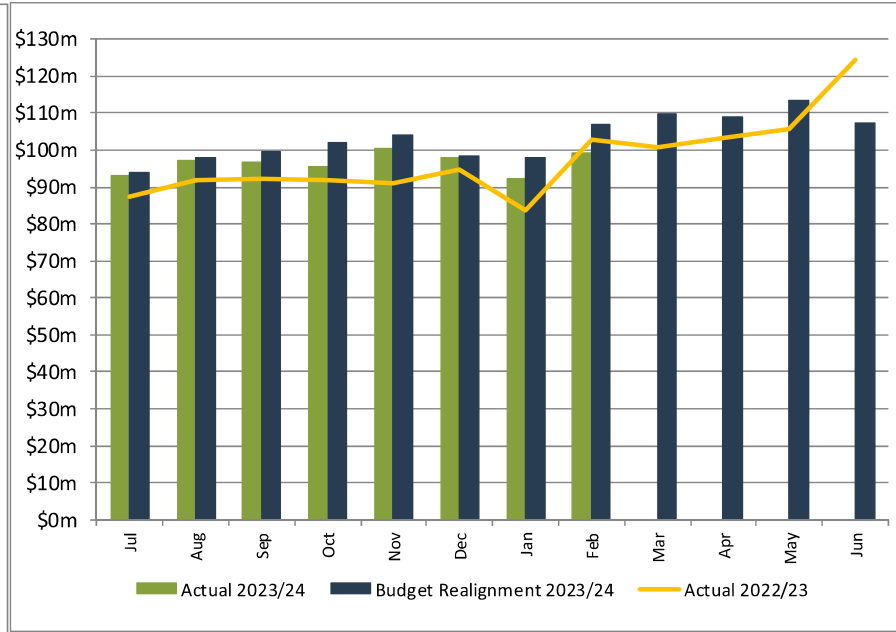
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Section 2 – Financial results for the eight months ended 29 February 2024 (continued)

Operating income



Operating expenditure excluding depreciation



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Section 2a – Summary of Financial Results by Activity

	Current month			Year to date			Full year
	Actual \$000	Budget (Realigned) \$000	Variance \$000	Actual \$000	Budget (Realigned) \$000	Variance \$000	Budget (Realigned) \$000
Operating Income							
Rail	11,436	12,277	(841)	87,555	94,713	(7,158)	144,940
Bus	27,276	26,087	1,189	211,085	201,140	9,945	306,534
Ferry	4,074	4,103	(29)	30,904	32,198	(1,294)	47,499
Other public transport	3,094	2,839	255	22,803	19,873	2,930	30,850
Parking	3,685	4,144	(459)	29,496	32,304	(2,808)	50,275
Enforcement	5,260	6,064	(804)	42,164	45,152	(2,988)	72,986
Roading and footpaths	7,637	7,551	86	67,702	69,754	(2,052)	96,516
Internal support	4,915	4,362	553	47,808	38,421	9,387	58,179
Auckland Council operating funding	38,602	40,197	(1,595)	271,765	271,765	-	439,358
Total operating income	105,979	107,624	(1,645)	811,282	805,320	5,962	1,247,137
Operating Expenditure							
Rail	17,598	18,879	1,281	137,917	144,254	6,337	227,731
Bus	40,375	40,861	486	315,173	312,854	(2,319)	479,407
Ferry	5,733	5,577	(156)	44,287	44,518	231	67,414
Other public transport	6,041	6,015	(26)	39,868	39,288	(580)	62,605
Parking	1,126	1,095	(31)	9,037	8,410	(627)	12,803
Enforcement	3,161	2,585	(576)	24,175	19,714	(4,461)	30,704
Roading and footpaths	14,656	16,560	1,904	102,704	114,070	11,366	179,211
Internal support	10,614	15,394	4,780	98,989	116,885	17,896	179,069
Depreciation and amortisation	43,943	46,958	3,015	349,510	359,092	9,582	552,450
Total operating expenditure	143,247	153,924	10,677	1,121,660	1,159,085	37,425	1,791,394
Surplus/(deficit) from Operations	(37,268)	(46,300)	9,032	(310,378)	(353,765)	43,387	(544,257)



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Section 2b – Rail Operations

	Current month			Year to date			Full year
	Actual \$000	Budget (Realigned) \$000	Variance \$000	Actual \$000	Budget (Realigned) \$000	Variance \$000	Budget (Realigned) \$000
Operating Income							
Activity income	3,027	3,688	(661)	20,116	27,146	(7,030)	42,124
Other income	187	126	61	1,645	979	666	1,559
NZ Transport Agency Waka Kotahi (NZTA) operating funding	7,532	7,721	(189)	61,731	61,040	691	92,692
NZ Transport Agency Waka Kotahi (NZTA) operating funding - Top-up from Crown	690	742	(52)	4,063	5,548	(1,485)	8,565
NZ Transport Agency Waka Kotahi (NZTA) operating funding - Electric Trains	-	-	-	-	-	-	-
Total operating income	11,436	12,277	(841)	87,555	94,713	(7,158)	144,940
Operating Expenditure							
Personnel costs	467	469	2	3,688	3,559	(129)	5,467
Capitalised personnel costs	(30)	291	321	(219)	(121)	98	(50)
Public transport contracts	11,272	11,026	(246)	83,977	85,354	1,377	136,881
Contractors-maintenance	(40)	10	50	52	60	8	80
Professional services	19	7	(12)	200	58	(142)	332
Track access charges	3,187	3,703	516	27,654	28,455	801	44,229
Other expenditure	1,056	1,036	(20)	8,448	8,190	(258)	12,744
Finance costs	1,667	2,337	670	14,117	18,699	4,582	28,048
Total operating expenditure	17,598	18,879	1,281	137,917	144,254	6,337	227,731
Depreciation and amortisation	3,270	3,825	555	26,157	30,515	4,358	45,848
Surplus/(deficit) from Operations	(9,432)	(10,427)	995	(76,519)	(80,056)	3,537	(128,639)
Internal support costs	1,893	3,193	1,300	16,287	22,103	5,816	34,902
Surplus/(deficit)	(11,325)	(13,620)	2,295	(92,806)	(102,159)	9,353	(163,541)

Section 2b – Bus Operations

	Current month			Year to date			Full year
	Actual \$000	Budget (Realigned) \$000	Variance \$000	Actual \$000	Budget (Realigned) \$000	Variance \$000	Budget (Realigned) \$000
Operating Income							
Activity income	8,587	6,255	2,332	64,722	45,796	18,926	71,314
Other income	574	844	(270)	6,147	6,390	(243)	9,836
NZ Transport Agency Waka Kotahi (NZTA) operating funding	14,951	15,545	(594)	117,801	123,216	(5,415)	185,653
NZ Transport Agency Waka Kotahi (NZTA) operating funding - Top-up from Crown	3,164	3,443	(279)	22,415	25,738	(3,323)	39,731
Total operating income	27,276	26,087	1,189	211,085	201,140	9,945	306,534
Operating Expenditure							
Personnel costs	337	399	62	3,081	3,177	96	4,845
Capitalised personnel costs	(71)	(78)	(7)	(478)	(846)	(368)	(1,492)
Public transport contracts	36,805	37,167	362	282,581	283,336	755	434,133
Contractors-maintenance	155	137	(18)	941	1,094	153	1,641
Professional Services	45	54	9	153	429	276	738
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	3,104	3,182	78	28,895	25,664	(3,231)	39,542
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	40,375	40,861	486	315,173	312,854	(2,319)	479,407
Depreciation and amortisation	639	658	19	5,068	5,001	(67)	7,729
Surplus/(deficit) from Operations	(13,738)	(15,432)	1,694	(109,156)	(116,715)	7,559	(180,602)
Internal support costs	3,984	6,722	2,737	34,286	46,530	12,244	73,474
Surplus/(deficit)	(17,722)	(22,154)	4,431	(143,442)	(163,245)	19,803	(254,076)



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Section 2b – Ferry Operations

	Current month			Year to date			Full year
	Actual \$000	Budget (Realigned) \$000	Variance \$000	Actual \$000	Budget (Realigned) \$000	Variance \$000	Budget (Realigned) \$000
Operating Income							
Operator access fees	631	675	(44)	5,398	5,470	(72)	8,221
Activity income	1,261	1,379	(118)	8,277	10,171	(1,894)	15,963
Other income	135	94	41	973	752	221	1,128
NZ Transport Agency Waka Kotahi (NZTA) operating funding	1,931	1,781	150	15,488	14,505	983	20,181
NZ Transport Agency Waka Kotahi (NZTA) operating funding - Top-up from Crown	116	174	(58)	768	1,300	(532)	2,006
Total operating income	4,074	4,103	(29)	30,904	32,198	(1,294)	47,499
Operating Expenditure							
Personnel costs	99	117	18	811	874	63	1,346
Capitalised personnel costs	(9)	(75)	(66)	(243)	(280)	(37)	(594)
Public transport contracts	4,766	4,747	(19)	37,059	37,656	597	57,133
Contractors-maintenance	-	-	-	27	-	(27)	-
Professional Services	-	-	-	-	-	-	-
Ferry access charges	54	41	(13)	326	324	(2)	489
Other expenditure	823	747	(76)	6,307	5,944	(363)	9,040
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	5,733	5,577	(156)	44,287	44,518	231	67,414
Depreciation and amortisation	270	474	204	2,161	3,785	1,624	5,683
Surplus/(deficit) from Operations	(1,929)	(1,948)	19	(15,544)	(16,105)	561	(25,598)
Internal support costs	560	945	385	4,821	6,543	1,722	10,332
Surplus/(deficit)	(2,489)	(2,893)	404	(20,365)	(22,648)	2,283	(35,930)

Section 2b – Other PT Operations

	Current month			Year to date			Full year
	Actual \$000	Budget (Realigned) \$000	Variance \$000	Actual \$000	Budget (Realigned) \$000	Variance \$000	Budget (Realigned) \$000
Operating Income							
Other income	1,960	1,215	745	9,446	7,622	1,824	12,390
NZ Transport Agency Waka Kotahi (NZTA) operating funding	1,134	1,624	(490)	13,357	12,251	1,106	18,460
NZ Transport Agency Waka Kotahi (NZTA) operating funding - Top-up from Crown	-	-	-	-	-	-	-
Total operating income	3,094	2,839	255	22,803	19,873	2,930	30,850
Operating Expenditure							
Personnel costs	2,860	2,533	(327)	19,554	18,214	(1,340)	29,110
Capitalised personnel costs	929	144	(785)	958	(2,392)	(3,350)	(3,938)
Public transport contracts	-	405	405	60	3,240	3,180	4,860
Contractors-maintenance	561	958	397	7,829	7,519	(310)	11,297
Professional Services	678	809	131	3,148	3,694	546	6,868
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	185	56	(129)	1,068	471	(597)	1,204
Other expenditure	828	1,110	282	7,251	8,542	1,291	13,204
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	6,041	6,015	(26)	39,868	39,288	(580)	62,605
Depreciation and amortisation	335	339	4	2,694	2,618	(76)	4,010
Surplus/(deficit) from Operations	(3,282)	(3,515)	233	(19,759)	(22,033)	2,274	(35,765)
Internal support costs	520	878	357	4,477	6,076	1,599	9,595
Surplus/(deficit)	(3,802)	(4,393)	590	(24,236)	(28,109)	3,873	(45,360)

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Section 2b – Parking Operations

	Current month			Year to date			Full year
	Actual \$000	Budget (Realigned) \$000	Variance \$000	Actual \$000	Budget (Realigned) \$000	Variance \$000	Budget (Realigned) \$000
Operating Income							
Parking Fees	3,579	4,091	(512)	28,400	31,623	(3,223)	49,169
Other income	106	53	53	1,096	681	415	1,106
Total operating income	3,685	4,144	(459)	29,496	32,304	(2,808)	50,275
Operating Expenditure							
Personnel costs	194	178	(16)	1,413	1,685	272	2,407
Capitalised personnel costs	(28)	13	41	148	97	(51)	143
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	128	130	2	1,074	1,012	(62)	1,530
Professional Services	19	10	(9)	182	81	(101)	122
Track and ferry access charges	-	-	-	-	-	-	-
Other expenditure	813	764	(49)	6,220	5,535	(685)	8,601
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	1,126	1,095	(31)	9,037	8,410	(627)	12,803
Depreciation and amortisation	905	907	2	7,289	7,221	(68)	10,864
Surplus/(deficit) from Operations	1,654	2,142	(488)	13,170	16,673	(3,503)	26,608
Internal support costs	106	180	73	916	1,243	327	1,962
Surplus/(deficit)	1,548	1,962	(415)	12,254	15,430	(3,176)	24,646

Section 2b – Enforcement Operations

	Current month			Year to date			Full year
	Actual \$000	Budget (Realigned) \$000	Variance \$000	Actual \$000	Budget (Realigned) \$000	Variance \$000	Budget (Realigned) \$000
Operating Income							
Infringement income	5,260	6,064	(804)	42,163	45,152	(2,989)	72,986
Other income	-	-	-	1	-	1	-
Total operating income	5,260	6,064	(804)	42,164	45,152	(2,988)	72,986
Operating Expenditure							
Personnel costs	1,351	1,330	(21)	11,099	10,059	(1,040)	15,476
Capitalised personnel costs	68	-	(68)	338	-	(338)	-
Public transport contracts	-	-	-	-	-	-	-
Contractors-maintenance	221	213	(8)	1,786	1,797	11	2,868
Professional Services	17	20	3	288	161	(127)	241
Track access charges	-	-	-	-	-	-	-
Debt forgiven/written off by MOU	185	99	(86)	1,286	632	(654)	1,034
Movement in doubtful debts	288	252	(36)	2,665	1,707	(958)	2,747
Other expenditure	1,031	671	(360)	6,713	5,358	(1,355)	8,338
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	3,161	2,585	(576)	24,175	19,714	(4,461)	30,704
Depreciation and amortisation	60	96	36	496	643	147	1,068
Surplus/(deficit) from Operations	2,039	3,383	(1,344)	17,493	24,795	(7,302)	41,214
Internal support costs	255	430	175	2,196	2,980	784	4,706
Surplus/(deficit)	1,784	2,953	(1,169)	15,297	21,815	(6,518)	36,508

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Section 2b – Roading and Footpaths Operations

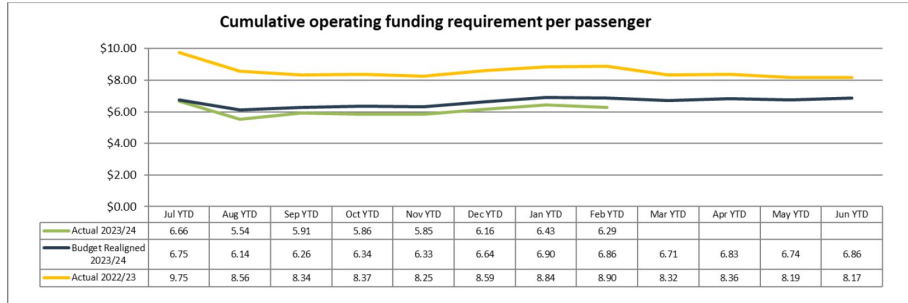
	Current month			Year to date			Full year
	Actual \$000	Budget (Realigned) \$000	Variance \$000	Actual \$000	Budget (Realigned) \$000	Variance \$000	Budget (Realigned) \$000
Operating Income							
Petrol tax	643	820	(177)	5,427	7,285	(1,858)	11,048
Other income	804	766	38	8,444	7,265	1,179	10,289
NZ Transport Agency/Waka Kotahi (NZTA) operating funding	6,190	5,965	225	53,831	55,204	(1,373)	75,179
Total operating income	7,637	7,551	86	67,702	69,754	(2,052)	96,516
Operating Expenditure							
Personnel costs	3,666	3,746	80	28,116	27,398	(718)	42,819
Capitalised personnel costs	(1,004)	(266)	738	(9,190)	(7,667)	1,523	(11,303)
Public transport contracts	-	-	-	19	-	(19)	-
Contractors-maintenance	9,777	10,447	670	62,860	71,925	9,065	113,845
Professional Services	587	979	392	6,693	8,231	1,538	12,518
Track and ferry access charges	1	-	(1)	1	-	(1)	-
Utilities and facilities costs	-	-	-	-	-	-	-
Other expenditure	1,629	1,654	25	14,205	14,183	(22)	21,332
Finance costs	-	-	-	-	-	-	-
Total operating expenditure	14,656	16,560	1,904	102,704	114,070	11,366	179,211
Depreciation and amortisation	35,355	36,830	1,475	281,026	284,904	3,878	435,702
Surplus/(deficit) from Operations	(42,374)	(45,839)	3,465	(316,028)	(329,220)	13,192	(518,397)
Internal support costs	1,489	2,513	1,023	12,817	17,394	4,577	27,466
Surplus/(deficit)	(43,863)	(48,352)	4,488	(328,845)	(346,614)	17,769	(545,863)

Section 2b – Internal Support

	Current month			Year to date			Full year
	Actual \$000	Budget (Realigned) \$000	Variance \$000	Actual \$000	Budget (Realigned) \$000	Variance \$000	Budget (Realigned) \$000
Operating Income							
Rental income	620	672	(52)	5,484	5,376	108	8,063
Other income	625	433	192	6,378	5,632	746	9,333
NZ Transport Agency/Waka Kotahi (NZTA) operating funding	3,670	3,257	413	35,946	27,413	8,533	40,783
Total operating income	4,915	4,362	553	47,808	38,421	9,387	58,179
Operating Expenditure							
Personnel costs	8,259	9,816	1,557	70,723	76,151	5,428	117,622
Capitalised personnel costs	(3,775)	(2,148)	1,627	(21,092)	(16,728)	4,364	(26,624)
Public transport contracts	-	(1)	(1)	-	(7)	(7)	(10)
Contractors-maintenance	619	177	(442)	1,952	1,035	(917)	1,652
Professional services	710	1,407	697	7,808	9,782	1,974	15,448
Track and ferry access charges	-	-	-	-	-	-	-
IT costs	2,997	3,405	408	22,667	27,493	4,826	41,614
Directors fees	38	39	1	287	310	23	465
Other expenditure	1,764	2,696	932	16,627	18,824	2,197	28,864
Finance costs	2	3	1	17	25	8	38
Total operating expenditure	10,614	15,394	4,780	98,989	116,885	17,896	179,069
Depreciation and amortisation	3,109	3,828	719	24,618	24,404	(214)	41,546
Surplus/(deficit) from Operations	(8,808)	(14,860)	6,052	(75,799)	(102,868)	27,069	(162,436)
Internal support allocated	8,808	14,860	6,052	75,799	102,868	27,069	162,436
Surplus/(deficit)	-	-	-	-	-	-	-

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Section 2c – Operational funding requirement per passenger for the eight months ended 29 February 2024



- The YTD operational cost (net of third-party revenue) of \$6.29 per passenger on the PT Network is lower than the budget of \$6.86 mainly due to higher-than-expected bus and ferry patronage.
- \$3.33 per passenger is subsidised by NZTA.

	Current month				Year to date				Full year
	Actual	Budget (Realigned)	Variance	Variance %	Actual	Budget (Realigned)	Variance	Variance %	Budget (Realigned)
Rail, Bus and Ferry operations:									
Operating expenditure \$000	62,039	62,980	941	1%	483,260	482,927	(333)	(0%)	746,504
Less: Fare revenues and other income \$000									
Customers	14,402	13,061	1,341	10%	107,278	96,704	10,574	11%	150,145
NZ Transport Agency Waka Kotahi (NZTA) top-up	3,970	4,359	(389)	(9%)	27,246	32,586	(5,340)	(16%)	50,302
Total	18,372	17,420	952	5%	134,524	129,290	5,234	4%	200,447
Operating funding requirement \$000	43,667	45,560	1,893	4%	348,736	353,637	4,901	1%	546,057
Patronage 000's	7,977	6,895	1,082	16%	55,450	51,545	3,905	8%	79,568
Operating funding requirement per passenger	\$5.47	\$6.61	\$1.13	17%	\$6.29	\$6.86	\$0.57	8%	\$6.86
NZTA operating funding per passenger	\$2.90	\$3.42	\$0.51	15%	\$3.33	\$3.61	\$0.29	8%	\$3.51
Local share funding (AC) per passenger	\$2.57	\$3.19	\$0.62	19%	\$2.96	\$3.25	\$0.29	9%	\$3.35
Operating funding requirement per passenger	\$5.47	\$6.61	\$1.13	17%	\$6.29	\$6.86	\$0.57	8%	\$6.86

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Section 2c – Operational funding requirement per passenger for the eight months ended 29 February 2024 (continued)

PT operating expenditure per passenger funding sources

	Current month				Year to date				Full year	
	Actual	Budget (Realigned)	Variance	Actual % to Total	Actual	Budget (Realigned)	Variance	Actual % to Total	Budget (Realigned)	Budget % to Total
Rail, Bus and Ferry operations:										
Operating expenditure per passenger	\$7.78	\$9.13	\$1.36	100%	\$8.72	\$9.37	\$0.65	100%	\$9.38	100%
Operating expenditure per passenger is funded by:										
Customers	\$1.81	\$1.89	\$0.09	23%	\$1.93	\$1.88	(\$0.06)	22%	\$1.89	20%
NZ Transport Agency Waka Kotahi (NZTA) top-up	\$0.50	\$0.63	\$0.13	6%	\$0.49	\$0.63	\$0.14	6%	\$0.63	7%
NZ Transport Agency Waka Kotahi (NZTA) operating funding	\$2.90	\$3.42	\$0.51	37%	\$3.33	\$3.61	\$0.29	38%	\$3.51	37%
Local share funding (AC)	\$2.57	\$3.19	\$0.62	33%	\$2.96	\$3.25	\$0.29	34%	\$3.35	36%
Total operating expenditure per passenger	\$7.78	\$9.13	\$1.36	100%	\$8.72	\$9.37	\$0.65	100%	\$9.38	100%

22% of the YTD operating expenditure is funded by customers; the rest is funded by NZTA and Auckland Council. This is favourable to budget mainly due to higher-than-expected bus and ferry patronage.

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Section 3a – Summary of Capital Expenditure

	Current month			Year to date			Full year
	Actual	Budget (Realigned)	Variance	Actual	Budget (Realigned)	Variance	Budget (Realigned)
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Regional Land Transport Plan (RLTP) grouping							
Active Modes	4,669	3,910	(759)	25,815	34,999	9,184	53,500
Asset Management	39,171	34,580	(4,591)	262,722	273,365	10,643	418,118
Bus Projects	230	916	686	7,503	16,446	8,943	40,777
Corridor Improvements	712	986	274	2,416	6,121	3,705	11,690
Ferry, Multi-modal, and Park and Ride	8,283	4,391	(3,892)	45,826	37,902	(7,924)	50,202
Local Board Priorities	1,219	1,383	164	11,716	15,341	3,625	18,479
Network Capacity and Performance	920	1,881	961	6,904	13,818	6,914	22,000
Operational Programmes	3,697	1,947	(1,750)	26,054	26,227	173	37,526
Population Growth	2,862	1,369	(1,493)	16,037	24,252	8,215	41,658
Rapid Transit: Bus Projects	14,580	16,650	2,070	101,022	108,835	7,813	180,000
Rapid Transit: Rail Projects	2,149	13,031	10,882	13,700	37,258	23,558	105,448
Safety	2,156	4,811	2,655	28,867	33,649	4,782	47,000
Sustainability Projects that are in addition to travel choice projects	7	41	34	(24)	272	296	500
Climate Action Targeted Rate	1,255	2,850	1,595	10,669	15,464	4,795	31,092
Total direct capital	81,911	88,746	6,835	559,228	643,949	84,721	1,057,990

Section 3b – Capital Expenditure Funding

	Current month			Year to date			Full year
	Actual	Budget (Realigned)	Variance	Actual	Budget (Realigned)	Variance	Budget (Realigned)
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Direct capital funding							
NZ Transport Agency Waka Kotahi (NZTA) new capital co-investment	29,904	33,257	(3,353)	219,394	230,268	(10,874)	387,155
NZ Transport Agency Waka Kotahi (NZTA) renewal co-investment	14,429	10,783	3,646	91,039	89,783	1,256	129,260
Other capital grants	5,257	337	4,920	10,775	15,517	(4,742)	29,135
Auckland Council capital grant through equity	-	-	-	-	-	-	-
Auckland Council capital grant	32,321	44,369	(12,048)	238,019	308,381	(70,362)	512,441
Total direct capital funding	81,911	88,746	(6,835)	559,227	643,949	(84,722)	1,057,991

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Section 3c – RFT Capital and Operational Expenditure

RFT Capital and Operating Expenditure

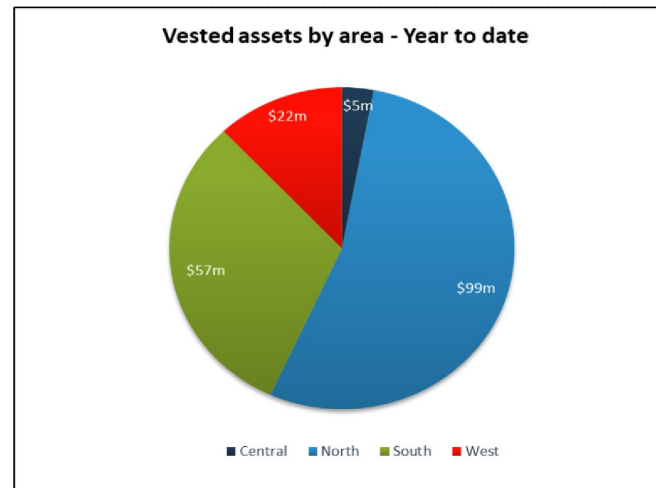
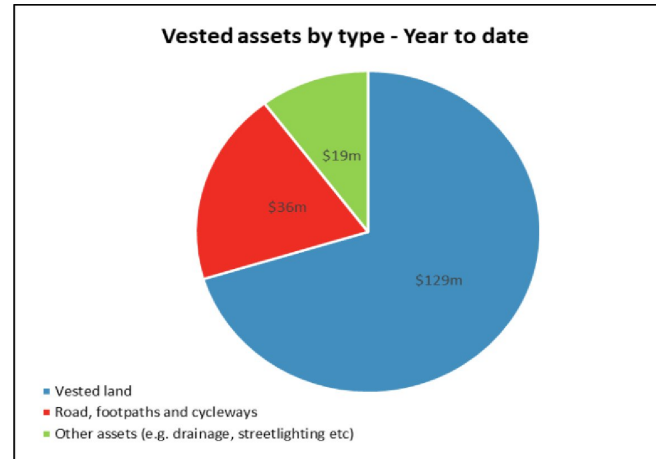
	Year to date			Full year		
	Actual Not RFT Enabled \$000	Actual RFT Enabled \$000	Actual Total \$000	Budget Not RFT Enabled \$000	Budget RFT Enabled \$000	Budget Total \$000
Capital expenditure	359,051	200,177	559,228	615,743	442,248	1,057,990
Funding						
NZ Transport Agency Waka Kotahi (NZTA)	168,391	142,042	310,433	271,238	245,177	516,415
Others (ACC, Crown, others)	10,775	-	10,775	18,435	10,700	29,135
Auckland Council	179,885	58,134	238,019	326,069	186,371	512,441
Total funding	359,051	200,177	559,228	615,743	442,248	1,057,990
Programme of capital projects supported by the RFT scheme						
Project 1: Bus priority improvements		17,673			24,770	
Project 2: City centre bus infrastructure		687			7,500	
Project 3: Improving airport access		2,339			15,300	
Project 4: Eastern Busway		96,544			162,000	
Project 5: Park-and-ride facilities		59			-	
Project 6: Electric trains and stabling		13,683			105,448	
Project 7: Ferry Network Improvements		8,944			16,172	
Project 8: Road safety		28,829			46,000	
Project 9: Active transport		10,323			11,000	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		-			-	
Project 12: Road corridor improvements		1,151			8,000	
Project 13: Network capacity and performance improvement		7,667			22,000	
Project 14: Growth-related transport infrastructure		12,278			24,058	
Total		200,177			442,248	
Operating expenditure		4,181			3,897	
Programme of operating projects supported by the Auckland RFT scheme						
Project 3: Improving airport access (Net of farebox and NZTA co-funding)		3,799			2,497	
Project 8: Road safety (Fully funded by Auckland Council)		383			1,400	
Total		4,181			3,897	

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Section 3d – Vested Assets

As at 29 February 2024

	Current month	Year to date
	Actual \$000	Actual \$000
Vested Assets - Top 10 Suburbs		
Milldale	-	39,681
Warkworth	-	29,450
Pukekohe	-	15,398
Hobsonville	-	15,304
Flat Bush	-	14,148
Orewa	-	10,443
Drury	-	8,146
Long Bay	98	7,104
Auckland Central	-	4,027
Huapai	-	3,908
Other	3,239	35,444
Total Vested Asset	3,337	183,052





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Section 3e – Climate Action Transport Targeted Rate (CATTR)

CATTR Gross Capital and Operating Expenditure

	Year to date				Full year						Life					
	Actual \$000	Budget \$000	Variance \$000	%	Actual \$000	Budget \$000	Remaining to Budget \$000	%	Forecast \$000	Forecast Variance to Budget \$000	%	Actual \$000	Budget \$000	Remaining \$000	%	Committed \$000
By Capital/Operational																
Capital	10,668	15,877	5,209	33%	10,668	38,642	27,974	72%	29,538	9,104	24%	19,862	355,645	335,783	94%	32,827
Climate Action TR - Bus	-	-	-	-	-	-	-	-	-	-	-	-	40,375	40,375	100%	-
Climate Action TR - Cycling	1,500	2,355	855	36%	1,500	9,900	8,400	85%	2,933	6,967	70%	2,952	112,578	109,626	97%	708
Climate Action TR - Ferry	7,376	9,865	2,489	25%	7,376	24,212	16,836	70%	24,283	(71)	(0%)	15,066	125,848	110,782	88%	31,343
Climate Action TR - Walking	1,792	3,657	1,865	51%	1,792	4,530	2,738	60%	2,322	2,208	49%	1,844	76,844	75,000	98%	776
Operational	10,624	7,378	(3,246)	(44%)	10,624	13,406	2,782	21%	17,470	(4,064)	(30%)	11,896	650,329	638,433	98%	1,395
Climate Action TR - Bus	10,161	5,721	(4,440)	(78%)	10,161	10,424	263	3%	15,735	(5,311)	(51%)	11,311	611,120	599,809	98%	815
Climate Action TR - Cycling	324	1,046	722	69%	324	1,569	1,245	79%	847	722	46%	437	16,488	16,051	97%	405
Climate Action TR - Ferry	-	-	-	-	-	496	496	100%	292	204	41%	-	8,063	8,063	100%	-
Climate Action TR - Walking	139	611	472	77%	139	917	778	85%	445	472	51%	139	7,503	7,364	98%	66
Climate Action TR - Overhead	-	-	-	-	-	-	-	-	151	(151)	-	9	7,155	7,146	100%	109
Gross Expenditure	21,292	23,255	1,963	8%	21,292	52,048	30,756	59%	47,008	5,040	10%	31,758	1,005,974	974,216	97%	34,222
Fare revenue from CATTR delivered services	(2,222)	(626)	1,596	(255%)	(2,222)	(1,445)	777	(54%)	(3,809)	2,364	(164%)	(2,276)	(126,961)	(124,685)	98%	-
Climate Action TR - Bus	(2,222)	(626)	1,596	(255%)	(2,222)	(1,241)	981	(79%)	(3,809)	2,568	(207%)	(2,276)	(117,743)	(115,467)	98%	-
Climate Action TR - Ferry	-	-	-	-	-	(204)	(204)	100%	-	(204)	100%	-	(9,218)	(9,218)	100%	-
NZ Transport Agency	(8,784)	(5,603)	3,181	(57%)	(8,784)	(14,785)	(6,001)	41%	-	(14,785)	100%	(12,493)	(384,294)	(371,801)	97%	-
CATTR Local Share	(10,286)	(17,027)	6,741	(40%)	(10,286)	(35,818)	(25,532)	71%	(43,199)	7,381	(21%)	(16,989)	(494,719)	(477,730)	97%	-

- **Ferry** charging infrastructure orders (transformers and charging equipment) delivered in October 2023.
- **Walking** projects:
 - Marua Road project has been completed over December/January.
 - Waiheke Causeway project between the yacht club and Shelly Beach Road completed late January.
 - Blockhouse Bay/ New North Road was set to commence however recent issues with raised tables/crossings will require some redesign.
 - Manurewa single stage business case procurement delayed. Awaiting NZTA Value, Outcome and Standards meeting on 22 February.
 - Non-infrastructure behaviour change campaign starts March-April.
- **Cycling** projects:
 - Hobsonville Road Cycle Connection project is progressing broadly to plan with a 2-3 month delay to the programme resulting in some expected underspend in

- **2023/24.** Detailed design work will now commence in early 2024 and construction in late 2024.
 - New Lynn/Kelston Cycle Focus Area project is progressing broadly to plan with a two-month delay to the programme. Draft concept design work is underway, with public consultation planned in early 2024.
 - Manurewa Cycle Connection project will proceed, having been put on pause. Contract renegotiations are underway and there is likely to be under-delivery to the annual plan as a result.
 - A tender for business case/design for the Albany Cycle Connection project is due to go to market in early 2024.
- **Bus:** there has been some spend on the marketing / promotion ahead of the North West Busway service changes which went live in November 2023.
 - In addition, the CATTR will pick up ongoing operational cost for NW service changes from November 2023 to June 2024 and Route 74 and 76 services from 1 January 2024 (ongoing).



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Section 4a – Statement of Financial Position (continued)

As at 29 February 2024

	Note	Actual 29 February 2024 \$000	Actual 31 January 2024 \$000
Assets			
Current assets			
Cash and cash equivalents	1	28,663	39,667
Receivables	2	601,114	564,718
Inventories		12,652	12,661
Other assets		19,748	22,097
Non-current assets held for sale		1,451	1,451
Derivative financial instruments		6	5
Total current assets		663,634	640,599
Non-current assets			
Property, plant and equipment (PPE)		26,177,536	26,178,794
Intangible assets		125,196	127,392
Work in progress (PPE and intangible assets)	3	1,299,874	1,249,068
Total non-current assets		27,602,606	27,555,254
Total assets		28,266,240	28,195,853

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Section 4a – Statement of Financial Position (continued)

As at 29 February 2024

	Note	Actual 29 February 2024 \$000	Actual 31 January 2024 \$000
Liabilities			
Current liabilities			
Payables and accruals	4	289,907	274,136
Employee entitlements	5	20,027	18,784
Derivative financial instruments		1,687	1,556
Provisions		130	130
Borrowings	6	11,566	11,524
Total current liabilities		323,317	306,130
Non-current liabilities			
Employee entitlements	5	290	290
Derivative financial instruments		1,239	1,479
Borrowings	6	452,267	453,222
Total non-current liabilities		453,796	454,991
Total liabilities		777,113	761,121
Net assets		27,489,127	27,434,732
Equity			
Contributed capital		13,282,924	13,276,876
Accumulated funds		5,955,420	5,907,073
Other reserves		8,250,783	8,250,783
Total equity		27,489,127	27,434,732

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Section 4b – Notes to the Financial Statements

As at 29 February 2024

	Actual 29 February 2024 \$000	Actual 31 January 2024 \$000
1 Cash and cash equivalents		
Cash at bank	8,746	19,320
Cash at bank - held for retentions	19,699	20,129
Till floats	218	218
Total cash and cash equivalents	28,663	39,667

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

2 Receivables		
Trade and other debtors	21,724	20,397
Infringement receivable	57,226	56,603
Amounts due from related parties	436,800	423,486
Accrued revenue	113,564	92,144
	629,314	592,630
Less provision for impairment of receivables	(28,200)	(27,912)
Total current receivables	601,114	564,718

The carrying value of debtors and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables as there are a large number of customers.

The maximum exposure to credit risk at reporting date is the carrying value of each class of receivable mentioned above.

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

As at 29 February 2024

The ageing profile of receivables is detailed below:

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Amounts due from related parties	Total
	\$000	\$000	\$000	\$000	\$000
Not past due	4,551	4,316	-	436,145	445,012
Past due 1 - 30 days	15,802	3,015	-	(44)	18,773
Past due 31 - 60 days	113	2,109	-	367	2,589
Past due 61 - 90 days	228	2,447	-	341	3,016
Past due > 90 days	1,030	3,525	41,814	(9)	46,360
	21,724	15,412	41,814	436,800	515,750
Impairment	(526)	(2,585)	(25,089)	-	(28,200)
	21,198	12,827	16,725	436,800	487,550

All receivables greater than 30 days in age are considered to be past due.

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Total
	\$000	\$000	\$000	\$000
Balance at 30 June 2023	526	1,679	23,330	25,535
Additional/(Reversal) provisions made	-	906	1,759	2,665
Provisions reversed	-	-	-	-
Provisions relating to receivables written-off	-	-	-	-
Balance at 29 February 2024	526	2,585	25,089	28,200

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

As at 29 February 2024

	Opening balance 1 July 2023	Acquisition YTD 29 February 2024	Capitalisation YTD 29 February 2024	Closing balance 29 February 2024
	\$000	\$000	\$000	\$000
3 Work in Progress (WIP)				
WIP by activity				
Roads and footpaths	511,849	213,704	-76,069	649,484
Public Transport	498,922	177,331	-25,862	650,390
Total WIP	1,010,771	391,035	-101,932	1,299,874
WIP by status				
Current WIP (completion in future)				1,070,913
Due for capitalisation within policy				31,394
Due for capitalisation not within policy				196,637
Forecast completion date not yet provided (new projects)				930
Total WIP				1,299,874
Top 10 Programmes				WIP Closing balance 29 February 2024
Eastern Busway Stages 1 to 4				346,599
Supporting Growth				86,351
Unplanned Natural Event				78,000
Urban Cycleways Programme				70,709
Decarbonisation of the Ferry Fleet Stage 1				65,266
Public Transport Safety				56,018
EMU Rolling Stock and Stabling Tranche for CRL				55,407
Safety Programme				53,658
Rosedale and Constellation Bus Stations				48,940
Customer and Business Technology				29,497
Total				890,444

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

As at 29 February 2024

	Actual 29 February 2024 \$000	Actual 31 January 2024 \$000
4 Payables and accruals		
Current portion		
Creditors	28,979	27,197
Goods and services tax	7,369	14,524
Accrued expenses	207,087	186,850
Retentions	19,699	20,129
Amounts due to related parties	20,137	17,250
Revenue in advance	6,636	8,186
Total current payables	289,907	274,136

Creditors and other payables are non-interest bearing and are normally settled on 20 day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

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

As at 29 February 2024

	Actual 29 February 2024 \$000	Actual 31 January 2024 \$000
5 Employee entitlements		
Current portion		
Accrued salaries and wages	6,866	5,967
Accrued leave	13,161	12,817
Total current employee entitlements	20,027	18,784
Non-current portion		
Retirement gratuities	253	253
Long service leave	37	37
Total non-current employee entitlements	290	290
6 Borrowings		
Current portion		
Finance lease	1,080	1,079
Loans from Auckland Council	10,486	10,445
Total current borrowings	11,566	11,524
Non-current portion		
Finance lease	1,091	1,181
Loans from Auckland Council	451,176	452,041
Total non-current borrowings	452,267	453,222
Weighted average cost of funds on total borrowings	4.54%	4.54%

AT's loan debt of \$462 million is issued at a fixed rate of interest of 4.54%.



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Section 5 – Cashflow

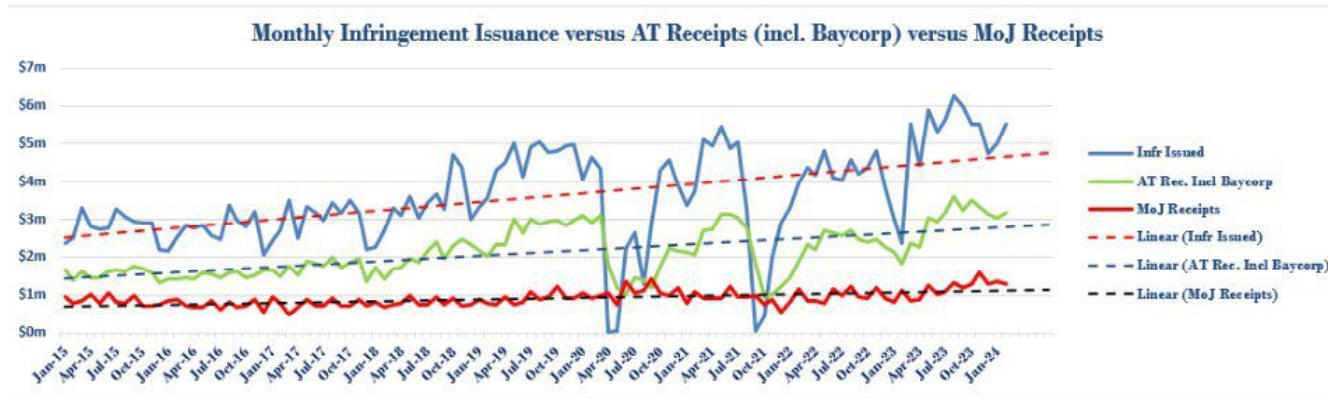
	Year to Date		Full year	
	Actual \$000	Budget \$000	Budget \$000	
Cash flows from operating activities				
Total cash provided	1,422,741	1,469,977	2,306,307	Reconciliation of surplus after tax to net cash from operating activities
Cash applied to				Actual \$000
Payments to suppliers and employees	773,767	820,632	1,213,559	
Interest paid	12,034	18,724	28,086	
Total cash applied	785,801	839,356	1,241,645	Surplus after tax
Net cash from operating activities	636,940	630,621	1,064,662	429,653
Cash flows from investing activities				Add/(less) non-cash items
Cash provided from				Depreciation and amortisation
Sale of property, plant and equipment	61	-	-	349,510
Cash applied to:				Vested asset income
Purchase of property, plant and equipment	605,932	623,949	1,057,990	(183,052)
Net cash from investing activities	(605,871)	(623,949)	(1,057,990)	Gain on disposal of property, plant and equipment
				(61)
				Write-off of capital works
				958
				Gains/(losses) on derivatives
				3,512
				170,867
Cash flows from financing activities				Add/(less) movements in balance sheet items
Cash applied to				Receivables
Repayments of EMU loan from Auckland Council	6,672	6,672	6,672	42,265
Repayments of finance lease principal	712	-	-	Inventories
Net cash from financing activities	(7,384)	(6,672)	(6,672)	(612)
				Other assets
				(6,211)
				Payables and accruals
				5,101
				Employee entitlements
				976
				Provisions
				(5,099)
Net (decrease)/increase in cash and cash equivalents	23,685	-	-	36,420
Opening cash and cash equivalents	4,978	-	-	
Closing cash balance	28,663	-	-	Net cash from operating activities
				636,940



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Section 6 – Infringement Overview

Over 110 months (January 2015 to February 2024), the trend for both infringements issued and receipted (including Baycorp) is positive and increasing while the trend for receipts by Ministry of Justice has remained relatively static, however, the past 6 months has seen an increase in collections.



Te pou whenua tuhinga / Document ownership

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