

# Reconciliation between statutory and management results

## Management performance results

### Group operating performance

(\$ million)	FY 19	FY 20 Quarter 2 YTD			FY 20
	Actual	Actual	Budget	Variance	Budget
<b>Net direct expenditure</b>	681	366	427	61	797
<b>Direct revenue</b>	1,941	1,069	1,003	66	2,025
Fees & user charges	1,333	725	696	29	1,411
Operating grants and subsidies	308	172	160	12	320
Other direct revenue	300	172	147	25	294
<b>Direct expenditure</b>	2,622	1,435	1,430	(5)	2,822
Employee benefits	911	498	473	(25)	960
Grants, contributions & sponsorship	144	112	110	(2)	156
Other direct expenditure	1,567	825	847	22	1,706
<b>Other key operating lines</b>					
General rates	1,582	1,646	1,644	2	1,653
Targeted rates	208	225	224	1	224
Vested assets	486	231	134	97	300
Finance revenue	16	7	6	1	11
Regional fuel tax revenue	156	80	75	5	150
Non-direct revenue	8	(1)	-	(1)	-
Depreciation and amortisation	922	464	470	6	965
Finance costs	478	217	227	10	456
Non-direct expenditure	66	29	-	(29)	-

### Group capital performance

(\$ million)	FY 19	FY 20 Quarter 2 YTD			FY 20
	Actual	Actual	Budget	Variance	Budget
<b>Capital investment</b>	2,040	1,198	1,210	(12)	2,673
Auckland Council	543	294	384	(90)	886
Auckland Transport	667	345	375	(30)	903
ATEED	3	-	-	-	-
Panuku	93	56	80	(24)	161
Ports of Auckland	144	59	67	(8)	136
Regional Facilities Auckland	97	42	37	5	78
Watercare	428	272	306	(34)	618
Group delivery assumption adjustment	-	-	(141)	141	(312)
<b>City Rail Link investment (Auckland Council share)</b>	65	130	102	28	203
<b>Capital funding sources</b>					
Development contributions	178	68	129	(61)	258
Capital grants and government subsidies	304	169	227	(58)	517
Asset sales	168	68	-	-	255
Change in net debt	445	547	-	-	579
Operating funding	945	341	-	-	1,064

## Statutory results

For the six months ended 31 December 2019

\$MILLION	UNAUDITED 6 MONTHS TO 31 DEC 2019
<b>Revenue</b>	
Rates	1,871
Fees and user charges	725
Grants and subsidies	341
Development contributions	68
Other revenue	251
Vested assets	231
Finance revenue measured using effective interest method	7
Other finance revenue	-
<b>Total revenue excluding other gains</b>	<b>3,494</b>
<b>Expenditure</b>	
Employee benefits	498
Depreciation and amortisation	464
Grants, contributions and sponsorship	112
Other operating expenses	854
Finance costs	217
<b>Total expenditure excluding other losses</b>	<b>2,145</b>
<b>Operating surplus before gains and losses</b>	<b>1,349</b>

Total revenue excluding other gains of \$3,494 million

Total expenditure excluding other losses of \$2,145 million

Operating surplus/(deficit) before gains and losses = \$1,349 million

### Key commentary:

The management performance results from the Quarterly Performance packs provided to the F&P Committee reconcile at the operating surplus before gains and losses line (net profit equivalent) in the interim report (statutory results).

The Quarterly Performance packs provide a net direct view of the results, which enables a consistent standard for evaluating each organisations' operating performance. It excludes items such as rates revenue and depreciation, which are managed and allocated centrally. These items are not within each business unit's control and performance. One-off and non-cash items such as vested assets are also excluded to show the underlying profit/loss for the organisation.