



ATTACHMENT 1

# Pūrongo ā-tau 2022

Annual Report 2022





## Mihi

E ngā reo, e ngā mana, e ngā rangatira mā  
Nei rā te mihi matakuikui ki a koutou katoa

Ka tiaki, ka manaaki, ka auahatia,  
ka hāpai te whanaungatanga

Hei painga mō tātou katoa

Tāmaki Makaurau,  
Tāmaki herehere o ngā waka e!

Haumi e, Hui e, Tāiki e!

The voices, the authorities, the leaders

Pleasant greetings to you all

To protect, to care, to create,  
to lift the relationships

For the benefit of all of us

Auckland, Auckland the meeting  
place of all canoes!

Unite, Gather, Progress!





## **Welcome to Auckland Transport's 2022 Annual Report against our Statement of Intent to Auckland Council.**

We enable our customers to move freely with confidence by:

- Taking the community on a journey
- Creating a safe, innovative and sustainable transport network
- Creating options and choices.

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## Tirohanga whānui

Overview



## Adrienne Young-Cooper Report from the Chair

AT remained agile and adaptive in the 2021/22 financial year as we navigated an increasingly challenging and complex environment. Covid-19 and its impacts continued to cause severe disruption to public transport patronage, and critical supply chain and labour shortages which delayed planning and delivery of projects and programmes.

Our 2021/22 budget, like other budgets of the Auckland Council organisations, was prepared on the assumption that Auckland would be in Alert Level 1 for the full financial year with rapidly recovering revenues from a wide range of AT services and activities. However, ongoing Covid-19 impacts and restrictions meant that our full year operating and capital budgets were unrealistic.

AT's surplus before tax of \$394.6 million is \$281.9 million lower than budget but only \$6.7 million lower than budget after excluding non-operational items. This is particularly pleasing given the negative impact of Covid-19 on operating revenues and the impact of inflation on operating costs.

Total revenue for the year of \$1,846.5 million fell short of budget of \$2,174.7 million primarily due to receiving \$163.9 million less capital funding than budgeted and \$174.8 million less other revenue.

The decrease in revenue was partially offset by additional Waka Kotahi operating funding of \$18.2 million.

AT prioritised and delivered 80% of its capital programme despite COVID-19 impacting public consultations, consenting, procurement, tendering processes and supply chains. SOI performance targets for the year ending 30 June were also set under the assumption there would be no further extended lockdowns. We met or exceeded 18 out of 27 of those targets.

Covid-19 continues to adversely affect public transport patronage. AT recorded 41 million public transport boardings in the financial year, 35.6% down on the previous year with lower public transport revenue of \$97.9 million.

With more than 80% of all household trips made by car, AT is committed to enabling more people to take up public transport and active models, such as walking and cycling. Without new interventions increases in population and vehicle kilometres travelled (VKT), which are forecast over the next decade, will continue to drive increased greenhouse gas emissions.

We must take bold action to achieve the region's emissions reduction goals set out in Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan which aims to halve emissions by 2030 and reach net zero emissions by 2050. The scale of change is immense, and it will require some difficult decisions and significant investment.

The scale and urgency of change needed to address climate changes means we must work together; government, businesses, mana whenua and communities to do our part in this singular global challenge and safeguard the future of our region.

AT is focused on reducing its own operational emissions and has begun transitioning to a low emissions transport fleet by 2040.

Auckland continues to have a serious problem of people needlessly dying and being seriously injured on our roads. Keeping Aucklanders safe as they walk, cycle, bus, train, ferry or drive is one of AT's key priorities.



We are working alongside our partners in the Tāmaki Makaurau Road Safety Governance Group to achieve Vision Zero, an ambitious safety goal which aims to have no deaths or serious injuries on our roads by 2050.

Vision Zero is an approach that values everyone on our roads, not just those in vehicles. It is about caring for more vulnerable road users such as people walking, cycling, children and the elderly.

As well as making our transport network safe, it also needs to be accessible. AT's Accessibility Action Plan (2022-2024) details what we will be undertaking over the next three years to improve accessibility. We have made significant progress in increasing the number of accessible buses and trains, and improving our digital communications. Despite this progress more needs to be done and the Accessibility Action Plan sets the priorities and direction that's needed.

Extraordinary times require extraordinary commitment and I want to acknowledge the steadfast work of the AT board and AT staff. There are many unsung heroes in managing constantly changing financial and operational challenges and ensuring that the essential services of AT are maintained to help keep Aucklanders moving. The strong support of Auckland Council and the Government has been consistent.

I would like to pay tribute to AT's former Chief Executive Shane Ellison who stepped down from the role in June 2022 after four years at the helm. Shane's work to change our focus from moving vehicles to moving people and freight will have a lasting impact both within AT and across the region.

Shane also brought significant cultural change to the organisation, and I thank Shane on behalf of our board for his service to Tamaki Makaurau.

We welcomed Mark Darrow to the AT board this year and farewelled Mary-Jane Daley. I would like to acknowledge the vast expertise Mary-Jane contributed to AT, as well as the extensive knowledge that Mark brings to the board.

I would also like to take this opportunity to recognise the significant contribution Sir Michael Cullen has made to Auckland Transport over many years. Sir Michael, who passed away in August 2021, was highly respected as a director by the entire board and management team, and his judgement, guidance and wisdom are sorely missed.

**(Signature)**

**Adrienne Young-Cooper  
Chair, Auckland Transport**

## Mark Lambert Report from the Interim Chief Executive

I am extremely proud of how Auckland Transport has navigated another difficult and uncertain year and demonstrated our ability to respond to the unexpected as the Covid-19 pandemic continued to cause ongoing disruption, along with global macro and supply chain issues.

With Covid-19 significantly changing customer travel demand and behaviours across the region, including an increasing number of people working from home and hybrid working, AT is focused on optimising its public transport services in response to this change in customer demand to provide more transport choices for people.

We are embarking on a Network Recast with a view to reallocate resource away from peak times, due to lower post Covid-19 demand at peak times, as well as looking to invest freed up resources into additional off peak and evening services. This will provide a more consistent and higher frequency all-day service in addition to enhancing our network design philosophy toward local hubs, including a move away from city centre network centrality.

Half price public transport fares on AT bus, train and ferries from 1 April 2022 has assisted in increasing public transport patronage although boardings are significantly down, 35.6% on the year prior, and it will be some time before we expect a return to pre Covid-19 levels.

This has created significant revenue implications for AT, which have been managed through tight cost management, including temporary reduction of services and additional funding availability from AT funders.

Despite an unprecedented and challenging operating environment, AT has delivered on multiple fronts. Significant projects progressed and completed in the 2021/22 financial year include opening Auckland's world-class waterfront as part of the Downtown programme, completing the first stage of the Eastern Busway between Panmure and Pakuranga, progress to contract ready the next two stages of the Eastern Busway between Pakuranga and Greenmount Drive, the Tāmaki Drive separated cycleway and road rehabilitation between St Johns Road to Ōrākei Basin, as well as the New Lynn to Avondale shared path and Northcote Safe Cycle Route, including the Tapuwae bridges across SH1 as part of Auckland's Urban Cycleways Programme.

AT also awarded its updated Auckland-wide road maintenance contracts for the next 10 years following a comprehensive procurement process. We utilised an innovative Collaborative Maintenance Partnership (CMP) model, putting a much stronger emphasis on a partnership between AT and its suppliers working as 'one team' to deliver the key road network outcomes. Of particular focus was an increased weighting given to customer and safety outcomes, while still delivering significant value for money for Auckland ratepayers.

AT has ensured we maintain a healthy competitive road corridor maintenance marketplace for the future, as well as a commitment to some of the broader outcomes we are seeking through our Sustainable Procurement Action Plan launched in the 2021/22 financial year. The plan sets out our vision for all procurement activities to accelerate Auckland's transformation to a regenerative economy and identifies social and environmental procurement outcomes that AT is committed to.

AT has been enabling City Rail Link (CRL) construction by adjusting its own transport services and assets, such as road and pedestrian crossings, to minimise disruption. CRL will at least double Auckland's rail capacity when fully operational and will better connect Auckland's entire rail network, doubling the number of people within 30 minutes of central Auckland. AT is an integrated part of the overall CRL delivery programme, and this year has placed an order to expand the city's train fleet by a further 23 electric trains.

Continuing the focus on the decarbonisation of the public transport fleet, AT committed to the single biggest order in Australasia of new electric buses through our supplier NZ Bus and placed contracts with EV Maritime and McMullen and Wing to build the first two fully electric ferries to join the Auckland fleet.

A further enabler to enhance the Auckland passenger rail service was the procurement of a new rail franchisee with the appointment of Auckland One Rail, a joint venture comprising ComfortDelGro Transit Pte Ltd and UGL Rail Pty Ltd bringing the expertise of two world

class transport organisations with a strong regional footprint to Auckland.

In January this year, Cabinet endorsed the option of tunnelled light rail for the City Centre to Māngere corridor. The City Centre to Māngere line will connect two major employment hubs, Auckland City Centre and the Airport. It will connect with planned housing and deliver better access for communities including suburbs with limited public transport. AT continues to collaborate with Auckland Light Rail on the next phase of the project, which includes refining the route and delivery timeline, ensuring that the best possible outcomes are achieved for all Aucklanders.

As the COVID-19 pandemic continues, we are focused on our people's health and wellbeing, while also investing in their development. This year we launched Hauora, our Wellbeing framework and programme that provides our organisation and our people with an approach to prioritising our wellbeing and taking care of ourselves and each other at work.

We are so proud to have been named a finalist in the Human Resources New Zealand awards for Hauora and for winning Best Health & Wellbeing Program in the Human Resources Director awards this year.

In the height of the 2021 lockdown, and the Omicron outbreak in early 2022, our people mostly worked from their homes. We ensured they had access to a wide range of support and tools they needed through our COVID-19 response resources.

It has been an incredibly challenging year, for all Aucklanders including our staff and suppliers, but I am immensely proud of our delivery for Tāmaki Makaurau and the achievements during this year and how we have looked after each other during this time.

**(Signature)**

**Mark Lambert**  
Interim Chief Executive,  
Auckland Transport



## Looking forward

### **While Covid-19 has rapidly changed our world, including the way we travel, it has also presented an opportunity for AT to think, plan and deliver differently**

AT is continuing to rapidly adapt in an uncertain environment, never losing sight of our purpose, our customers, and our people.

We remain focused on keeping Auckland moving and steering our transport thinking towards 'moving people' rather than moving vehicles.

The Covid-19 pandemic is continuing to cause major disruption, not just to public transport and in the way we travel, but to supply chains and access to labour, with extreme shortages and escalating costs resulting in significant delays in planning and delivery of projects and programmes.

AT is seeking to identify and leverage additional funding sources, review our improvements programme to prioritise investment in activities, and explore more cost-effective delivery through procurement.

Despite these challenges, AT progressed and completed significant projects in the 2021/22 financial year including opening Auckland's world-class waterfront as part of the Downtown programme, competing the first stage of the Eastern Busway between Panmure and Pakuranga, and advancing Auckland's Urban Cycleways programme by delivering 5.8km of minor cycleways and 8.1km of new cycleway connections.

AT has also secured partnerships for electric buses and ferries, as well as purchased additional electric trains as we work toward decarbonising our transport fleet by 2040.

We acknowledge that many Aucklanders are doing it tough. The cost of living continues to rise which means people have to make difficult choices. Of particular concern is the rapid rise in the cost of fuel. Although AT cannot influence the cost of living in Auckland, we can help to ease the financial pressure on people, by improving access to low-cost alternatives such as walking, cycling, micromobility and public transport services.

We are committed to creating easy journeys for Aucklanders and encouraging a behaviour shift towards active transport modes, such as walking and cycling, as we work together to combat climate change by reducing Auckland's dependence on private vehicles.

Covid-19 has also created opportunities for a change that will safeguard Auckland's transport system and our environment for future generations as our region's population continues to grow.

With technology enabling hybrid working and more people working from home, online meetings are becoming increasingly viable and attractive alternatives, allowing people to be just as productive without having to travel.

Put simply, if we are to make a meaningful impact on reducing greenhouse gas emissions (GHG) we need fewer people driving internal combustion engine vehicles. Already in Auckland, one in a 100-year storms and floods are happening more frequently – yet GHG emissions are not decreasing, and we must act urgently now.

With the shift to cleaner modes and vehicles, and with less competition from private vehicles on the roads, industry will be more productive, with improved logistics enabling goods to travel more efficiently and sustainably. Vehicles in 2030 will generally be more fuel efficient and increasingly will be electric.

To achieve Auckland's goal, set out in **Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan**, of halving emissions by 2030 and reaching net zero emissions by 2050, we must work together to deliver a low carbon and resilient Auckland that is better for everyone.





## 2021 Highlights



### July

#### Auckland's world-class waterfront opens

Auckland's Downtown Programme was completed and celebrated with Prime Minister Jacinda Ardern in attendance.

#### Auckland Transport's Community Bike Fund opened for applications

The \$50,000 fund for community groups will deliver cycling initiatives.

#### Public consultation approved for the second phase of safe speed limits

This phase includes urban and residential roads, rural roads, town centres, and roads around schools and marae.

#### Large numbers enjoyed Fare Free Saturday

A record number of Aucklanders enjoyed free fares at levels not seen since pre-Covid-19.

#### Investment announced to future-proof Auckland's Northern Busway

Enhancements to the Northern Busway included increasing capacity and protecting service reliability.

#### Auckland Transport released City Centre Bus Plan

AT and Auckland Council released the plan outlining proposals for the next 10 years.

#### Recycled rubber roundabout makes debut in Waiuku, southern Auckland

In a first for AT, a cost-effective recycled rubber roundabout was installed. The intersection of Queen Street, Victoria Avenue and Court Street now has the innovative rubber product being trialled.

#### Sodturning held for SH16 Northwestern bus improvements

Transport Minister Michael Wood and Mayor Phil Goff marked the start of works by turning the first sod of dirt along with local councillors, local board members and representatives from AT and Waka Kotahi.

#### Puhinui Station in Papatoetoe opened to the public

Improved transport connections for South Auckland arrived. Minister of Transport Michael Wood and Auckland Mayor Phil Goff officially opened the long-awaited upgrade.

#### Auckland Transport released Road Safety Business Improvement Review 2021

As part of its road safety improvement programme, the AT Board unanimously-endorsed the review and continued the commitment to improving road safety outcomes.

### August

#### Auckland at Alert Level 4

On 17 August, Auckland was back in lockdown. AT reminded customers of the Government's advice under Alert Level 4.

#### New rail operator announced for Auckland

AT announced Auckland One Rail (AOR) as its new successful rail operator: a joint venture comprising ComfortDelGro Transit Pte Ltd (CDGT) and UGL Rail Pty Ltd (UGL Rail).

#### Northcote safe cycle route completed

A safe 5.2km route for cyclists and pedestrians was created with two bridges across SH1 at Northcote Road completing the project.

### September

#### Auckland moves to Alert Level 3

The Government announced Auckland would be moving to Alert Level 3 at 11.59pm, Tuesday 21 September.

#### Easier travels around Tāmaki Makaurau with new bus stop names

Bus stop 117 Hill Road was renamed Botanic Gardens along with other simpler, landmark-based bus stops for easier journeys around Auckland.

### October

#### Ōrewa, Mairangi Bay, Torbay and Ōtāhuhu surveyed on road safety improvements

Nearly 2000 residents in town centres shared their views on whether they feel safer since AT made road safety improvements in their communities.

#### Lake Road plans re-started

AT restarted its plans for upgrading Lake Road, Esmonde Road and Bayswater Avenue. The project was put on hold in mid-2020 due to Covid-19 impacts.

#### Text service launched

In a New Zealand first – a new texting service was launched. AT teamed up with the charity Crime Stoppers NZ to make it easier to report incidents.

#### AT Local service launched out south

This new rideshare service was launched in Conifer Grove, Takaanini, and Papakura.



## 2021 Highlights (continued)



### November

#### **Auckland's alert level 3 eases**

Auckland transitions to step 2 of Alert Level 3.

#### **Australasia's biggest electric bus order announced**

In a partnership between AT and NZ Bus, a further 152 battery electric buses for Auckland's roads was announced.

#### **Minor cycling programme updated**

60km of cycling facilities across Auckland will be made safer with a proposal to separate existing on-road cycle lanes.

#### **Speed limit reductions consultation completed**

Public feedback period for the second speed limit reductions consultation concluded.

#### **Draft design released for the Eastern Busway**

AT launched draft design for the next stage of the Eastern Busway project, a 5km stretch linking Pakuranga and Botany.

#### **Living bus shelter trial began**

Two Auckland's bus shelters, in Panmure and Manukau, came to life with more than 1000 plants adorning their walls and roofs.

### December

#### **Auckland moves to Red setting**

The Red setting of NZ's new Covid-19 Protection Framework is enforced.

#### **Public consultation approved for third phase of safe speed limits**

AT sought public feedback on the third phase of proposed safe speed limits.

#### **AT starts conversation about how parking is slowing down our city**

AT released the Parking in Auckland discussion document.

#### **Manurewa residential speed management project begins**

This project involves AT installing safety improvements in the Manurewa residential area including speed calming, roundabouts and raised pedestrian crossings to support safe vehicle speeds.

#### **New te reo Māori announcements**

Train passengers were able to hear announcements on the PA system in te reo Māori at all train platforms.

#### **Work on the Tāmaki Drive cycleway finishes up in time for summer on 20 December**

The final stretch of Tāmaki Drive's separated cycleway between Ngapiipi Bridge and the city centre was completed.

#### **Eastern Busway stage 1 Panmure to Pakuranga opens**

The next stage of the Eastern Busway between Pakuranga and Panmure opened.

## 2022 Highlights



### January

#### Auckland One Rail (AOR) began its partnership with AT

AOR took over as passenger rail operator. The contract, valued at around \$130 million per annum, was the result of an international tender for the city's rail services.

### February

#### More electric trains for Auckland

AT announced the purchase of an additional 23 electric trains for its rail network.

#### Te Onewa Northcote Point Wharf benefits from future-proofing

AT announced it would temporarily close Te Onewa Northcote Point Wharf to pave the way for the future arrival of low-emission vessels.

#### Consultation opened for phase three of proposed safe speed limits

AT encouraged the public to have its say on the third phase of proposed safe speed limits for Tāmaki Makaurau.

### March

#### AT approved key section of Eastern Busway

AT's Board approved the design for the Pakuranga to Ti Rakau Drive Bridge section of the Eastern Busway following community consultation on the proposed design and route in late 2021.

#### Waiheke's 10-year transport plan updated

The plan was approved communicating the jointly-agreed future of transport on Waiheke Island between the Waiheke Local Board and AT.

#### Medallion Drive link re-opened

Children from Oteha Valley School made the first official crossing of the new bridge on Medallion Drive.

#### Pine Harbour weekend ferry trial set sail

AT launched its long-awaited new weekend ferry service trial between Pine Harbour Marina and Downtown Auckland.

#### Safety improvements for busy Waiheke roundabout

Safety improvements kicked off for the Waiheke roundabout connecting Donald Bruce Road, Alison Road and The Causeway in Surfdale.

#### Dominion Road motorcycle safety trial kicked off

To address motorcycle and cycle safety in Auckland this trial involved safety improvements at 11 side road intersections off Dominion Road.

### April

#### Half-price AT Metro fares launched

From 1 April, fares across the AT Metro network dropped by 50 per cent, saving passengers an estimated \$10 million on bus, train and ferry fares over three months.

#### The AT Board approved the proposed roads from the tranche 2A consultation

These changes have a significant focus on safe speeds for rural roads and roads near schools.

#### Draft Parking Strategy consultation opened

Aucklanders were asked to have their say on Auckland's Draft Parking Strategy between 13 April and 15 May.

#### Trains returned to full timetable

AT train services returned to a normal timetable as Covid-19 related absences reduced across the organisation. This news came as passenger numbers hit more than 1 million trips over the course of a week across AT's bus, train and ferry services. This marked the first time passenger numbers surpassed the 1 million milestone in 2022 due to Covid-19 disruptions.

#### Auckland Transport shone bright in Energy Excellence Awards

AT's commitment to the environment saw it announced as a finalist in two categories of the New Zealand Energy Excellence Awards 2022.

#### Mission Bay safety improvements commenced

Improvements include constructing a separated on-road cycleway on Tāmaki Drive, signage to encourage people walking to use the boardwalk, and adding new bike parking within the town centre.

#### Electric Ferries

AT entered into an agreement with EV Maritime to build the first two electric fast ferries to be operated across inner and mid-harbour commuter routes from 2024.

## 2022 Highlights (continued)



### May

#### **Tāmaki Drive cycleway opened**

The new Tāmaki Drive cycleway was opened by Minister of Transport, Michael Wood following an official dawn blessing.

#### **Te Onewa Northcote Point Wharf reopened for ferry services**

The wharf reopened following berth face improvements which will better assist ferry operators.

#### **Government announces extension of AT half-price fares and concessions**

Public transport commuters enjoyed an extension of half price fares on buses, trains and ferries for a further two months.

### June

#### **New Lynn to Avondale Shared Path opens**

The opening was attended by Mayor Phil Goff, Minister of Transport Michael Wood, Whau Ward Councillor Tracy Mulholl and the Whau Local Board.

#### **St Heliers village safety improvements were completed**

The works significantly improved the connection between the beach and shops - making it safer to walk, bike and drive.

#### **Waka Kotahi completes St Johns Road to Ōrākei Basin of Glen Inness to Tāmaki Drive Shared Path**

Completing this 2.65 kilometres of shared path signified a major boost for walking and cycling in Auckland's eastern suburbs.



## Who we are and what we do

### AT was established under the Local Government (Auckland Council) Act 2009, specifically to:

“...contribute to an effective, efficient and safe Auckland land transport system in the public interest.”

Under the legislation, **AT has the powers and roles of both a regional council and a road controlling authority.**

### AT's functions as per the legislation are to

- Prepare the regional land transport plan for Auckland in accordance with the Land Transport Management Act 2003,
- Manage and control the Auckland transport system in accordance with this Act,
- Carry out research and provide education and training in relation to land transport in Auckland,
- Undertake any other transport functions that the Auckland Council may lawfully direct it to perform or delegate to it,
- Undertake any transport functions expressly conferred on the Auckland Council by any enactment that the Council may lawfully delegate to it,
- Undertake or exercise any functions, power and duties in respect of state highways that the New Zealand Transport Agency may lawfully delegate to it,
- Undertake any other functions that are given to it by this Act or any other enactment, or that are incidental and related to, or consequential upon, any of its functions under this Act of any other enactment.

### Auckland Council has delegated the following additional activities to AT

- Management and control of off-street parking,
- Acquisition of property (for transport related purposes),
- A range of maritime functions administered by the Harbourmaster.

### The Government has also granted airport authority status to AT

- for managing and operating the aerodromes Auckland Council owns on Great Barrier Island. This came into effect on 1 April 2020.

## Auckland Transport is a Council Controlled Organisation (CCO) of Auckland Council

### Our day-to-day activities keep Auckland's transport systems moving

We provide transport services to Auckland's almost **1.7 million** residents and its visitors



Planning, delivering and operating the region's public transport system



Managing on-street and off-street parking



Delivering and maintaining the active transport system



Delivering and maintaining the local road network



Promoting travel choices



Planning for the future



AT maintains and operates 7,638 kilometres of arterial and local roads, 348 kilometres of cycleways and 7,431 kilometres of footpaths, as well as numerous public transport and parking facilities, including two airfields in the Gulf Islands.



We design, build, manage and promote most of Auckland's transport infrastructure and services, systems, facilities, customer apps and the region's integrated public transport ticketing system, AT HOP.



AT is the regional guardian of \$26.3 billion of publicly-owned assets.

## Our purpose, promise, values and principles

### Our purpose – Why we exist

#### Easy Journeys

Connecting people and communities

### Customer value proposition & brand – Promise to our customers

#### Let's go there - enabling Aucklanders to move freely with confidence

- Safe & Liveable
- Enabling & Efficient
- Protects & Restores

### AT business objectives – What we have committed to deliver

- Make Auckland's transport system safe
- Provide excellent customer experiences
- Provide better travel choices
- Connect people, places, goods and services
- Support Auckland's growth
- Improve the resilience and sustainability of the transport system and reduce emissions
- Support Māori wellbeing outcomes, expectations and aspirations
- Collaborate with funders, partners, stakeholders and communities
- Ensure our operating model is adaptive, financially sustainable and delivers value
- Enable and enhance our culture and capability

### Our values & leadership tohu – Who we are

#### Auahatanga – Better, bolder, together

I am an innovator, strategic thinker, champion of excellence

#### Tiakitanga – Safe with us

I am a culture builder, guardian, influencer

#### Whanaungatanga – We connect

I am a trusted partner, collaborator, connector

#### Manaakitanga – We care... Full stop

I am an enabler, developer, part of the community

### Our strategic spotlights – How we'll transform Tāmaki Makaurau

#### Whirinaki

Building trust, confidence and mana

#### Climate Change

Reducing emissions to protect our environment

#### Safety & Wellbeing

In life, work and travel



## Strategic context

Transport in Auckland is primarily funded by both central government and Auckland Council. AT's strategic priorities are largely defined by and aligned with priorities and expectations set out in the following suite of documents.

**The Government Policy Statement on land transport (GPS)** sets out the Government's National Land Transport Fund (NLTF) expenditure priorities over the next 10 years. The GPS 2021-2031 is guided by four strategic priorities: Better Travel Options, Safety, Improving Freight Connections, and Climate Change.

**The Land Transport Management Act 2003** sets out the planning, funding and operating framework for New Zealand's land transport infrastructure and services, including roading, public transport, the rail network and traffic safety.

**The National Land Transport Programme (NLTP)** is a three-year programme that sets out how Waka Kotahi NZ Transport Agency invests land transport funding on behalf of the Crown to create a safer, more accessible, better connected and more resilient transport system.

**The Auckland Plan 2050** is a long-term strategy for managing Auckland's growth and development over the next 30 years. It considers how we will address the key challenges of high population growth and environmental degradation, and how we can ensure shared prosperity for all Aucklanders.

**Te Tāruke-ā-Tāwhiri: The Auckland Climate Plan** sets a pathway to rapidly reduce greenhouse gas (GHG) emissions (50% reduction by 2030) and help prepare Auckland for the impacts of climate change. Transport is one of eight priorities, with the transport sector emitting over 40% of Auckland's total emissions. The bulk of these emissions comes from road transport (86%).

**The Auckland Transport Alignment Project (ATAP)** is an aligned approach by Auckland Council and the Government to address Auckland's key transport challenges and recommend transport investment priorities. It sets a clear investment direction to accelerate the delivery of more transport choices for Aucklanders through public transport and encouraging walking and cycling, and directs areas of focus towards climate change, aligning growth with transport planning, demand management, and safety regulatory settings.

**Future Connect – Auckland Transport's Network Plan** identifies the most important parts of the transport network, the most critical issues, and opportunities. This informs our 10-year investment programme, the RLTP.

**The Auckland Regional Land Transport Plan (RLTP)** sets out the land transport objectives, priorities and measures for the Auckland region over a 10-year period. It includes the land transport activities delivered by AT, Waka Kotahi, KiwiRail, City Rail Link Limited (CRL) and other transport agencies.

**The Auckland Long-Term Plan (LTP)** underpins AT's RLTP programme by providing committed funding and enabling AT to secure support from Waka Kotahi.

**The Regional Public Transport Plan 2018-28 (RPTP)** sets out AT's policies, guidelines and activities for the delivery of Auckland public transport focused over a three-year period with a 10-year horizon.

**The Auckland Transport Statement of Intent (SOI)** reflects Auckland Council's messages and priorities as expressed through the Mayor's Letter of Expectations, including the strategic priorities for AT.

**Vision Zero for Tāmaki Makaurau** is a transport safety strategy and action plan to eliminate deaths and serious injuries (DSI) on Auckland's transport network by 2050. It is a partnership between AT, Auckland Council, NZ Police, Waka Kotahi, Accident Compensation Authority (ACC), Auckland Regional Public Health Service (APRS), and the Ministry of Transport (MoT).

**Māori Outcomes Plan (MOP)** outlines operational-level actions to enable AT to fulfil its responsibilities under Te Tiriti o Waitangi – the Treaty of Waitangi – and its broader legal obligations in being more responsible and effective to Māori.

**The Asset Management Plan** sets out how AT manages and maintains transport assets that are essential to connect people and move goods across Auckland.

**Auckland Council Local Board Plans** are developed by the 21 Local Boards across Auckland. Each Local Board Plan includes outcomes related to transport and specific actions the relevant Local Board wishes to see progressed.

## Financials at a glance

### A summary of Auckland Transport's financial performance for the year ended 30 June 2022

2021/22 continued to be a tumultuous and challenging year with Covid-19 continuing to have a significant impact on operations. The 2021/22 budget was prepared on the assumption of Auckland being at Covid-19 pandemic (Covid-19) Alert Level 1 for the full financial year, with little Covid-19 in the community. Ongoing Covid-19 impacts and subsequent restrictions mean that achievement of the full year operating and capital budgets was unrealistic.

AT's surplus before tax of \$394.6 million is \$281.9 million lower than budget but only \$6.7m lower than budget after excluding non-operational items. This is particularly pleasing given Covid-19's negative impact on operating revenue and increasing inflationary pressure. Non-operational items include lower capital funding (\$163.9 million), lower vested asset revenue (\$43.0 million), unbudgeted net gain/loss on asset disposals (\$38.1 million) and write offs (\$30.2 million).

AT's primary sources of funding are from Auckland Council and Waka Kotahi New Zealand Transport Agency (Waka Kotahi), however, 24% of revenue was received from various other sources including public transport fares, user charges and fees, rental, other subsidies and vested assets.

Total revenue for the year of \$1,846.5 million fell short of a budget of \$2,174.7 million primarily due to achieving \$163.9 million less capital funding than budgeted and \$174.8 million less other revenue. Other revenue includes lower public transport revenue of \$97.9 million, parking and enforcement revenue of \$44.1 million and vested asset revenue of \$43.0 million.

Public transport revenue is lower than budget due to the impact of Covid-19 on patronage. Public Transport patronage started the year at around 75% of pre-Covid-19 levels but dropped to less than 10% of pre-Covid-19 levels in September due to a move to Covid-19 Alert Level 4 in August. Subsequent changes in Covid-19 Alert Levels, the implementation of the new community protection framework in December and the 50% discount in fares from April saw patronage gradually increase to approximately 59% of pre-Covid-19 levels in June.

The decrease in revenue is partly offset by additional Waka Kotahi operating funding of \$18.2 million with Waka Kotahi agreeing to continue funding lost public transport farebox revenue at 51% Funding Assistance Rate (FAR) this financial year.

Total expenditure is \$1,451.8 million, against a budget of \$1,498.1 million. This favourable result is primarily due to the stringent management of expenditure put in place to mitigate the risk of Covid-19 restrictions. Despite the increasingly inflationary environment savings were delivered in public transport contract costs of \$41.0 million, track and ferry access charges of \$15.5 million and other expenditure of \$31.7 million.

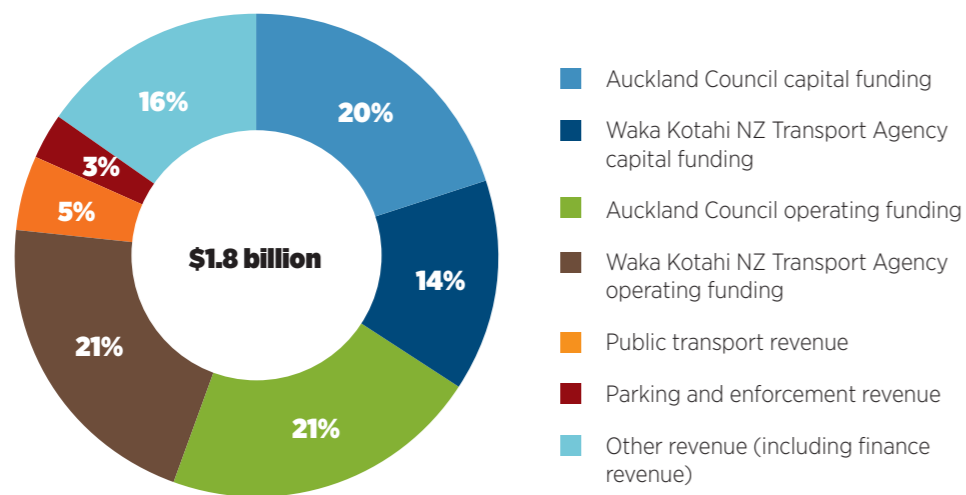
AT's net asset position is \$26.3 billion, up \$4.4 billion from last year primarily due to a valuation increase of roading, rolling stock and operational land and buildings assets of \$3.8 billion and new capital investment of \$656.2 million (80% of budgeted capital programme). Programmes and projects across the board were behind planned spend due to the impacts of Covid-19 on public consultations, consenting, procurement, tendering processes and broader supply chain constraints.



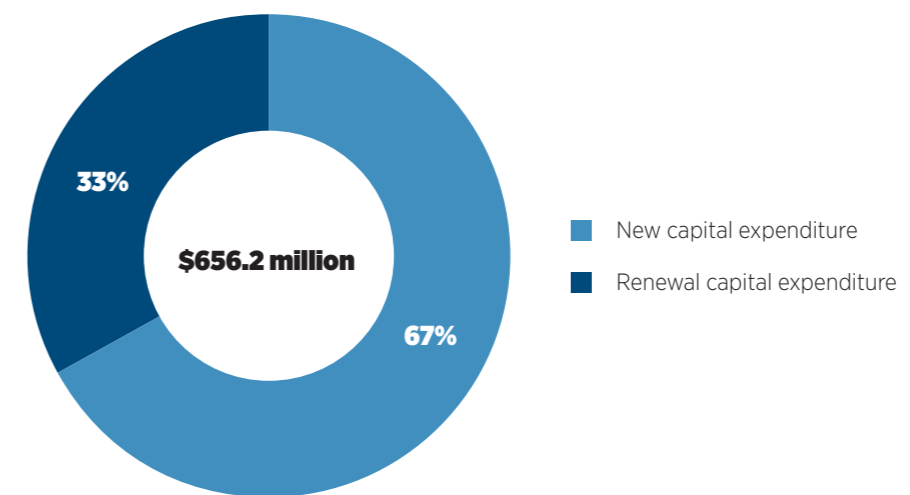


## Financials at a glance (continued) for the year ended 30 June 2022

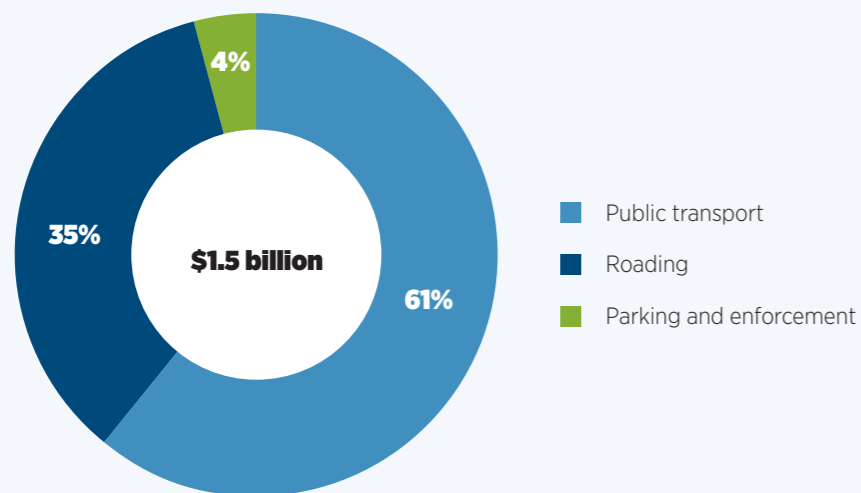
### Revenue percentages



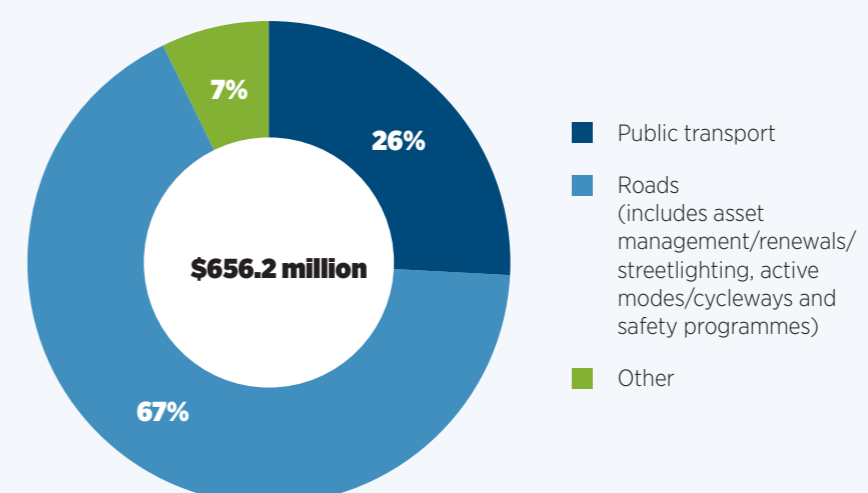
### Capital expenditure percentages



### Expense percentages



### Capital expenditure percentages



## Revenue and expenditure summary

for the year ended 30 June 2022

	Actual 2022 \$000	Budget 2022 \$000	Restated* 2021 \$000
<b>What was received? What was spent?</b>			
Capital funding	635,475	810,114	673,028
Operating funding	766,302	748,143	804,292
Other revenue (including finance revenue)	444,706	616,412	529,656
<b>Total revenue</b>	<b>1,846,483</b>	<b>2,174,669</b>	<b>2,006,976</b>
Expenditure on activities	1,451,842	1,498,145	1,364,194
<b>Surplus before tax</b>	<b>394,641</b>	<b>676,524</b>	<b>642,782</b>
Income tax benefit/(expense)	-	-	-
Other comprehensive revenue	3,780,049	-	112,824
<b>Total comprehensive revenue</b>	<b>4,174,690</b>	<b>676,524</b>	<b>755,606</b>
<b>New capital expenditure</b>			
Roads	250,440	400,148	291,142
Public transport	146,661	137,361	231,549
Other	42,864	48,211	15,723
<b>Total new capital expenditure</b>	<b>439,965</b>	<b>585,720</b>	<b>538,414</b>
<b>Renewal capital expenditure</b>			
Roads	190,982	209,754	161,863
Other	25,244	24,640	17,792
<b>Total renewal capital expenditure</b>	<b>216,226</b>	<b>234,394</b>	<b>179,655</b>
<b>Total capital expenditure</b>	<b>656,191</b>	<b>820,114</b>	<b>718,069</b>
<b>Funding of capital expenditure</b>			
Waka Kotahi NZ Transport Agency capital funding - new	160,907	286,646	227,826
Waka Kotahi NZ Transport Agency capital funding - renewal	99,283	119,560	90,515
Auckland Council capital funding	375,285	403,908	354,687
Other capital grants	20,716	10,000	55,463
Auckland Council capital funding through equity	-	-	780
<b>Total funding of capital expenditure</b>	<b>656,191</b>	<b>820,114</b>	<b>729,271</b>

\* Prior year (2020/21) financial results have been restated due to a voluntary change in accounting policy for software as a service. Refer to Note 29 of the Financial Statements

## Performance against Statement of Intent 2021/22-2023/24 targets

### Non-financial performance summary for the year ended 30 June 2022

The SOI targets were set with the assumption that there would be no further extended lockdowns in 2021/22 and there would be limited community transmission of Covid-19. Unfortunately, this was not the case, and Covid-19 has impacted the achievement of a number of measures.

The effects of the Covid-19 pandemic continued to adversely affect public transport patronage targets and parking revenue, as many Aucklanders worked from home and returned to private vehicle use. These revenue streams have still not returned to pre-Covid-19 levels, although congestion has returned to pre-pandemic levels.

Significant continuing impacts of Covid-19 include slow patronage recovery, and lower cycle movements.

AT recorded 41 million public transport boardings during the financial year, a reduction of 35.6% on the previous year. Boardings on the Rapid and Frequent Transport (RFT) network for the 12 months to June 2022 fell at a slightly faster rate than total boarding. In addition, ongoing rail maintenance by KiwiRail Group contributed to decreased patronage.

Half price public transport fares have been extended, as an initiative to increase public transport use, until the end of January 2023.

Cycling counts (at 26 selected counting sites) are down 14.4% on the previous year and are 18.7% below the target. Overall, we have seen a reduction of cycle trips into the city centre as a result of Covid-19 lockdowns and ongoing restrictions, generally because people are working from home more.

Network productivity and freight SOI targets have been met, mainly due to hybrid working.

Auckland's DSI targets for the year ending December 2021 were not met but this continues to be a key area of focus for AT and other members of the Tāmaki Makurau Road Safety Governance Group.

## Snapshot: Key performance measures from AT's Statement of Intent 2021/22-2023/24 for the year ended 30 June 2022

Measure	Target	Actual	Result
<b>Total public transport boardings (millions)</b> LTP performance measure	82	41	<b>NOT MET</b>
<b>Number of cycle movements past selected count sites (millions)</b> LTP performance measure	3.67	2.98	<b>NOT MET</b>
<b>Average AM peak period lane productivity across 30 monitored arterial routes</b> LTP performance measure	30,000	30,931	<b>MET</b>
<b>Proportion of the freight network operating at Level of Service C or better during the inter-peak</b> LTP performance measure	90%	90%	<b>MET</b>
<b>Percentage of footpaths in acceptable condition</b> LTP performance measure	95%	96.2%	<b>MET</b>
<b>Percentage of Auckland Transport streetlights that are energy efficient LED</b>	80%	87%	<b>EXCEEDED</b>
<b>Change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number</b> LTP performance measure	Between January and December 2021, DSI increase by no more than 70 (compared to the previous year) to 524	January to December 2021: 515 DSI (Increased by 61 compared to previous year)	<b>MET</b>

**Key to targets:** Result above target by more than 2.5% = **EXCEEDED**  
Result within +/- 2.5% of target = **MET**  
Result below target by more than 2.5% = **NOT MET**



## **Whakatutukitanga** Performance



## Safety

### Making Auckland's transport system safe by eliminating harm to people

Auckland continues to have a severe problem of people needlessly dying and being seriously injured on our roads.

Our region has one of the highest rates of pedestrian, cyclist and motorcyclist road deaths in the world.

2021 saw a 64% increase in the number of road fatalities compared to the year prior with 59 people dying in crashes, bucking a downward trend since 2017. The number of serious injuries on Auckland's roads increased by 9% in 2021 to 531, up from 489 in 2020.

The increase in DSI in 2021 is expected to trend down again in 2022.

Provisional indicators in January to June 2022 show there were 298 deaths and serious injuries (DSI) on Auckland's roads compared to 327 in the same period in 2021.

Good progress was made in reducing DSI numbers between 2017 and 2019. In the ensuing Covid-19 lockdowns, DSI reduced substantially with reduced travel reflecting lower exposure to harm. However, as people travel again, we have seen a return to a similar number of people dying or being injured on our roads compared to pre-Covid-19 conditions.

Keeping Aucklanders safe as we walk, cycle, bus, train, ferry or drive is one of AT's key priorities. How we design our transport infrastructure, and how we set speed limits, also plays a direct role in strengthening the connections between people and the places we share.

Vision Zero for Tāmaki Makaurau is an ambitious safety goal which aims to have no deaths or serious injuries on our roads by 2050. It is a collective vision involving a range of organisations working together.

The Vision Zero Strategy and Action Plan is overseen by the Tāmaki Makaurau Road Safety Governance Group. The group includes AT, Auckland Council, Waka Kotahi NZ Transport Agency, NZ Police, Auckland Regional Public Health Service (ARPHS), Ministry of Transport (MoT) and Accident Compensation Corporation (ACC).

The Tāmaki Makaurau Road Safety Governance Group is also developing a speed management plan as part of its shared vision to keep everyone safe, healthy and well on our roads and streets.

The Vision Zero approach acknowledges that as people we all make mistakes, but a mistake should not mean someone dies or is seriously injured on our roads. Vision Zero is also an approach that values everyone using the road, not just those in vehicles. It is about caring for more vulnerable road users (VRU) like people walking or cycling, children and the elderly.

AT takes a holistic view to improving road safety by investing in improving the quality of our roads and working with partners and communities to improve driver behaviour. An important component of making our roads safer is managing speed limits.

AT's Safe Speeds Programme will help to achieve safety goals by creating a road network that ensures speed limits are safe for everyone using our roads. Safe speed limits are being implemented on more than 800 Auckland roads, predominantly in the south and around schools.

AT's Safe Speeds programme has set safe speed limits on 1500 km of roads since 2020. We have more to do on setting safe speed limits across our region as part of our shared vision to keep everyone safe and healthy on our roads and streets.

Evidence shows speed is a factor in around 70% of crashes. 30 kilometres per hour is the internationally accepted speed to greatly reduce the chances of people walking or cycling from being killed or seriously injured.

Interim data from the first phase of speed limit changes, when speed limits were lowered on 30 June 2020, shows a 47% reduction in deaths and a reduction in all injury crashes of more than 25% and greater than a 15% reduction in serious injuries where speed reductions have been implemented in the 18 months following the changes. These interim results, however, may be subject to change due to modifications in the crash database managed by Waka Kotahi. In comparison, across all Auckland roads for the same period, road deaths increased by 8%.

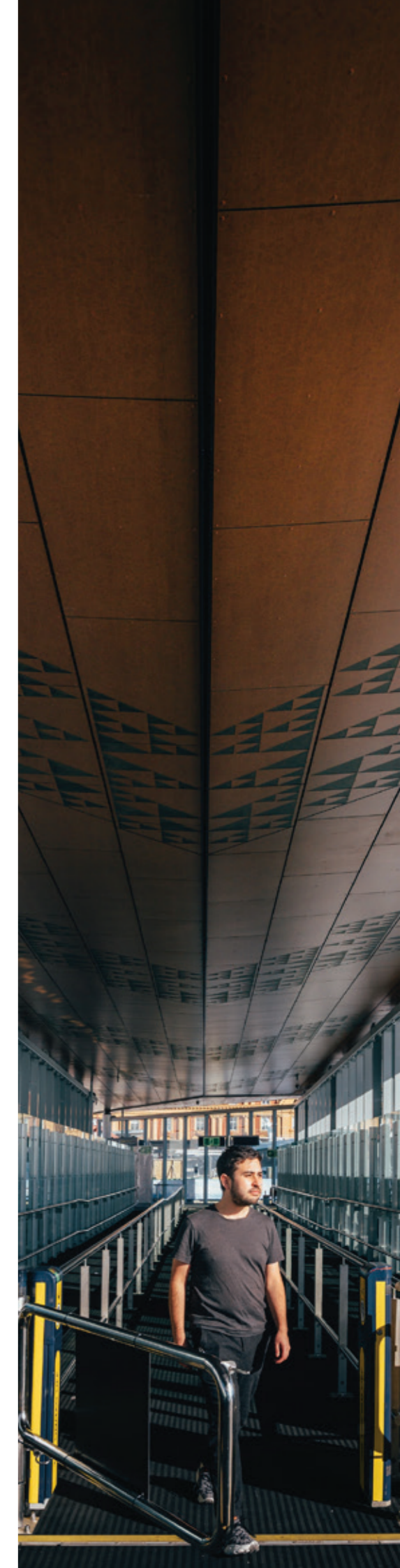
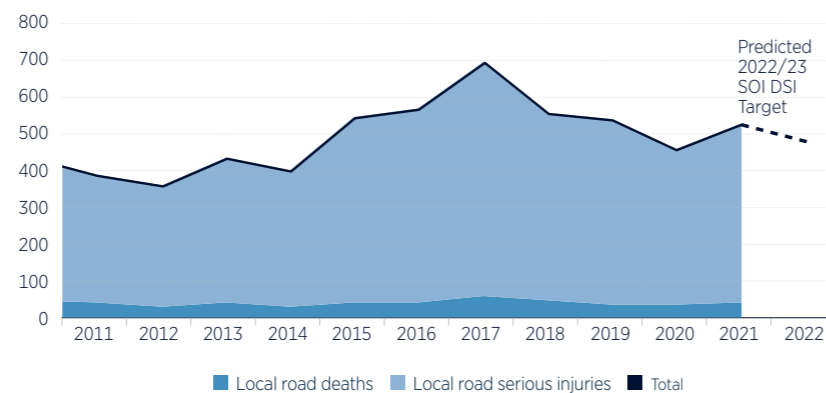
As well as reducing serious crashes, safe speed limits have other flow-on effects on human health and the environment.

AT's safety work programme includes the delivery and implementation of safety improvements and upgrades at priority locations, including high risk roads, intersections and pedestrian crossings.

A range of safety improvement works have been undertaken in 2021/22, including in St Heliers town centre and the Manurewa residential area. Work in the Mission Bay town centre is also underway.

Thirty-eight new and improved pedestrian crossings have been completed, eight more than planned, exceeding the target of pedestrian safety improvements for 2021/22 by twice as much. Improvements were also made to seven high risk roads and intersections and four new footpaths were constructed.

**Auckland Roads actual and predicted road deaths and serious injuries (DSI) 2013 – 2022**



## Safety (continued)

### Partnering with schools and communities

AT works with schools, mana whenua, mātāwaka and community groups to assist young drivers with the Graduated Driver Licensing System (GLS), to increase road safety awareness and promote active travel and public transport use. We also highlight the risks of driver distraction and advocate for the use of child restraints.

In 2021/22, AT delivered 334 road safety initiatives, including community-based interventions, checkpoints with NZ Police and regional campaigns and excluding Travelwise, Safe Scootering, Safe Cycling, Walking School Bus and Safe Speeds project interventions or Te Ara Haepapa..

The Travelwise Schools Programme is designed to increase road safety awareness, active travel and public transport use by school students and to improve safety for walking and cycling to school. AT delivered 611 Travelwise activities including 83 cycling workshops, 24 scooter training sessions and 40 rural school engagements.

Covid-19 had a significant impact on the Travelwise Schools Programme in the 2021/22 financial year with schools closed during lockdown, and the focus being on the immediate health and safety of school staff and students.

This resulted in the SOI for active and sustainable mode share at schools where the Travelwise programme is implemented falling slightly below target

Te Ara Haepapa: Māori Road Safety Education Programme delivered 813 initiatives with 5671 engagements across Tāmaki Makaurau in Marae and Kura Kaupapa Māori and Hāpori Māori (communities).

These included speed engagements, child restraint activations and events, Ara Haerenga promotions, Pahikara activations, Whānau Hikoi events, Kaihautu Rihana Akonga (Learner Licence) and Rāihana Whītiki/ Tūturu, (Restricted and Full Licence) Papamahi and Marae Wānanga.

Te Ara Haepapa work alongside mana whenua and mataawaka māori in an effort to reduce Māori DSI in Tāmaki Makaurau.

AT supports up to 288 Walking School Buses, active at any one time across the network. There were 175 Walking School Bus activities with 18 new routes across the region.

AT increased the number of Transport Officers on selected bus and ferry routes to monitor compliance and provide frontline customer service. We also applied Covid-19 safety measures across the AT network to promote social distancing on public transport, roads and in public spaces.

Cycle skills training was delivered to 7,319 children through the schools-based Bike Ready programme and the community-based Kids Learn to Ride sessions. 1,328 adults took part in cycle skills training.

Eleven schools have built new cycling tracks as part of the national Bikes in Schools programme, taking the total to 76 schools. In Auckland 33,486 students now have access to bikes and a safe bike track to ride on.

Sixty three events and activations have been delivered in partnership with communities to activate the cycle network and promote safe cycling. Eighty three Pit Stops provided bike safety checks and basic bike maintenance. A series of e-bike guided rides showcasing the recently completed city centre loop, attracted 366 participants while introducing them the joys of riding e-bikes.

Through a partnership with EcoMatters Environment Trust AT supported the operation of community bike hubs, including the set up of a new Bike Hub on

Queens Wharf. Across four sites there were 8,556 visitors, 3,574 bikes fixed and made safe for riding, and 643 bikes saved from landfill and redistributed into the community. Through a partnership with Bike Auckland capacity-building support has been provided to community cycling groups through the Bike Burbs programme, including the setup of five new bike burbs.

The Bike Lock Amnesty has been piloted through community bike spaces to reduce the number of bike thefts and increase the number of people using good quality bike locks. Project 529, a community-driven bike registration platform has seen more than 6,000 registrations in its first six months.



## Safety (continued)

### Leading technology helping to keep us safe

Harnessing emerging and real-time technology is improving safety on Auckland's roads, and helping to change driver behaviour and make Auckland's transport system more efficient.

A CCTV-based technology to detect red-light running vehicles, including buses and freight vehicles, has been rolled out in numerous locations. Data collected from sites forms an integral part of decision making for safety driving initiatives. By analysing this data interventions can be made at high risk intersections and the effectiveness of changes monitored.

This CCTV technology has also enabled AT to install safety gates at railway level crossings that are at high risk of near misses. Automatic and timely detection of wrong way drivers has also helped reduce incidents.

CCTV cameras have also been rolled out across multiple shared and cycle pathways which is contributing to safer and more enjoyable journeys for active mode users.

AT is working with KiwiRail to integrate AT CCTV with the rail operator's signal controllers. This will enable AT, using CCTV computer vision technology, to accurately detect a stationary vehicle on a railway level crossing when the barrier arm is down.

AT's 4,000 CCTV cameras across the region are also helping with crime detection and prevention and a number of business associations are now working with AT to migrate their cameras onto its platform

### Safety on the harbour

The Auckland Harbourmaster's office is responsible for maritime safety for the environment, harbours, and users navigating in or on the water of the Auckland region. This includes the Waitemata, Manukau and the southern half of the Kaipara Harbours. The jurisdiction extends to the 12-mile territorial limit.

The Harbourmaster is also responsible for responding to hydrocarbon oil spill response within the region's waters. This is undertaken as part of a national response plan managed by Maritime New Zealand. The Harbourmaster team participates in regular training exercises in this regard both locally and nationally.

The Auckland Council Navigation Bylaw 2021 came into force on 31st July 2021 and replaces the Navigation Safety Bylaw 2014. The purpose of the bylaw is to ensure maritime safety and minimise the risk of fatalities, injuries, nuisance, accidents, collisions and damage on Auckland's navigable waters.

During the consultation phase of the bylaw process, the community was asked their opinion as to whether the 12-knot speed limit within the inner Waitemata Harbour was still suitable or whether it needed to be modified. There was an almost equal split between those wanting it increased and those wanting it decreased. As such the Council determined that the 12-knot limit should be retained.

The number of derelict and abandoned vessels presenting a potential navigation hazard within the region continues to be a concern for the Harbourmaster. Over the last 12 months, the Harbourmaster has declared 21 vessels to be wrecked and 25 to be abandoned. Wherever possible, the costs associated with the removal of such vessels is passed onto the owner of the vessel.

The Harbourmaster's office had 3556 licenced moorings in its management regime at the end of the year.



## Excellent customer experiences

### Providing an excellent customer experience for all services and touchpoints

AT is committed to improving the experience people have when travelling on Auckland's transport system across all services and touchpoints. We are strongly investing in understanding and improving the services and experiences we provide for our customers so that they can travel around the region safely and with confidence.

Many of these improvements and investments are covered throughout this annual report in terms of providing a range of travel choices and connections, safe ways to travel by foot, bike or vehicle.

Other initiatives include road safety education, drivers licensing and cycle skills in schools and communities.

AT also work closely with our suppliers and partners to deliver for the people of Tamaki Makarau businesses and visitors.

We work with customers and communities to uncover needs and barriers and involve them in our design process to ensure those needs and barriers are met and that our solutions work for the users we are designing them for.

Customer insights through journey maps have informed decisions to improve City Rail Link station designs and commuter experiences. We have interviewed and observed customers using neighbourhood bus interchanges so that we can make evidence-based decisions on future designs. We have also tested a new HOP vending machine at Auckland Airport with customers to ensure the service is easy to use in accessing public transport from the airport.

Our focus on consistent, timely and relevant communications has increased customer confidence in us. AT has made significant improvements in the way we keep customers up-to-date about disruptions to their public transport journeys. We have created a new team of people who are focused on communicating alerts about disruptions through all of our digital channels, including the **AT Mobile app**, our **website**, **Twitter**, and our **electronic information displays** at stops, stations, and ferry terminals.

We have exceeded our target of 60% unplanned disruptions communicated within 10 minutes.

AT has created a way for customers to let us use their travel habits, derived from their AT HOP card transactions, to personalise the travel alerts we send them so that they are more relevant to them with consistent 80%+ usefulness rated by customers. Our improved ability to do this is especially valued by customers during periods of heightened uncertainty, such as through Covid-19 lockdowns and when exceptional weather events impact the network with closures of the harbour bridge being an example.

**AT Mobile** monthly active users dropped from c.250,000 per month to 120,000 per month in September 2021, following the Auckland Covid-19 lockdown. This has been steadily recovering every month and we now have over 230,000 users.

Similarly, website visits declined from 899,000 to 311,000 in August 2021. Steady growth has resulted in recovery to almost pre-Covid-19 lockdown levels with 847,000 visits from 2-22 May.

**AT Park** has 254,000 active users a month, accounting for 46% of all parking sessions. AT Mobile and AT Park both have very high App Store (iOS) ratings of 4.5 and 4.6 out of 5 respectively. They are similarly high for Play Store (Android) with 4.4 and 4.6 respectively.

Customers have been using **AT Mobile** and **Journey Planner** to plan public transport journeys across Tāmaki Makaurau since 2017. In the last year AT has added the ability for customers to use AT Mobile and Journey Planner to plan journeys using other modes of travel including:

- improving navigation for the parts of a journey that require walking
- the ability to plan a cycle route from "A to B" which will display safer cycling routes by prioritising cycle paths and, if these are not available for parts of the journey, selecting quieter parallel streets rather than busy roads.
- the **integrated journey planner** now shows an option for people to cycle, to a bus or train station, park their bike, and then continue their journey on PT. This is shown alongside other options such as getting a local connecting bus service to a station, with journey times and cost comparisons displayed for each alternative.

- the **AT Local on-demand** service has now been included in the app so customers can plan an end-to-end journey which uses this service for part of their journey. Customers can now see the real-time location of shared scooters and cycles from all of Auckland's providers, such as Beam, Lime, and Neuron. Customers can click on a scooter or bike they see in the AT Mobile app and be taken to the provider's app or website to book that specific scooter/bike.
- **live locations** of available car rideshare from all of Auckland's providers, Cityhop, Mevo, and Zilch, were added in July 2022. As with scooters and bikes, customers can click on a specific vehicle to be taken to the provider's app or website to book it.



## Excellent customer experiences (continued)

AT continues to improve **wayfinding** to give customers more confidence, especially for transfers and multi-modal journeys. This includes the Panmure Interchange, to make it easier for customers using the newly completed Eastern Busway section to know where to go when switching between buses and trains.

Similarly, at the newly constructed Puhinui station, we used a striking 'airport orange' wayfinding design to help customers find their way between the bus and the trains when travelling to and from the airport. This same design continues throughout the journey to help airport customers navigate to and from Britomart.

We have made it easier for customers to confidently navigate the transport network by adding audio announcements on buses. Audio on buses provides customers with simple and easy navigational support during their on-bus journey, including upcoming bus stop information and helpful guidance at transfer locations. The addition of these audio message is a significant improvement to the accessibility of public transport for blind and low vision customers.

AT's first milestone was achieved in August 2021 with over 6,000 bus stops renamed to be simpler and more memorable for customers with priority around landmarks, rather than street addresses. These new bus stop names have been updated in AT Mobile, google maps, and other digital platforms. All the stop names have been translated and recorded in English and te reo Māori. The first buses with announcements were piloted in January 2022 with live testing on the network increasing to 10 in June, ready for an incremental rollout across the whole bus fleet in 2022/23.

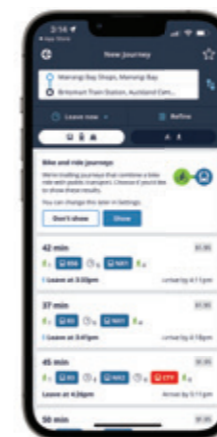
Te Reo Māori continues to be implemented across the transport network with bilingual audio announcements introduced on buses and bilingual signage installed for all new infrastructure projects such as Puhinui station, new cycle paths and when improvements are made to wayfinding at existing stations such as the Panmure interchange.

**AT's website** menu has also been updated to make it easier for customers to find their way around the site. Part of this work has included adding bilingual titles for the main sections of the site. We have also been adding te reo to AT Mobile where feasible, as we expand features and improve functionality.

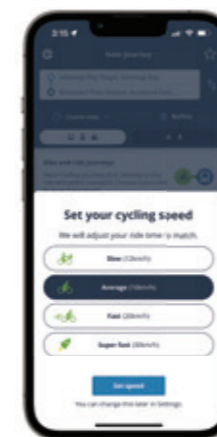
AT's **Accessibility Action Plan** outlines our ambition to create a transport system which works for everyone, regardless of their accessibility needs, and outlines a three-year list of planned improvements to the transport system.

Key achievements made since the Plan was first developed in 2020 include changes to the AT website to improve useability, an internal AT culture programme to raise awareness of accessibility issues, improvements to bus stops to make them more accessible, organisational deaf accreditation and enhancements to the Total Mobility scheme to increase ease of use.

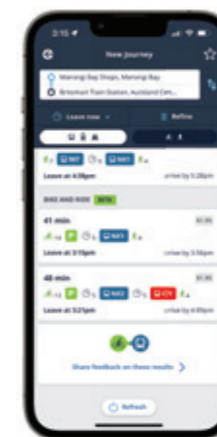
The next three years will see further advancements such as a roll-out of audio stop announcements on all bus routes, a concession for carer support on public transport, and additional internal staff training.



**Opt-in in Journey Planner**



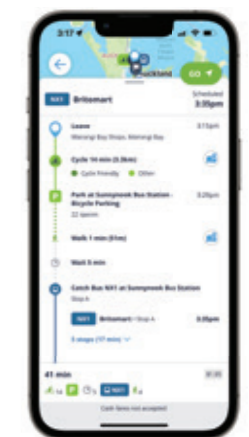
**Choose cycling speed if not already set**



**Bike and Ride Journey results**



**Close up of cycle leg connecting to bus leg**



**Journey details showing cycle leg connecting to bus**

## Excellent customer experiences (continued)

### We have enhanced the responsiveness and quality of our assisted customer contact channels

While complaints account for less than 0.1% of total customer interaction volume through all our channels, approximately 1,500 per year, the successful resolution of all, and dealing systemically to root causes is what matters to us, our customers, and our stakeholders.

They also provide rich insights into ways AT can improve our services and experiences for Aucklanders and improve safety on our network. Through the second half of 2021, we have made improvements to the way we handle complaints and how we surface insights to inform AT-wide improvement to products, services, and service interactions. Our goal has been to improve the responsiveness, transparency, objectivity, and quality of complaints handling, ensuring we genuinely resolve issues and concerns, improve confidence in AT and create advocates.

<p><b>Auckland Transport's contact centre customer care team responded to 125,000 calls, 60,900 written queries, and 21,600 social media queries</b> during the 2021/22 financial year. 83% of which were resolved with customers on their first contact.</p>	<p>Service levels were achieved, with <b>80% of phone calls answered within 20 seconds. 74% of customers said they were satisfied or highly satisfied</b> with their interaction with AT.</p>
<p>Despite COVID restrictions, <b>AT supported more than 320,000 face-to-face customer interactions</b> in our Public Transport Service Centres</p>	<p>In addition to our 'front-line' customer contacts, <b>204,000 customer and stakeholder cases were raised with AT, with an average 11 days to resolution.</b></p>
<p><b>We introduced assisted customer support</b> for our new AT Local services.</p>	<p><b>Enhanced service channels include web chat, customer care team upskilling</b> to handle the growing number of customer interactions through social media channels</p>

### Partnering with businesses

Despite the challenging operating landscape of Covid-19 lockdowns, reduced trips into the city centre and engagement hesitancy amongst businesses, 10 additional businesses have signed up to Travelwise Choices.

These businesses have made a commitment to develop workplace travel plans focused on increasing uptake of sustainable modes amongst their staff. Almost 1,800 customers took part in a 'Give it a Go' free public transport trial – a product that sees approximately 33% of participants continuing to use public transport after the trial. Five employers have taken part in a trial to subsidise their staff travel on public transport with encouraging results.

Digitisation and automation initiatives are well underway to improve the experience for Travelwise Choices. The renewed programme will be relaunched in the coming year with the ability to scale the reach and impact amongst businesses.



## Travel choices

### Providing better travel choices for Aucklanders

For Auckland to be a prosperous and attractive place to work and do business, easy access to employment, education, shopping, business, recreation and other activities is essential.

Auckland's public transport network stretches from Pukekohe in the south to Wellsford in the North. The trunk of the network is a Rapid Transit Network (RTN) of congestion-free, high frequency services (the rail network, Northern Busway, Eastern Busway and Devonport Ferry) supported by frequent transit bus routes connected directly to major transport hubs (bus, train and ferry stations).

Public Transport is critical to reducing congestion, addressing climate change and providing access for goods and services to support Aucklanders.

But even with these actions, significant uncertainty and financial constraints are expected over the next three years.

Due to Covid-19 restrictions and more people hybrid working and working from home, public transport boardings during the 2021/22 financial year were down by 35.6% on the previous year to 41 million.

We have been able to respond quickly and successfully to change public transport operations to enable ongoing access to the network in an effective and efficient way. However, there is continued uncertainty around people's appetite to travel

AT is taking the opportunity to optimise the public transport system to ensure an accessible service, attract more users (particularly during the day) and set Auckland up for success. But even with these actions, significant uncertainty and financial constraints are expected over the next three years.

We are embarking on a 'Network Recast' with a view to reallocating resource away from peak times, due to lower post-Covid-19 demand at peak times and move away from a 'city centre' service structure. We are looking to invest freed up resources into additional off peak and evening services. However, chronic driver shortages are hampering our ability to make improvements. Despite this the first stage of peak reductions began in July 2022.

A key focus for AT is being ready for City Rail Link including the purchase of new trains (EMU's), stabling yards and removing level crossings to enable the train services needed on the day of opening to operate safely across the rail network.

AT will continue to work with KiwiRail and other agencies to deliver projects, such as Auckland Light Rail, Wiri to Quay Park Improvements and electrification between Papakura and Pukekohe.

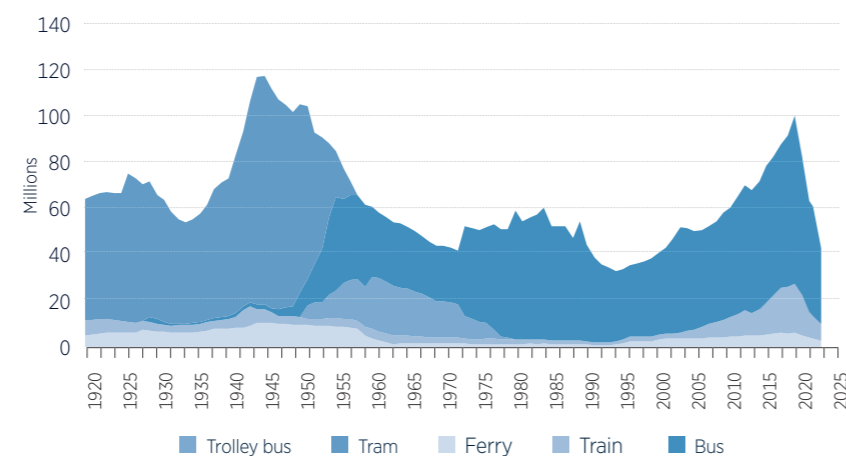
Despite the current challenges, we are focused on shaping Auckland's future transport network by expanding access to on-demand and shared travel options such as bike share, e-scooter share, car share, on-demand shuttles, dynamic car-pooling and ride-hailing.

Major projects have been completed and significantly progressed in the 2021/22 financial year despite supply chain pressures. Auckland's world-class waterfront opened in July 2021 as part of the Downtown programme, creating a generous and welcoming destination along the water's edge.

The first stage of the Eastern Busway between Panmure and Pakuranga opened in December 2021, a key part in improving public transport in one of the most under-served in public transport in Auckland.

Significant progress has been made on Te Honohono ki Tai - Matakana link road where AT is working with Waka Kotahi to improve transport connections between Matakana Road and State Highway 1 (SH1). The \$62.2 million project will support huge population growth in the area and to improve network resilience in Warkworth.

**Auckland Public Transport Patronage By Mode 1920 - 2022**



## Travel choices (continued)

### Auckland's Cycle and Mobility Network

Cycling in Auckland is a key contributor to improving travel options and increasing reliability across the transport network.

There is a significant opportunity for walking and cycling to play a much greater role in improving access and contributing to a more efficient transport system.

Improving active modes such as walking and cycling are at the forefront of AT's programme of work to ensure a more rapid and flexible delivery of safe cycling infrastructure. This includes cycleways and shared path upgrades and delivering new footpaths.

Cycle counts have been increasing since 2015, however due to Covid-19 lockdowns and more people working from home, cycle movements in the year to December 2021 decreased

by 14.4% to 2.98 million compared to the year prior. A reduction in cycle trips into the city centre, where many cycle counts are located, has been a major factor in the reduction of cycle movements. A steady 5% year-on year increase in the number of cyclists, which was projected pre-Covid-19, is anticipated as Auckland's Urban Cycle Network expands, providing greater choice and access.

Despite Covid-19 lockdowns and flow on impacts of supply chain and labour shortages, 13.9km of new and upgraded cycleways were completed as part of the three-year rolling (2021/22 to 2023/24 financial year) SOI target of 44.1km.

In the 2021/22 financial year, 5.8kms of minor cycleways and 8.1kms of new cycleway connections were delivered. These include the Eastern Busway shared path between Panmure and Pakuranga,

the Tāmaki Drive separated cycleway between Solent St and Ngapipi St, and the New Lynn to Avondale shared pathway; creating easier access to local trains stations and town centres. Waka Kotahi also completed the St Johns to Orakei Basin section of the Glenn Innes to Tāmaki Drive Shared Path.

Construction of the final section of the Tamaki Drive cycleway from Ngapipi Bridge to Orakei Station is underway with completion expected in 2024.

AT is delivering safe and more integrated walking and cycling infrastructure supported by a range of behaviour change activities, together with bike parking facilities and network-wide safety improvements like speed management. We are creating new Bike Hubs where people interested in cycling can meet up, learn, fix their bikes and ride.

### Building Better Bike Hubs

Supporting bike riders is an essential part of encouraging more Aucklanders to choose cycling as a transport option and building Bike Hubs is part of that support.

AT is working with local communities to build Bike Hubs and offer support, training, and purchasing options for current and future bike riders. Ten Bike Hubs will be created over the next three years as part of Auckland Council's Ngā Tiriti Ngāhau - The Vibrant Streets programme.

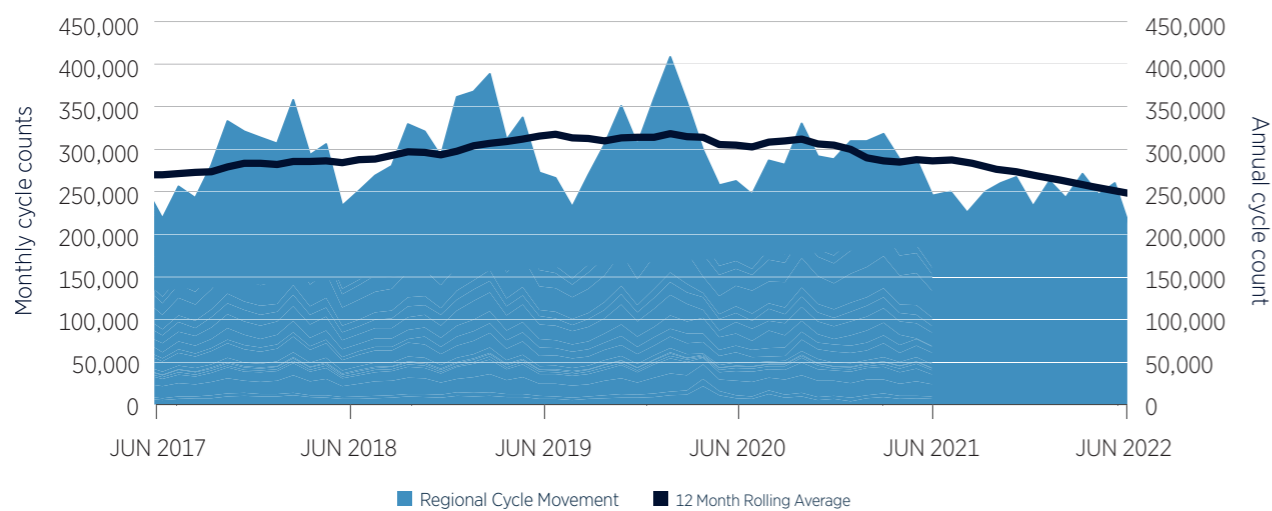
Bike Hubs are community-run spaces where people on bikes and people interested in cycling can meet up, learn, fix their bikes up, and ride.

### Urban Mobility

Urban mobility is rapidly evolving with new technologies emerging placing new demands on Auckland's road infrastructure and urban environment. New types of mobility devices such as e-scooters (shared or user-owned), e-skateboards, monowheels, and Segways represent both opportunities and threats for Auckland Transport's ability to deliver a transport system that meets the needs of Aucklanders.

The Cycle and Micromobility Strategic Network is Auckland Transport's new tool for planning cycling and micromobility routes across Auckland. It is made up of the most important routes that link to key destinations.

Number of cycling movements past selected cycle count sites





## Better connections

### Better connecting people, places, goods and services

A safe, efficient and connected transport network is critical to shape land use, get everyone where they want to go, deal with freight and encourage more sustainable travel mode choices.

Auckland has an extensive transport network and within the existing urban area there are very limited opportunities to build new corridors or expand existing ones. As a result, the major part of Auckland's growth will need to be accommodated within existing corridors, increasing the number of people using key routes.

AT's programme includes encouraging the uptake of public transport through improvements to network capacity and performance and investing in transport technology to improve the efficiency of the transport system.

Our Network Optimisation programme of small to medium scale projects is designed to improve traffic flow, such as the optimisation of traffic lights, further trials of dynamic lanes, and other work targeting more efficient movement of freight. A major step forward this year for the programme was the endorsement of the joint Business Case between Auckland Transport and Waka Kotahi.

The Network Optimisation programme involves a \$300 million investment over the coming decade. The programme addresses deficiencies on the network for multi-modal travel. The Focus on Travel Choice programme is predicted to generate an additional 95,000 active mode and public transport trips per year, an additional 46km of new and improved active mode facilities and freight throughput increasing by one million tons per day.

This builds on the current programme which includes traffic signal optimisation at 306 sites across the region including the corridors of Botany Road, Albany Highway and Great North Road (Avondale) and intersection improvements at the Mt Wellington Highway State Highway 1 intersection, Felton Matthew Avenue/St Johns Road, Morningside station and Whangaparāoa town centre improvements.

AT launched a new innovative on-demand transport service in South Auckland in October 2021 which is meeting patronage and customer expectations. AT Local is a new mode of public transport powered by Liftango that has been trialled in Conifer Grove, Takaanini and Papakura.

AT Local provides customers with a more flexible way of travelling by bridging the gap of those who weren't able to previously access public transport.



## Better connections (continued)

### Auckland Transport Operation Centre

The Auckland Transport Operation Centre (ATOC) responded to 55,000 incidents (unplanned events) on our road network in the 2021/22 financial year. ATOC worked hard to manage the impact of Auckland border closures and multiple ongoing Covid-19 testing and vaccination sites set up across Auckland. ATOC also actively supported around 4,000 events including filming fixtures.

### Freight

As Auckland's population continues to grow, so too does the demand for goods and services. Managing competing network demands with the safe, sustainable distribution of freight is a critical challenge for Auckland.

Freight is a key enabler of economic activity and fundamental to the liveability of a city. Given so much of the freight that comes into Auckland stays within Auckland, this is a core area of focus for AT.

AT has met its SOI target of ensuring at least 90% of the freight network operating at efficient levels in the 2021/22 financial year.

The Auckland's Freight Plan has been co-designed with AT's partners Auckland Council, Waka Kotahi NZ / Transport Agency and key freight stakeholders, including Ministry of Transport, Kiwirail, Ports of Auckland, Auckland Airport, Automobile Association, National Road Carriers Association, Mainfreight and Road Transport Association NZ.

The plan identifies the critical challenges for freight movement, desired outcomes, and an action plan to achieve those outcomes.

### Equity and Communities in need

Many Aucklanders are doing it tough. The cost of living continues to rise which means people need to make difficult choices. Of particular concern is the rapid rise in the cost of fuel. Although AT can't influence the cost of living in Auckland, we can help to ease the financial pressure on people, by improving access to low-cost alternatives such as walking, cycling, micromobility and public transport services.

Our focus over the medium term is to reduce the barriers for public transport as an alternative, improve its capacity, speed and reliability, and invest in active modes to provide real alternatives for communities in need. AT expects this to provide two benefits: providing a lower cost alternative, and reducing congestion – both of which improve access for communities in need.

The work AT is doing to support equity and communities in need includes:

- Continuing our off-peak and student fare discounts for travel on public transport.
- Community Connect (pilot) – this will enable a 50 per cent discount on public transport for up to 300,000 Auckland residents with Community Services Cards. This programme is designed to encourage more people to use public transport, particularly those where the cost of public transport is a barrier.
- Continuing our “on-demand” trials in Takaanini, which provides a more flexible option for people to get to where they need to go in a timely manner
- Implementing the Government's half price fares policy. This also provides AT with the opportunity to better understand people's

responses to pricing mechanisms and will likely influence our policies around fare prices, subject to funding availability.

- Continuing to invest in high-quality public transport infrastructure provides better travel alternatives to areas of the city which have typically suffered from poor accessibility and car dependency, such as the South and the West, corresponding with areas in Auckland with lower incomes and higher social deprivation.
- Implementing the Accessibility Improvement Project – developed in partnership with advocacy groups with a goal of delivering a transport system which meets the needs of all Aucklanders.



## Growth

### Enabling and supporting Auckland's growth, focusing on intensification in brownfield areas with some managed expansion into emerging greenfield areas

Auckland is home to a third of New Zealand's population and continues to be the fastest growing region. An additional 700,000 to 1 million people are expected to live in Auckland over the next 30 years, requiring about 400,000 new homes and 277,000 jobs.

Population growth has averaged 1.8 per cent each year for more than two decades, with Auckland's population provisionally estimated to be 1,715,600 as of 30 June 2022.

With so many more people set to call Auckland home, the region needs to get ready for development so growth can be managed in a sustainable way. Most of the growth will be in the existing urban parts of Auckland but about a third of it will be needed in the region's rural parts.

The south is the largest future urban growth area in Auckland with around 5,300 hectares of land identified for urban development and significant new transport infrastructure will be needed. Other growth areas are in the north (Silverdale, Wainui and Dairy Flat), and North West (Kumeu and Huapai, Red Hills and Whenuapai).

Growth at this level requires additional capacity on the transport network. Where the growth is in greenfield areas (future urban areas), new roads, new stations, public transport, walking and cycling infrastructure and new services will be needed.

In brownfield areas (existing urban areas), population growth puts pressure on the roading network, adding to congestion, as well as creating capacity constraints on the public transport network. Population growth also increases the rate of deterioration of roads and other transport assets which, in turn, increase the cost of maintenance and renewals.

Auckland Council's longstanding approach of aligning new development to areas of high amenity and transport access has come under increasing pressure due to more flexible development policies.

The Government introduced new Medium Density Residential Standards (MDRS) in late 2021 that enabled three dwellings per site at a height of three storeys without the need for resource consent across the majority of urban areas in locations such as Auckland.

In combination with the National Policy Statement Urban Development intensification initiatives, the new standards have greatly increased development capacity across the region.

Growth pressures on the urban periphery beyond areas identified for transport investment, including rural areas not identified for future growth, have attracted developer interest and moving forward much higher levels of densification are anticipated in brownfield areas away from quality public transport and potentially without off-street parking.

AT is working with Auckland Council and other partners to better understand the long-term transport impacts of new government direction. Our approach has focussed on aligning, where possible, with major developers and agencies to plan and deliver together to ensure that major development areas (such as the Joint Spatial Priority Areas) are served by public transport and active modes to influence travel behaviour from the outset.

AT has been actively working with Eke Panuku Development Auckland as it plans to 'Transform, Unlock and Support' in neighbourhoods where there are town centre urban regeneration plans.

We have been reviewing masterplans for Panmure and Manukau town centres looking for opportunities to protect and safeguard the needs of the transport network in the context of growth pressures with a focus on achieving a safe, well-functioning and efficient transport network that connects people to their daily needs.

AT and Eke Panuku Development Auckland have also worked closely on the Eastern Busway corridor, pooling resources and skills to secure the integration of transport and urban regeneration. Opportunities for urban regeneration within and around the corridor have been identified, including development of residual land, integrated station development, and wider opportunities for transit-oriented development.

Together we are jointly evaluating the status of Britomart Station Plaza within the Britomart Precinct and the potential options for urban regeneration, as well as working to identify and assess prospective opportunities for integrated development on AT operated Park and Ride sites.

### AT supports Auckland Council, Local Boards and the wider council group to facilitate urban regeneration and placemaking, and development in both brownfield and greenfield areas.

Together we have:

- Worked with Waka Kotahi to confirm the transport networks required for greenfield locations, development and new housing construction through the Supporting Growth Alliance, progressing to route protection for key arterials in areas like Drury;
- Worked with Eke Panuku Development Auckland and other agencies to transform the City Centre into a more family, pedestrian and environmentally friendly place;
- Worked with and supported Auckland Council on key growth, spatial planning and urban development programmes and projects, such as the review of the Growth Model, implementation of the National Policy Statement Urban Development, and the Resource Management Reform and the Future Development Strategy review to ensure transport land use integration;

- Provided advice and support to Auckland Council on updates to their Development Contributions Policy, looking at how development contributions can better recoup long-term funding required for infrastructure in key growth areas such as Drury;
- Worked with Kāinga Ora to ensure that optimised funding can best be achieved through the Housing Acceleration Fund
- Worked with Auckland Council on joint applications to the Infrastructure Acceleration Fund
- Progressed planning of transport infrastructure in the northwest through the Housing Infrastructure Fund; and
- Supported CRLI to continue planning for the delivery of the City Rail Link and supported Auckland Light Rail in place-based planning integration opportunities

## Climate change and the environment

### Improving the resilience and sustainability of the transport system and significantly reducing the greenhouse gas emissions it generates

Climate change impacts everyone; our communities, infrastructure, economy and natural environment. Auckland's climate is changing. One in a 100-year events, like storms and floods, are happening more frequently. We are already witnessing extreme weather such as gale force winds and intensive rainfall, as well as an increase in average temperatures.

Auckland's emissions continue to rise and we must take urgent action now to avoid the worst impacts of climate change. No one can do this alone. Government, businesses, mana whenua and communities will need to work together.

AT has been supporting Council in developing a Transport Emissions Reduction Pathway (TERP) to meet the emissions reductions outlined in the Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan. The plan aims to halve regional emissions by 2030 (from 2016 levels) and reach net zero emissions by 2050. It modelled that a 64% reduction in transport emissions was needed by 2030 to meet the region's 2030 targets.

Funds raised from Council's Climate Action Targeted Rate (CATR) will be ring-fenced for projects that will have a meaningful impact on our region's climate action goals. Projects include bus and ferry

improvements, investment in Auckland's cycling network, a focus on walking connectivity, and growing the urban ngahere (forest).

Road transportation is the largest greenhouse gas emitting sector in Auckland, making over 40% of all total emissions. Furthermore, Auckland has the highest rate of car ownership in New Zealand with approximately 80% of the region's road transport emissions coming from private vehicles.

The scale of change required by 2030 is immense, requiring difficult decisions and significant investment. The transport emissions target was almost achieved in April 2020 only with Auckland under the strict travel restrictions of Covid-19 Alert Level 4.

To lower car dependency, AT is enabling people to make better travel choices by using public transport or active modes, such

as walking and cycling. Auckland's cycling network continues to expand with new and upgraded safe cycling infrastructure and facilities.

AT is working on multiple fronts to address climate change. We have begun transitioning to a low emissions public transport fleet by 2040 with benefits to Auckland including improved air quality within the city centre and healthier communities. This includes AT's commitment to transition the entire public transport bus fleet from diesel to low emission (electric and hydrogen), by 2040.

As part of achieving this goal, AT secured a partnership with NZ Bus for Australasia's biggest ever electric bus order in late 2021. The partnership will see a further 152 battery electric buses on Auckland roads, reducing greenhouse gas emissions from the AT Metro bus fleet by an estimated 11 per cent per year- which is almost

10,000 tonnes of carbon dioxide annually, relative to 2019 emissions.

Auckland will also be home to new fully electric ferries. EV Maritime is building the two ferries for AT which will be operational by 2024 across inner and mid-harbour commuter routes.

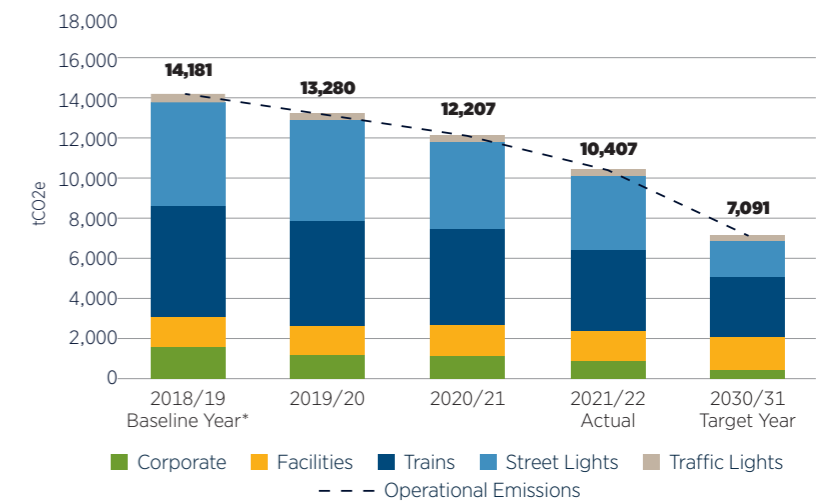
Today's 27 ferries contribute around 20% of Auckland's public transport emissions, and each electric ferry will dramatically reduce emissions by displacing around 1,000 tonnes of carbon emissions annually.

AT has purchased an additional 23 electric trains with the first arriving in Auckland in mid-2024. The follow-on order with Spanish rolling stock manufacturer Construcciones y Auxiliars de Ferrocarriles (CAF) will add to the existing fleet of 72 'AM Class' Electric Multiple Units.

AT is committed to reducing its own operational emissions which includes emissions due to its corporate activities, as well as the assets it owns and operates. AT aims to halve our operational emissions by 2030 from a baseline of 14,181 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), in the 2018/19 financial year. This year, AT's corporate activities and assets emissions reduced 27% against the baseline.

The reduction in emissions associated with trains in the 2021/22 financial year is largely due to less services running, as a result of track maintenance work by Kiwirail last year. However, AT will no longer operate diesel trains from September

Greenhouse gas emissions from AT's corporate activities and assets



2022 which will reduce emissions by a further one fifth of current levels.

AT's energy-efficient LED streetlighting Retrofit Programme rollout, alongside other changes to AT's assets and operations, are some of the steps being taken to reduce GHG emissions from our own corporate activities.

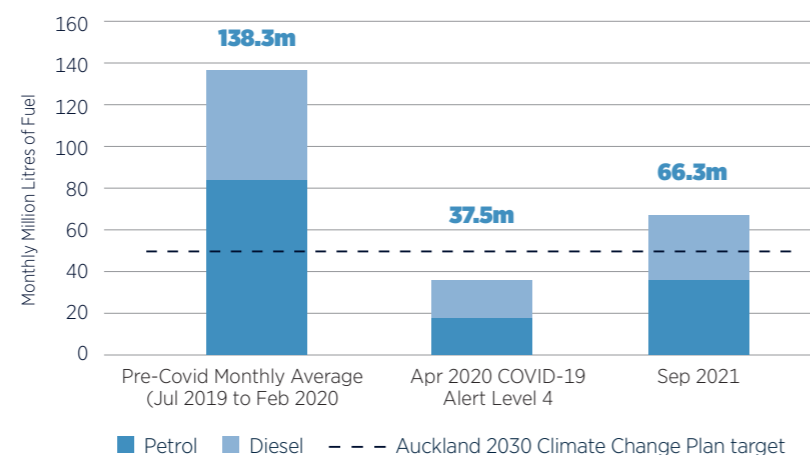
Retrofitting streetlights to LED has significantly reduced carbon emissions from 34% in 2017/18 to 87% in the 2021/22 financial year. All on-street parking machines are now solar power, and all future on-street parking machines will also be.

AT is developing adaptation plans for road infrastructure and bus and rail services to manage climate risks such as extreme weather, wind and storm, and coastal flooding and we are working closely with Council to consider climate adaptation options for the Auckland coastline.

Maintenance and renewal programmes play an important role in protecting our existing assets and over time, alternative options for managing the impact of climate change on our coastlines will become more important. Under guidance from central government, adaptive planning is helping us understand when we will need to take action and what that action might look like.

AT has developed Hikina Te Wero: Environment Action Plan. The Plan is the first environment focused document AT has released and sets out a bold pathway for improving Auckland's environment. From reducing the use of potable water to installing rain gardens, the plan provides a comprehensive pathway for minimising our impact and addressing the environmental challenges Auckland faces.

Level 4 Lockdown change in Petrol and Diesel Volumes compared to Pre-Covid Volumes (July 2019 to February 2020)





## Climate change and the environment (continued)

Mana whenua played a key role in guiding the korero and direction of Hīkina te Wero; Environment Action Plan which will be developed in partnership with Waka Kotahi, Auckland Council and the wider Council family.

### Greening our network

Using nature-based solutions in our city will make it more pleasant, liveable and environmentally sustainable, while contributing to our efforts to tackle climate change. Green infrastructure involves the use of rain gardens, green roofs and walls and street trees, as well as hard infrastructure like rainwater tanks, blue roofs and soakage pits.

AT manages over 7,500km of roads and many of these connect green spaces, parks and reserves with our natural waterways. Greening our network provides us with the opportunity to use our network as ecological corridors – corridors that provide environmental and ecological benefits and contribute to managing the impacts of climate change.

Green corridors allow species to migrate through urban environments, enhancing biodiversity and the health of Aucklanders and our region. Green infrastructure provides a wide range of benefits such as stormwater management, water purification, filtration of airborne pollutants, space for recreation and climate mitigation and adaptation and is an integral part of creating an ecological corridor.

AT installed its first living bus shelter trial in November 2021 in Panmure and Manukau with more than 1000 plants adorning their walls and roofs. These are believed to be the first living bus shelters in Aotearoa New Zealand and have been designed to absorb carbon, improve air quality, soak up stormwater and support biodiversity for native insects. The living bus shelter in Manukau was installed on the Diorella Drive bus shelter near Redoubt North School. AT has been liaising with the school's environmental team to teach children about green buildings and the living bus shelter on their doorstep.

Learnings from the trial will be applied to AT's ongoing work programme, Greening Our Network which seeks to increase the ecological function of our road corridors.



**In April 2022, AT announced an agreement with EV Maritime to build the first two electric fast ferries to be operated across inner and mid-harbour commuter routes from 2024**

## Better outcomes for and with Māori

### Support the Council Groups contributing towards Māori wellbeing outcomes, expectations and aspirations of Māori under Te Tiriti o Waitangi.

AT is committed to meeting its statutory obligations under Te Tiriti o Waitangi by partnering with the 19 Mana Whenua of Tāmaki Makaurau to deliver effective transport policy that delivers positive outcomes for Māori. AT is also working to improve our relationships with mataawaka and their representative bodies to ensure Māori voices are represented in our community engagement.

AT's Māori Responsiveness Plan has been the key to turning this commitment into clearly defined actions and results that:

- empower our people with the resources and confidence to respond more effectively to Māori
- ensure effective Māori participation in democracy
- contribute to strong Māori communities and better outcomes for Māori.

The MRP's initiatives follow the expectations established in AT's Statement of Intent, and are guided by the overarching goals of the Auckland Plan and Kia Ora Tāmaki Makaurau. AT's dedicated Māori Policy and Engagement team lead the implementation of the plan, and AT works closely with the council group and the Independent Māori Statutory Board to ensure transparency and accountability in meeting the MRP's objectives.

### Mana Whenua Engagement

Mana whenua are iwi or hapū that exercise historical and continuing mana whenua over part of Tāmaki Makaurau. They are our partners whose representation in decision making is critical to the success of Auckland Transport's infrastructure projects.

AT's dedicated Māori Policy and Engagement team facilitate monthly co-governance hui between Mana whenua and AT project leads. AT held 30 hui with mana whenua in the 2021/22 financial year engaging on 58 projects including Te Ara ki Uta ki Tai cycleway, the new Puhinui Station and Te Wānanga. AT also regularly engages with mana whenua to ensure the application of te ao Māori values in stormwater management.

### Te Ara Haepapa

Te Ara Haepapa is AT's innovative education programme that works to reduce the high rate of death and serious injury (DSI) among Māori on Auckland roads. Te Ara Haepapa starts with the premise that only Māori know what's best for Māori, and works closely alongside hāpori and whānau Māori on several kaupapa including:

- Kaihautū / Driver Licensing Training
- Whītiki / Child Restraint Activations
- Waipiro me ngā Tarukino / Drugs and Alcohol Awareness
- Āta Haere / Safe Speed Engagements
- Whānau Hikoi / Pedestrian Safety
- Pahikara / Safe Cycling Education
- Ara Haerenga / Promoting Active Modes in Schools

In the 2021/22 financial year, Te Ara Haepapa engaged with 5671 tāngata across 813 of these initiatives delivered across Tāmaki Makaurau at marae, kura kaupapa Māori and other spaces across Auckland's Māori community.

### Kia Kaha Te Reo Māori

AT's establishment of bilingual wayfinding as a non-negotiable for new infrastructure projects has seen the implementation of te reo Māori grow from a small trickle into a steady stream of kupu flowing into public spaces across the AT network in the 2021/22 financial year. Included in the list of completed 2021/22 projects featuring bilingual signage are Puhinui Station, Te Wānanga, Quay St Improvements, Downtown Ferry Terminal, Constellation Station upgrades, Te Ōnewa Northcote Point Wharf, and the New Lynn to Avondale Cycleway. Bilingual signage is scheduled to be included when improvements are made to signage at existing transport facilities.

### Māori Businesses

AT launched its first Sustainable Procurement Action Plan in 2021 which sets out the ways AT's procurement activities will support Auckland's transformation to a regenerative economy. The plan identified supplier diversity as an area where AT could improve outcomes for Māori by creating opportunities for Māori-owned businesses to enter into contracts with AT.

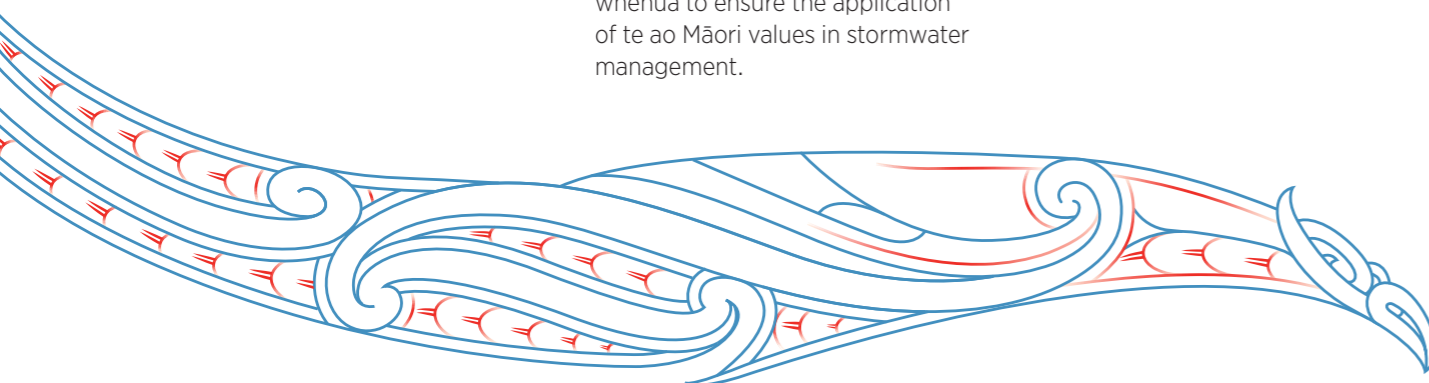
In the 2021/22 financial year, AT partnered with 23 Māori businesses who supported AT on a wide range of activities including street light maintenance, te reo Māori translation, facilities management, construction, archaeological assessment, creative design and marketing, mahi toi, coach services, and EV charging supply.

### Hütia Kia Wana Māori: AT's Māori Employment Strategy

AT has a responsibility to represent the community it serves and recognises that diversity in the workplace is essential to gaining the knowledge, experience and connections needed to meet this goal. To address the underrepresentation of kaimahi Māori in 2022, AT developed Hütia Kia Wana; the organisation's 3 year strategy to increasing, retaining, developing and improving the wellbeing of kaimahi Māori throughout the organisation.

Hütia Kia Wana Māori specifically focuses on:

- Increasing the percentage of kaimahi Māori and Māori applicants to AT
- Improving AT's reputation as an employer amongst Māori communities, iwi, hapū and whānau
- Supporting kaimahi Māori throughout their career development at AT
- Creating a culture where Māori feel valued as Māori



## Better outcomes for and with Māori (continued)

### Ngā Kaihoe: AT's Renewed Early Career Programme

In 2021, AT redesigned and rebranded its AT Graduate programme to better support rangatahi wellbeing and their career development. Mana whenua gifted the name Ngā Kaihoe (the paddlers) to the programme which symbolises the unique set of talents and personalities that kaihoe (graduates) contribute to the shared kaupapa at AT – working together to drive the AT waka forward. AT is committed to increasing the representation of Māori in each year's Ngā Kaihoe intake to at least 12% by 2025.

### Te Wiki o Te Reo Māori 2021

Mana ka Māori – AT's Māori network – organised a week full of activities to celebrate Te Wiki o te Reo Māori 2021. The week began with the launch of Te Aratohu: an introduction to Māori culture at Auckland Transport, and finished with a te reo Māori quiz to support Te Taura Whiri i te Reo Māori (the Māori Language Commission) and their goal of 2 million speakers engaging in a "Māori Language Moment" across Aotearoa.

This year, AT also partnered with oOh! Media who showcased useful te reo Māori kupu across 170 of their digital panels across their Auckland bus shelter network.

### Matariki

To celebrate the first official public holiday of Matariki, AT rotated "Mānawatia a Matariki" artwork on screens across the transport network including at Britomart Train Station, Newmarket Atrium and 127 digital panels within 15km of the Auckland CBD.

#### The Hoe Tinana

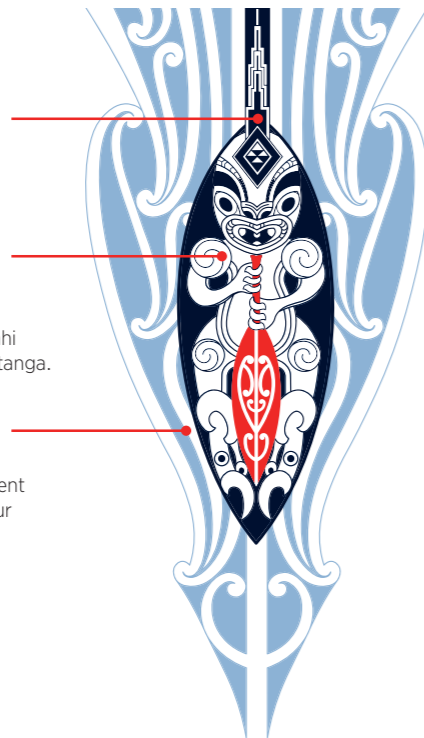
The tinana of the hoe has the poutama pattern, representing our gifts and talents and the inspiration that descends from the atua realm, a constant source of inspiration and auahatanga.

#### The Rapa & Tiki

The rapa of the hoe has a tiki that express our unique identity and connections to Tāmaki Makaurau. These include the unaunahi tauira, which represents mana and manaakitanga.

#### The Mangopare

The hoe is adorned with mangopare, a representation of the strength of commitment to move the waka forward and speaks to our kotahitanga and whanaungatanga.



## Collaborative partnering

### Collaborative Partnering with our funders, partners, stakeholders and communities

AT is committed to working closely with a range of stakeholders including ward councillors, local boards, the Council group, customers, funders and the wider community to deliver programmes, projects and activities in its RLTP programme and SOI.

We are working closely with communities throughout Tāmaki Makaurau and considerable progress has been made towards better engagement, communications and consultation with our stakeholders in the 2021/22 financial year.

A key objective has been to provide a stronger local focus during the communications and engagement process to further enhance delivery of our programmes. Essentially, ensuring that the people telling AT's story and listening to our communities are themselves local.

AT's Communications and Engagement department has been operating under a new model following a restructure last year with positive results. AT developed local communications and engagement 'hubs' in the north, west, centre and south. The hubs are supported by a regional team responsible for ensuring that AT's regional narrative is cohesive and inspiring, as well as integrated with

Auckland Council and other CCOs activities in the area. Each hub is staffed with people responsible for written communication, engaging face-to-face with communities, and in working with elected representatives.

This new approach is producing encouraging results with this year's Elected Member Satisfaction Survey showing improvements in how our elected representatives feel about working with AT. The survey showed that 61% of Councillors and 47% of Local Board members are 'satisfied' or 'very satisfied' with AT. This is the highest level of satisfaction amongst Auckland's CCOs.

### Successful local approaches to project engagement in the 2021/22 financial year include:

#### St Heliers engagement.

In 2020, delivering safety projects in St Heliers created some tension between AT and the local community. An important first step after the re-structure was to re-engage with this community and improve this relationship. AT pro-actively engaged with the local board, business associations and community groups and explained why the projects were so important, highlighting the safety benefits they would bring. AT staff listened to feedback and worked constructively and closely with these groups to successfully deliver the projects.

#### Joint protocol for engaging with Local Boards on regional programmes.

AT and Auckland Council worked closely together to establish an agreed process for local boards to feedback on regional programmes. The process ensures that engagement is planned jointly and that local boards receive quality advice from technical experts in a timely manner, so that advice can be properly considered before formal feedback is submitted. To date, the Activities in the Road Corridor Bylaw 2022, Auckland's draft Parking Strategy, Interim Speed Management Plan and Phase 3 of the Regional Speed Management Programme have successfully used this process.

#### Connected Communities New North Road.

Local communications and engagement personnel supported AT's technical team in delivering this project. Further, the engagement included AT staff working with the freight industry, local business associations and with community panels. The wide range of consultation with elected representatives, industry groups and community panels prior to wider public consultation identified areas of concern and enabled the project team to facilitate more positive and productive conversations. This project's engagement work has been commented on favourably by local boards.

AT is working collaborating with Auckland Council and other CCOs. Our integrated approach includes the following programmes and plans:

#### Revitalisation of the city centre.

Auckland Council and its CCOs continue to work together to deliver the City Centre Master Plan; a programme developed to support re-vitalisation of the city centre. The plan has been developed by Council with delivery led by Panuku and AT. Working closely with businesses is critical to the post-pandemic economic recovery in Auckland and businesses, including those in the Arts Precinct, are a key stakeholder in central city co-ordination activity.

#### Integration of the CCO Engagement Framework and AT's capital programme reporting to Local Boards.

AT and Auckland Council are working together to implement the CCO Engagement Framework which informs local boards about AT's capital programme. This provides local boards and the communities they represent with information about work planned in their area, and opportunities to influence AT's programme. This project also supports local boards to use their Local Board Transport Capital Fund. Specifically, providing quality advice and confirming governance arrangements so that local boards are better supported to use this fund. AT's Service Delivery and Communications and Engagement department contribute staff to his project, vastly improving AT's capacity to deliver this work.



## Value for Money

### Our operating model is agile, financially sustainable and delivers economic benefits

AT is the regional guardian of \$26.3 billion of publicly-owned assets. This includes 7,638 kilometres of arterial and local roads, 7,431 kilometres of footpaths, 348 kilometres of cycleways, a growing fleet of electric trains, rail and busway stations, bus shelters, ferry wharves and two airfields on the Gulf Islands.

In our role as kaitiaki or guardians of the transport network AT must plan ahead to ensure that transport assets are managed and maintained to face the challenges of the future. Taking care of our transport assets for today and for future generations is a key priority.

We continue to operate in a challenging and uncertain environment yet remain focused on being agile and adaptable. Covid-19 is severely disrupting supply chains, access to labour and causing delays in planning and delivery of projects and programmes.

Escalating costs due to inflationary pressures are also having an impact with many projects requiring funding which will force prioritisation. AT will continue to work closely with stakeholders to manage expectations.

Covid-19 has significantly changed customer behaviours with an increasing number of Aucklanders working from home or hybrid working. AT is focussed on optimising its Public Transport services in response to this change in customer demand.

AT is also navigating an increasing complex transport funding model with funding from multiple sources. We are focused on ensuring that there is no disconnect between planning, decision making and funding and that projects are appropriately prioritised to best meet the needs of Aucklanders.

The current environment is challenging it presents an opportunity for AT to think, plan and deliver differently and enable the rapid transformation we expect to see in a post-Covid-19 world. We are already seeking to identify and leverage additional funding sources and review our improvements programme to prioritise investment in activities that matter for Auckland. We are also exploring opportunities for more cost-effective delivery through procurement.

### Sound management of transport assets

Improving the transparency of asset management programming, and the timing, delivery and standard of asset renewals is a high priority. Maintaining and renewing these assets is a significant undertaking with a number of factors placing increased pressure on the local road and asset network:

- deterioration of road pavements;
- increasing numbers of heavy vehicles operating on the network including growth-related construction, service-related (e.g. waste collection) traffic and heavier axle weights from double decker buses;
- an increasing local network asset base – which is growing by around 1.5 per cent every year through the delivery of new transport infrastructure (e.g. roads in new subdivisions, new transport facilities);
- significant increases in construction costs and the cost of renewals, in particular road rehabilitation, which makes up the largest share of AT's renewal spend;
- low renewal expenditure over the 2018-2021 period (including due to budget impacts from Covid-19) which has created a renewal backlog; and
- increased renewal requirements relating to climate resilience, seismic retrofit and slip remediation.

### Delivering positive outcomes for our communities and environment through AT procurement

For AT, value for money means making choices to buy goods and services that not only consider price but that also generate value for Aucklanders through broader environmental, social and economic outcomes.

AT's Business Plan, Hikina te Wero: AT's Environment Action Plan and AT's Sustainability Vision highlight the importance of sustainability throughout the operation of our city and transport network. AT can't deliver these outcomes alone and it is vital that our suppliers also support our goal of a sustainable and resilient Tāmaki Makaurau. Through sustainable procurement we can ensure that all Aucklanders participate and share in our city's growing economy and that we have a positive impact on the environment.

In 2021, AT launched its first Sustainable Procurement Action Plan which sets out our vision for all AT's procurement activities to accelerate Auckland's transformation to a regenerative economy. This plan identifies the social and environmental outcomes AT procurement is committed. Our five focus outcomes aligned with Auckland Council's sustainable procurement objectives.

#### Outcome 1:

**Quality Employment**

#### Outcome 2:

**Supplier Diversity**

#### Outcome 3:

**Reducing Emissions**

#### Outcome 4:

**Circular Economy**

#### Outcome 5:

**Reduce Potable Water Consumption**

## Value for Money (continued)

In working towards our Quality Employment outcome, AT is looking to create new employment opportunities through our contracts for people from under-served communities where there are barriers to employment, significant inequities or higher levels of deprivation. AT is also seeking to improve the incomes, skills and capability of people from under-served communities through our contracts and supplier relations by initiating training and development schemes for employees.

International evidence indicates that if AT engages with a diversity of suppliers through the supply chain and invests in the Māori economy, the Pasifika economy, the impact economy and local economies, benefits will reach Auckland's under-served communities.

AT's Supplier Diversity outcome is about creating opportunities through our contracts for Māori-owned businesses and other 'diverse suppliers', including Pasifika-owned businesses, women-owned businesses, social enterprises or other organisations that are primarily focused on delivering positive impact. This includes Auckland businesses based within the local board area where the contract is to be delivered.

Supplier diversity can also partly be achieved through AT's direct spend, as with our marae carpark upgrade programme where we invited tenders exclusively from Māori-owned businesses AT can also significantly improve supplier diversity through our indirect spend by ensuring that the contractors we choose to work with are intentionally looking for opportunities to subcontract to Māori-owned businesses and other 'diverse suppliers' where there is capacity and capability within the sector.

AT's three environmental outcomes highlighted within the Sustainable Procurement Action Plan align with the outcomes identified in AT's Environment Action Plan Hīkina te Wero – specifically reduction in waste to landfill and reduction in use of potable water – as well as the AT objective of reducing the GHG emissions of our operations, assets and supply chain.

AT is exercising different procurement approaches and using our purchasing power to positively influence achievement of these environmental outcomes and mitigate environmental risks

### Sustainable procurement success story

#### Te Aroha Pā Carpark and Driveway Improvements

Te Aroha Pā (Araparera marae) is located south of the Kaipara Harbour. It belongs to the Ngāti Rangō of the iwi Ngāti Whātua. The whareniui is named Kia Mahara. Situated just off Kaipara Coast Highway 16, the marae is a rural pā site of iwi/rūnanga Ngāti Whātua o Kaipara.

Te Aroha Pā is the most recent project in AT's marae upgrade programme. These projects are intended to improve the driveway and parking facilities for marae to enhance the road safety around each site. For the marae carpark upgrade to benefit mana whenua and the

wider community, AT also worked with Auckland Council departments and CCOs to invest in broader positive outcomes at Te Aroha Pā.

Rather than using the established AT Physical Works Supplier Panel (PWSP) to deliver the works, a tender was issued to Māori-owned civil construction businesses only. As it was marae-based work, the project provided an ideal opportunity to further invest in and build the capability of Māori-owned civil construction businesses to deliver AT civil works. Together, the AT procurement team, AT project manager and the AT Māori Outcomes Team worked with the marae to determine if there were any whānau businesses interested in participating in the tender process.

The contract was awarded to Lite Civil Limited, a 100% Māori-owned business, which is also a member of Amotai – Aotearoa's leading intermediary that connects Māori and Pasifika businesses with procurement opportunities. In alignment with AT's Quality Employment outcome, Lite Civil employed mana whenua from the marae to work on the contract and also provided ongoing employment through this contract to one of the staff from the previous Makaurau marae carpark upgrade project, a great example of delivering positive outcomes for mana whenua as well as Māori creating opportunities for Māori.



## Our people our practices

Enabling and enhancing our culture and capability. AT's purpose and values go to the heart of our culture and define how we behave as an organisation, our aspirations and what we want to achieve together for Auckland.

AT is committed to having an inclusive and diverse workforce that truly reflects Tāmaki Makaurau; the community we serve.

Diversity in the workplace is essential so that we can fully represent and understand the needs of all those in our community through our own experiences, knowledge and empathy.

We are focused on our transformational journey of being increasingly customer-focused, collaborative and a highly adaptive organisation.

Our Culture and Transformational Strategy focuses on building a more constructive culture within AT that enables us to deliver on our key strategic priorities. We aim to create a safe environment where people feel more connected across the organisation, and to our strategy, are able to develop capabilities for the future of work and have the opportunity to thrive.

AT is dedicated to creating a thriving, inclusive and high performing culture where everyone can be themselves. We want our people to feel a sense of belonging and connection with each other.

This is reflected in our values

**Auahatanga**

- Better Bolder Together;

**Whanaungatanga**

- We Connect;

**Manaakitanga**

- We Care, Full Stop;

**Tiaki anga**

- Safe With Us.

## Auahatanga - Better, Bolder, Together

AT continues to build a highly constructive culture with large positive shifts impacting on the organisation's performance. In 2018, AT began its cultural transformation journey by conducting a Viewpoint Culture Survey. AT has since undertaken two additional surveys with the latest taking place in February 2022.

The Viewpoint Culture results for 2022 show a continued upward trend, including the effective improvement of constructive behaviours across the organisation. Eighty-eight percent of staff completed the survey (1,675), the highest engagement so far.

Not only does the survey determine progress made since its inception, but it also provides an opportunity to understand how the Covid-19 pandemic has hindered or assisted AT's culture and transformational journey, including working from home, funding pressures and mental wellbeing.

AT is a large and complex organisation and improvements over the survey periods are welcoming, particularly amidst the difficulties placed on all organisations by the Covid-19 pandemic. AT is committed to continuing to seize opportunities and further improve its organisational culture including refreshing its Culture & Transformational Strategy 2019-2022).

### Leadership development and living our leadership tohu

We have accelerated our leadership capability, aligned to AT's leadership tohu (expectations) and values through the development of our flagship leadership development programme.

The programme, piloted in June 2022, provides in person, online and virtual learning opportunities for all AT leaders to connect and learn from experts, and from each other, on what it means to be great leader. All leaders will complete the programme by December 2023. AT also launched a toolkit of Kōrero Mai sessions for leaders to run with their teams to explore leadership, culture and action planning based on their own team's Viewpoint culture results.

## Manaakitanga - We Care. Full Stop

**With our new normal of living in a Covid-19 world and with the ups and downs of modern life, there's never been a better time to invest in our people's health and wellbeing**

AT launched its Wellbeing framework, Hauora, in August 2021 to increase awareness of wellbeing throughout the organisation and provides our people with practical tools, tips and support to look after their health and wellbeing.

As we continue to build a thriving and inclusive culture, AT is proactively investing in wellbeing to protect our people from any harm to their mental, physical and spiritual wellbeing.

In early 2022, Hauora - AT's Wellbeing framework & programme won Best Health & Wellbeing Programme at the Human Resources Director (HRD) NZ Awards. This award recognises excellence and innovation in workplace health and wellbeing programmes and initiatives. It is judged on consultation, strategy, implementation and results.

AT was then also named as a finalist for Best Wellness Programme in the Human Resources New Zealand (HRNZ) awards. The Wellness Programme category recognises companies that have outstanding initiatives and strategies promoting the health, safety and wellbeing of employees in their workplace.



## Tiakitanga - Safe With Us

### Speak Up programme

AT's Speak Up programme is an essential element of the organisation's cultural change framework which has been designed to create an environment where people feel safe, able and willing to speak up.

The programme connects our people to a range of channels where they can seek support, or raise issues of concern, reflecting AT's commitment to ensuring the safety (tiakitanga), hauora and mana of its people in the workplace.

AT's Speak Up programme was externally reviewed at the end of 2021 with the report providing valuable insights and suggestions for ongoing improvements. A programme of work is underway to ensure our people can readily connect to and use the services available.

### No Excuse for Abuse campaign

Following the findings of an Auckland Council Hauora (Wellbeing) Review, each of the council-controlled organisations came together in late 2021 to launch

a public campaign that advocates for our employee's wellbeing and asks our customers to treat us with respect.

Everybody deserves to come to work and have a positive and safe experience, but often, our people are exposed to verbal abuse, harassment, threats and, in some cases, are even assaulted just for doing their jobs. It can happen online or in person, and it's not ok. AT ran a public 'No Excuse or Abuse' campaign over Christmas 2021 and early in 2022 to remind the public to be respectful towards our people.







## Whanaungatanga - We Connect

### AT's Diversity and Inclusion (D&I) Strategy (2019-2022) sets out our vision to reflect the increasingly diverse communities we serve in Auckland's growing, vibrant region

AT diverse workforce is a critical strength which enables us to better understand, listen to and serve the Auckland community, enhance relationships with stakeholders, attract top talent, make better decisions and innovate.

Our D&I Strategy continues to focus on four core areas:

**Creating a workforce that reflects our region** – including increasing female representation in senior leadership roles, growing Māori and Pasifika representation and developing a multi-generational strategy focused on youth and mature aged workforce

**Developing an inclusive leadership and culture** – involving building inclusive leadership capabilities and enhancing the role of our AT Connect groups as advocates for change, and driving the D&I agenda

**Getting the basics right** – ensuring we have robust and accurate data that tells the real story, informs our decisions and tracks progress and aligning all our policies, practices and processes with D&I objectives

**Being socially responsible** – when listening to and serving the Auckland region as well as a continued committed to D&I in our people, customers, partners and through community promises

### Māori and Pasifika

AT is committed to having a workforce that reflects the region and ensuring it creates a culturally safe workplace for everyone.

Hütia Kia Wana Māori: AT's Māori Employment Strategy aims to anchor Māori throughout the organisation and have our values of Manaakitanga, Tiakitanga, Whanaungatanga, Auahatanga as the foundation of all that we do, support and value Māori throughout their career journey and create a culture where Te Ao Māori thrives.

As of 2018, Māori represented 11.5% of the total population in Tāmaki Makaurau and is rapidly growing. However, Māori represent less than 4% of AT's total workforce.

The focus of the Māori employment strategy is:

- Manu Tāiko, Takarangi, Manaia: Māori Policy and Engagement are the kaurungi of kaupapa Māori at Auckland Transport
- Te Herenga Waka: Anchor Māori throughout Auckland Transport
- Ngā Mātāpono: Exemplify our values of Manaakitanga, Kaitiakitanga, Whanaungatanga and Auahatanga

- Te Uho me Te Tangata: Support and develop Māori throughout their journey at Auckland Transport
- Tangaroa: Create a culture where Māori feel valued as Māori.

Auckland is the largest Polynesian city in the world with Pasifika one of the top three fastest growing ethnicities in New Zealand, representing 15.5% of the Auckland population.

With AT's workforce only representing 6% of Pasifika employees, AT is committed to growing its Pasifika talent by becoming an employer of choice, as well as increasing Pasifika representation in leadership roles across the organisation.

As well as identifying potential Pasifika talent, AT is engaging with our communities, partners and stakeholders to create opportunities for Pasifika.

AT's Pasifika Network connects and engages Pasifika across AT. The network recognised the wisdom inherent in Pasifika traditions for self-development and team building, as well as celebrates Pacific culture and diversity to support the growth of Pasifika people.

## Whanaungatanga - We Connect (continued)

### Diversity and Inclusion accreditations

As part of AT's ongoing commitment to diversity and inclusion, we have been awarded the Gender Tick, Rainbow Tick and are a Hearing Accredited Workplace. AT is also a founding partner in Brain Badge, a neurodiversity accreditation which we are in the process of achieving.

AT is also proud to partner with DiversityWorks NZ and TupuToa to continue learning and build a diverse and inclusive workplace. In 2022, we joined MindtheGap, a New Zealand pay equity registry. By being part of this movement, AT are one of the first organisations in Aotearoa New Zealand to commit to publicly reporting the pay gap for not only gender but also for Māori and Pasifika groups.

### Women in leadership

AAT has seen a steady increase in women in senior leadership roles since 2018 when its cultural transformation journey began. One of the ways to support women in leadership has been to provide targeted leadership development support through our Women's Leadership Programme, Te kaupapa mō te wahine hautū.

Eighty-four women leaders participated in the programme in 2021/22 financial year across four cohorts with support from external facilitators and coaches. This is a significant development programme for women at AT to prepare them to take the next steps in their careers.

AT's D&I strategy set out to increase female representation in senior leadership roles to 40% by the end of 2022.

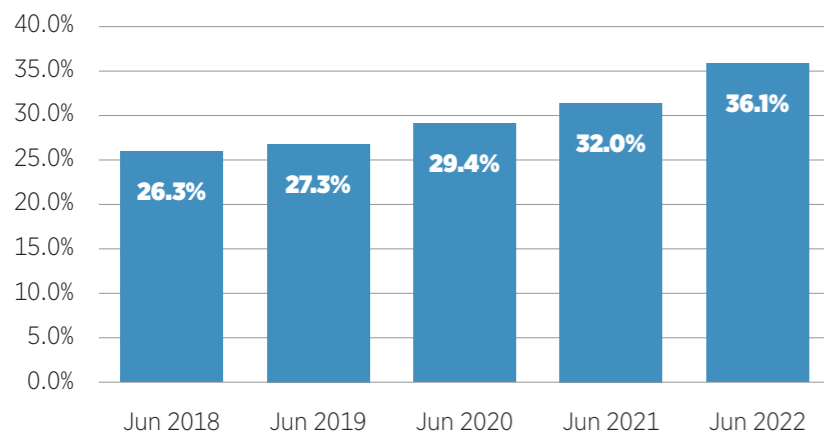
### Ngā Kaihoe graduate programme

In February 2022, we were excited to welcome 36 new Kaihoe (graduates) to AT. Our Ngā Kaihoe graduate programme is critical to our success in developing future talent for our organisation.

At this year's New Zealand Association of Graduate Employers (NZAGE) Awards, AT won two awards for our Ngā Kaihoe graduate programme; Best Innovation and Best Diversity Strategy. The NZAGE award seeks to recognise excellence throughout the graduate and youth employment industry and these accolades are testament to the strength of AT's commitment towards our values of Auahatanga, Whanaugatanga, Tiakitanga and Manaakitanga.



% of Female Senior Leaders



## Industry recognition

### June 2022:

#### Government Health and Safety Lead Awards

Auckland Transport's Operation Centre (ATOC), a joint venture between Auckland Transport and Waka Kotahi NZ Transport Agency, was selected as one of six finalists with Dianne Sharp, from Waka Kotahi, New Zealand Transport Agency, nominated for the award.

These awards celebrate the hard work that Health and Safety Representatives (HSR) in the public sector do, above and beyond their everyday job title, to ensure that their colleagues are safe at work, and return home to their families at the end of every working day

The criteria for nomination included HSRs who have played a significant role in delivering specific health, safety or wellbeing initiatives or have shown leadership and commitment to health and safety. Often these new and innovative ideas are recognised for their worth, and become national best practice within their organisations.

The judging panel included representatives from the Government Health and Safety Lead, Public Services Association and WorkSafe NZ.

### February 2022:

#### Diversity accreditations

Awarded two new accreditations demonstrating ongoing commitment to D&I and establishing inclusive culture.

AT has now received the Gender Tick from YMCA and met the criteria to become a hearing-accredited workplace from the National Foundation for the Deaf and Hard of Hearing.

AT has also signed up to Mind the Gap - pay equity commitment programme.

### August 2021:

#### Brain Badge Neurodiversity Certification

AT is partnering with Brain Badge, an organisation dedicated to pushing limits of diversity and inclusion to include neurodiversity.

### July 2021

#### Domestic Violence Free Tick

In June 2021 AT gained domestic violence Free Tick accreditation for showing its commitment to providing a workplace where domestic violence is not tolerated and where people impacted by domestic violence feel safe and supported.

#### Public Relations Institute of New Zealand (PRINZ) Award

AT received highly coveted (Bronze) award for communication during the first Covid-19 pandemic lockdowns.

When Auckland went into lockdown in March 2020 to eliminate Covid-19, AT initiated a pre-planned and multi-faceted communications strategy. The simple objective was the need to communicate with Aucklanders quickly and in line with Government/Ministry of Health (MoH) direction and importantly to let them know that public transport services were still being provided.

Judges noted the integrated response from social, digital and marketing teams which ensured customers received reliable, accurate and timely information.

### Auckland Transport shone bright in Energy Excellence Awards:

Auckland Transport's commitment to the environment saw it announced as a finalist in two categories of the New Zealand Energy Excellence Awards 2022. AT was a finalist in the Large Energy User Initiative of the Year - sponsored by EECA - for its street light energy savings through the street light replacement programme. AT was also a finalist in the Low Carbon Future Award category - sponsored by BusinessNZ Energy Council - for its hydrogen fuel cell bus.

In early 2022, Hauora - AT's wellness programme was named as a finalist in the Human Resources New Zealand (HRNZ) awards for 2022. The Wellness Programme category recognises companies that have outstanding initiatives and strategies promoting the health, safety and wellbeing of employees in their workplace.



## Key performance measures and results for the year ended 30 June 2022

AT has an agreed set of key performance measures and targets which form the basis for accountability to delivering on Council’s strategic direction, priorities and targets. These are reported on a quarterly basis, in accordance with the CCO Governance Manual.

Of the 28 key performance measures outlined in AT’s 2021/22-2022/24 SOI, 16 are also Long-Term Plan (LTP) measures (\*indicated).

AT uses the following guidelines to report on performance against the targets:

- Where performance is within +/- 2.5% of a target, the target is considered ‘met’;
- Where performance is above a target by more than 2.5%, the target is considered ‘exceeded’.
- Where performance is below a target by more than 2.5%, the target is considered ‘not met’.

In the 2021/22 financial year 13 target measures have been exceeded, 5 were met, 9 were not met, and 1 measure has no target as this is its first benchmark year.

A number of these targets have been impacted by Covid-19 (either positively or negatively).

This financial year, Auckland was heavily impacted by Covid-19 lockdowns and restrictions. As targets were written with the assumption that there would be no further extended lockdowns, a number of the measures have not met or exceeded their targets. Going into the 2022/23 financial year, Covid-19 restrictions are continuing to soften, and we are beginning to see a journey to a recovery.

MEASURE	2022 SOI TARGET	2022 ACTUAL	2021 RESULT	RESULT
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### Safety - Making Auckland’s transport system safe by eliminating harm to people

Number of high-risk intersections and sections of road addressed by AT’s safety programme	7	8	8	<b>EXCEEDED</b>
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Eight high risk intersection improvements were addressed by the programme.

Change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number*	From January to December 2021, DSI increase by no more than 70 (compared to the previous year) to 524	January to December 2021: 515 DSI (Increased by 61 compared to previous year)	454	<b>MET</b>
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The 2021 calendar year result was 515 DSI, better than the SOI target reduction to 524 DSI. Local road deaths have increased by 51.5% (from 33 to 50) and local road serious injuries increased by 10.5% (from 421 to 465) compared to the 2020 calendar year. The 2021/22 DSI reduction target had a higher DSI as the 20/21 year was unusually low due to Covid-19 lockdowns.

MEASURE	2022 SOI TARGET	2022 ACTUAL	2021 RESULT	RESULT
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### Safety - Making Auckland’s transport system safe by eliminating harm to people (continued)

A steady reduction in the number of deaths and serious injuries on Tāmaki Makaurau’s road network, in line with Vision Zero Strategy, expressed as a number of DSI saved compared to the baseline (2016-18) of 716	From January to December 2021, reduce DSI by 143 (compared to the baseline of 716) to a total of 573	January to December 2021: 590 DSI	414	<b>NOT MET</b>
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The 2021 calendar year result was 590, which did not achieve the SOI target reduction to 573. All Tāmaki Makaurau’s road deaths have increased by 63.9% (from 36 to 59) and all Tāmaki Makaurau’s road serious injuries increased by 8.6% (from 489 to 531) compared to the 2020 calendar year.

Number of vulnerable road user deaths on and serious injuries on Tāmaki Makaurau’s road network, in line with Vision Zero strategy, expressed as a number of DSI saved compared to the baseline (2016-18) of 320	From January to December 2021, reduce vulnerable users DSI by 64 (compared to a baseline of 320) to a total of 256	January to December 2021: 263 DSI	N/A New Measure	<b>NOT MET</b>
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The 2021 calendar year result was 263 DSI, which did not achieve the SOI target reduction to 256 DSI. Vulnerable road user deaths have decreased by 15.0% (from 20 to 17) and vulnerable road user injuries increased by 4.2% (from 236 to 246) compared to the 2020 calendar year.

The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number <sup>1</sup>	N/A - not a performance measure in AT’s SOI	462	414	
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<sup>1</sup> This is a Department of Internal Affairs mandatory performance measure. There is no target associated with this measure. AT measures the efficacy of our road safety improvements through other metrics, based on number of affected people rather than the total number of crashes.

## Key performance measures and results (continued) for the year ended 30 June 2022

MEASURE	2022 SOI TARGET	2022 ACTUAL	2021 RESULT	RESULT
<b>Customer Experience - Providing excellent customer experiences</b>				
The percentage of passengers satisfied with public transport services*	85%-87%	91% (In-person surveys: July-Sep 2021 and April-June 2022)	91.6%	<b>EXCEEDED (Q1 and Q4)</b>
	NA	Online surveys (not included in the final result) 79% October-December 2021 and 73% January-March 2022	NA	NA
Due to Covid-19 restrictions, AT was unable to complete in-person surveys from mid-August 2021 to April 2022. AT administers online surveys which are displayed above but not included in the final result as the two survey methods are not comparable.				
Passenger satisfaction is measured through quarterly face-to-face interviews and has a response rate of 54% for the period covered above.				
The fieldwork for the face-to-face survey conducted in August 2021 was not completed due to New Zealand going into a level 3 lockdown on the 17th of August 2021. The target number of completed surveys for the August 2021 round was n=2,225 however only n=1,107 (50%) were able to be completed. The August 2021 survey does not include any results for passengers travelling on services provided by Skybus, Waiheke Bus Company, 360 Discovery Cruises, Belaire Ferries or Sealink Pine Harbour or passengers travelling on Fullers' Devonport and Bayswater ferry services. There are also no results for passengers on the western rail line. Whilst data weighting (by patronage) will have reduced the impact of the low number of ferry trips in particular (only 15% of the target completed) on the overall results, the small base for ferry users makes the sample more vulnerable to outliers on a quarterly basis but should be stable if combined with the April-June data as this will increase the total sample size				
Percentage of customer service requests relating to roads and footpaths which receive a response within specific timeframes* 2	85%	89%	92.4%	<b>EXCEEDED</b>
Percentage of total AT case volume resulting in a formal complaint (baseline of 0.77% for 2020 calendar year)	Less than 0.75%	0.38%	N/A New Measure	<b>EXCEEDED</b>
Percentage of formal complaints that are resolved within 20 working days (baseline of 79% for 2020/21) <sup>3</sup>	80%	89%	N/A New Measure	<b>EXCEEDED</b>

2. Specified time frames are defined in AT's customer service standards: 2 days for incident investigation as a high priority; 3 days for an incident investigation as a normal priority; 1-hour emergency response time.

3. Includes complaints that require further detailed investigation (such as traffic counts, vibration reports, etc.).

MEASURE	2022 SOI TARGET	2022 ACTUAL	2021 RESULT	RESULT
<b>Travel Choice - Providing and accelerating better travel choices for Aucklanders</b>				
The total number of public transport boardings (millions)*	82	41	64	<b>NOT MET</b>
Boardings on the public transport network came in at approximately half of the target. Boardings were affected by Covid-19. In particular, city centre, university student and office worker patronage were impacted by the increased travel restrictions, concerns about hygiene on public transport and increased working from home.				
Total rail boardings (millions)	19	7	11	<b>NOT MET</b>
Rail boardings were impacted by Covid-19 and ongoing track works by KiwiRail which led to service frequencies being lowered or stopped for periods of time.				
Total annual boardings on Rapid or Frequent public transport networks	Increase at faster rate than total boardings	Decreased at a faster rate than total boardings	Decreased at faster rate than total boardings	<b>NOT MET</b>
The percentage of public transport trips that are punctual*	96.0%	97.8%	97.4%	<b>MET</b>
Kilometres of safe cycling facilities added or upgraded that is located on the Cycle & Micromobility Strategic Network* 4	2021-2024: 44.1km Trajectory measures:	13.9km	N/A Revised Measure	<b>EXCEEDED</b>
	2021/22: 12.8km			
The target for this measure is 44.1 km for the period of 2021 - 2024. A trajectory has been set for this target however performance against the target is not considered until 2024. 5.8kms of minor cycleways and 8.1kms of new cycleway connections delivered which includes Eastern Busway 1 Shared Path (2.5kms), New Lynn to Avondale Shared Path (2.9kms), Tamaki Drive separated cycleway (2.3kms) and John Rymer cycleway connection (400m) that links to Glen Innes to Tamaki Section 2 (delivered by Waka Kotahi in May 2022).				
Number of cycle movements past 26 selected count sites (millions)* 5	3.670	2.981	3.485	<b>NOT MET</b>

Increased working from home and ongoing Covid-19 restrictions have an impact on cycle counts, particularly within the city centre.

4. Relates to cycle facilities which meet AT's Transport Design Manual standards or have been approved via the approved departures process.

5. AT uses the following sites to monitor cycle movements: Beach Road, Curran Street, East Coast Road, Grafton Bridge, Grafton Gully, Grafton Road, Great South Road, Highbrook shared path, Hopetoun Street, Karangahape Road, Lagoon Drive, Lake Road, Lightpath, Māngere Bridge, Northwestern cycleway - Kingsland, Northwestern cycleway - Te Atatū, Orewa shared path, Quay Street (Vector Arena), SH20 shared path (near Dominion Road), Symonds Street, Tāmaki Drive (both sides of the road), Te Wero Bridge (Wynyard Quarter), Twin Streams shared path, Upper Harbour Drive, Upper Queen Street, Victoria Street West. Note: some trips may be counted more than once across the cycle network.

## Key performance measures and results (continued) for the year ended 30 June 2022

MEASURE	2022 SOI TARGET	2022 ACTUAL	2021 RESULT	RESULT
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### Travel Choice - Providing and accelerating better travel choices for Aucklanders (continued)

Active and sustainable mode share at schools where Travelwise programme is implemented	47%	44%	47%	<b>NOT MET</b>
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This measure is down by three percentage points on the previous year. COVID has had a significant impact with many schools operating with a reduced roll. Schools have had higher priorities such as managing health and safety for their staff and students and staff shortages due to illness. This resulted in the annual survey not being completed, and we have also had six months in the latter half of 2021 where we were not able to engage with schools in person and implement any active mode initiatives.

Sustainable mode share (including active modes, public transport and working from home) for morning peak commuters where a Travelwise Choices programme is implemented	47%	79%	67%	<b>EXCEEDED</b>
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Follow-up surveys measured a 79% sustainable transport mode share for morning peak commuters in businesses engaged in Travelwise Choices in 21-22. This result is due to low response rates from the two surveys completed in the year as businesses struggled with the impacts of Covid-19 and a change in methodology which now counted working from home as a sustainable mode.

Percentage of key signalised intersections in urban centres where pedestrian delays are reduced during the interpeak period* <sup>6</sup>	55%	62%	N/A New Measure	<b>EXCEEDED</b>
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The reported result of 62% is for first ten months (July 2021 – April 2022). The data for May and June 2022 was not available due to technical issues. The impact of the two missing months on the result is estimated to be insignificant since other network performance measures show that performance for May and June was similar to April.

6. The benchmark for pedestrian delay is no more than 40 seconds wait time in the City Centre, Metropolitan areas and Town Centres, as defined by Council.

MEASURE	2022 SOI TARGET	2022 ACTUAL	2021 RESULT	RESULT
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### Access and connectivity - Better connecting people, places, goods and services

Average AM peak period lane productivity across 32 monitored arterial routes* <sup>7</sup>	30,000	30,931	31,495	<b>MET</b>
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This year, AT has migrated to a new data source for travel time and speed. This means more detailed data has been received and processed, which has had a small impact on results. Last year's result is from the previous data set.

Proportion of level 1A and 1B freight network operating at Level of Service C or better during the inter-peak* <sup>8 9</sup>	90%	90%	92%	<b>MET</b>
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7 The monitored arterial routes are defined in the AT 2019 SOI Route Productivity map. Productivity is measured as the average speed multiplied by number of people in private vehicles and buses per lane in one hour. These targets assume bus patronage will return to pre-Covid-19 levels

8 The monitored freight network is the Future Connect Strategic Freight Network.

9 In addition to a new data set being used, this measure now takes into account an updated Future Connect network.

## Key performance measures and results (continued) for the year ended 30 June 2022

MEASURE	2022 SOI TARGET	2022 ACTUAL	2021 RESULT	RESULT
<b>Climate Change - Improving the resilience and sustainability of the transport system and significantly reducing the greenhouse gas emissions it generates</b>				
Number of buses in the Auckland bus fleet classified as low emission	28	37	33	<b>EXCEEDED</b>
As per the end of the 2021/22 financial year, AT had 36 electric buses and one hydrogen bus in operation.				
Percentage of AT streetlights that are energy efficient LED	80%	87%	85%	<b>EXCEEDED</b>
Out of 124,764 streetlights on the network, 113,600 are now energy efficient LEDs				
Percentage reduction of greenhouse gas emissions from AT's corporate activities and assets (baseline 2018/19)*	6%	27%	N/A Revised Measure	<b>EXCEEDED</b>

This year, AT's corporate activities and assets emissions reduced by 27%. This was heavily impacted by Covid-19 restrictions which lead to the reduction in corporate activities and use of facilities. Thus, unless there is another extended lockdown, we are not expecting such a large reduction in the next financial year.

**Percentage reduction of greenhouse gases from AT's corporate activities and assets (baseline 2018/19).**

AT is on a journey towards measuring organisational-wide emissions. The emissions included in this SOI measure are as follows.

**Included emissions.** Corporate activities include electricity, natural gas, and refrigerants used in office space, staff travel, fuel used in AT's corporate fleet, and waste from office space and parking operations. Assets include electricity used in public transport facilities and electric trains, diesel for trains, as well as landfill waste from these assets.

**Excluded emissions.** Currently this SOI measure does not include emissions related to AT's infrastructure, maintenance, and construction activities. The emissions associated with these activities may be significant, but sufficient information and systems are not yet available to report the GHG emissions associated with this aspect. Emissions from ferries and bus services delivered by third party operators are also not included in this measure (however, we continue to measure these internally as AT is committed to reducing emission across all of its activities). There are a number of other sources of emissions excluded from the measure, either because these are not considered material at this time, or because AT has yet to understand the size of the emissions and establish a robust system to measure these.

**Estimation uncertainty.** There is a level of uncertainty in reporting greenhouse gas emissions, which is due to inherent scientific uncertainty in measuring emissions factors as well as estimation uncertainty in the measurement of activity quantity data. AT has used the published emissions factors from the MFE 2022 guidance document and obtained quantity data directly from the energy (electricity and gas) account and invoice management system, travel (air, taxi, rental car, corporate AT-HOP card) management systems and corporate and facilities waste management system. For emissions sources such as waste at facilities, there is a greater degree of uncertainty because of conversion applied to calculating the quantity of waste in terms of weight from the measured volume. The level of uncertainty is not considered significant given the sources that have been included in the current year.

MEASURE	2022 SOI TARGET	2022 ACTUAL	2021 RESULT	RESULT	
<b>Collaborative Partnering - Collaborating with funders, partners, stakeholders and communities</b>					
Elected Member perception measures	Maintain and/or improve elected member overall satisfaction	Percentage of Governing Body members satisfied with engagement with AT	61%	N/A New Measure	N/A
		Percentage of Governing Body members satisfied with the quality of advice provided by AT	46%		
		Percentage of Local board members satisfied with engagement with AT	47%		
		Percentage of Local board members satisfied with their ability to influence AT projects and decisions relevant to their areas	39%		

As there was no result in 2020/21, this year will be considered the baseline going forward.

## Key performance measures and results (continued) for the year ended 30 June 2022

MEASURE	2022 SOI TARGET	2022 ACTUAL	2021 RESULT	RESULT
<b>Asset management – Sound management of transport assets</b>				
The percentage of the total public transport operating cost recovered through fares* <sup>10</sup>	30-34%	15.9%	29.5%	<b>NOT MET</b>
Proportion of road assets in acceptable condition* <sup>11</sup>	92%	94.6%	94.3%	<b>EXCEEDED</b>
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed urban and rural roads* <sup>12</sup>	Rural: 88% Urban: 78%	Rural: 92% Urban: 84%	Rural 90% Urban 86%	<b>EXCEEDED</b>
The average quality of ride on a sealed local road network, measured by STE <sup>13</sup>	N/A - not a performance measure in AT's SOI	85%	86%	
Percentage of footpaths in acceptable condition* <sup>14</sup>	95%	96.2%	97.4%	<b>MET</b>
Percentage of the sealed local road network that is resurfaced* <sup>15</sup>	6.0%	5.1%	4.86%	<b>NOT MET</b>

<sup>10</sup> Farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with NZ Transport Agency guidelines.

<sup>11</sup> As defined by AT's Asset Management Plans.

<sup>12</sup> Smooth Travel Exposure (STE) is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined upper threshold level. The threshold varies depending on the traffic volume band and urban/rural environment of the road.

<sup>13</sup> This is a Department of Internal Affairs mandatory performance measure. There is no target associated with this measure.

<sup>14</sup> Includes road rehabilitation.

<sup>15</sup> As defined by AT's Asset Management Plans.







**Mahi whakahaere**  
Governance



## Partnerships and accountability

### Strategic partnership approach

Auckland Council and AT have an agreed strategic approach with partner agencies Waka Kotahi NZ Transport Agency and the Ministry of Transport to the challenges facing Auckland's transport system.

### Accountability to Auckland Council and ratepayers

AT is an Auckland Council Controlled Organisation (CCO). It is a statutory body established by the Local Government (Auckland Council) Act 2009 to contribute to an effective, efficient and safe land transport system in Auckland. AT is accountable to its shareholder Auckland Council through its Statement of Intent (SOI), and this Annual Report.

The Local Government Act 2002 requires AT to give effect to Auckland Council's Long Term Plan. The Regional Land Transport Plan 2021-2031 (RLTP) sets out the region's land transport objectives, priorities and measures over the next 10 years, and how transport delivery agencies intend to respond

to growth and other challenges. This recently adopted \$34 billion 10-year programme is being delivered by Waka Kotahi, KiwiRail, City Rail Link Limited (CRL) and AT and is aligned with the outcomes sought by the Auckland Plan, the Government Policy Statement on Land Transport, and Auckland Transport Alignment Project (ATAP).

## Board of directors

Auckland Transport's activities are directed and guided at a strategic level by the Board of Directors. Between six and eight voting directors are appointed by Auckland Council and will generally serve a term of one to three years and then may be re-appointed by Auckland Council for a further three years. Two of those directors may be members of Auckland Council, and one non-voting member is nominated by Waka Kotahi New Zealand Transport Agency.

AT currently has eight board members and two council controlled organisation (CCO) liaison councillors.

The AT Board has overall responsibility for delivering transport in Auckland, specifically to:

- Negotiate Statements of Intent (SOI) with Auckland Council
- Act consistently with the guidelines provided in the Shareholder Expectation Guide for CCOs
- Actively review and direct the overall strategy, policies and delegations of AT
- Obtain full and timely information necessary to discharge its obligations
- Identify, evaluate and mitigate controllable risk factors
- Manage and monitor the Chief Executive's performance

- Establish remuneration policies and practices, and set and review remuneration for the Chief Executive and other senior executives
- Provide leadership in relationships with key stakeholders.

All decisions relating to the operation of AT are made by, or under, the authority of the board in accordance with the Local Government (Tāmaki Makaurau Reorganisation) Amendment Act 2009, the Local Government (Auckland Council) Act 2009, and the Local Government (Auckland Transitional Provisions) Act 2010.



## Director's profiles



**Adrienne Young-Cooper,  
Chair**  
MSC, CFInstD

Adrienne Young-Cooper has a background in strategic city planning and has been an independent director on resource, transport, housing and urban development companies for over 20 years. Her driving passion as a professional director is to support the creation of sustainable, beautiful and diverse communities that are well connected by transport networks and services.

It is her view that transport investment must support and incentivise sustainable urban development and position Aotearoa New Zealand for a net zero carbon future. In Adrienne's previous directorship include Auckland Regional Transport Network Limited, Auckland Regional Transport Authority (deputy chair), Waterfront Auckland (deputy chair), Hobsonville Land Company (chair), Housing New Zealand (deputy chair and chair).

Current roles and general disclosure of interests: Chair, Queenstown Airport Corporation Limited; Chair, Cornwall Park Trust Board Incorporated; Chair, Sir John Logan Campbell Residuary Trust Incorporated; Chair, Sir John Logan Campbell Medical Trust; Deputy Chair, New Plymouth District Council Risk and Audit Committee.



**Wayne Donnelly,  
Deputy Chair**  
BE, FMZIE

Wayne Donnelly has a specialisation in Civil Engineering with experience across transport, city planning and construction in New Zealand, Britain and Hong Kong.

He shares his passion for good planning and engineering through positions held in the former Auckland City Council, as a former Chief Executive of Rodney District Council and Land Transport New Zealand (now Waka Kotahi), and as Deputy Secretary of Transport for Road and Rail.

Current roles and general disclosure of interests: Managing Director, Donnelly Consulting Limited.



**Kylie Clegg**  
LLB, BCom

Kylie Clegg has a corporate legal background having specialised in mergers, acquisition and corporate governance advice across a range of industries.

Her previous governance roles include Counties Manukau DHB, Sport New Zealand, High Performance Sport New Zealand, the New Zealand Olympic Committee and the Halberg Foundation. Kylie has also been an AT board observer.

Current roles and general disclosure of interests: Deputy Chair, Waitematā District Health Board; Trustee, Well Foundation.



**Mark Darrow**  
BBus, FAC, CFInstD, JP

Mark Darrow is an experienced independent board chair and director with extensive knowledge across many sectors.

He chairs Auckland Transport's Finance and Audit Committee.

Previous Board roles have included Waka Kotahi (NZTA), Counties Manukau DHB, Primary ITO, Sime Darby NZ, Charlies Group, Trustees Executors, MTA, VTNZ, Leighs Construction, The Lines Company and was seconded to the Eke Panuku Audit and Risk Committee during 2020-2022.

Current roles and general disclosure of interests: Chair, Armstrong's, Chair TSB Bank, Chair, Invivo & Co, Chair, MTF Finance, Chair, Stratford Farms, Director, Signum Holdings Limited. Mark also sits on Inland Revenue's Risk and Assurance Committee. He is a Chartered Fellow of the Institute of Directors, a Fellow of the Chartered Accountants Australia and New Zealand and a Justice of the Peace of New Zealand.



**Darren Linton**  
BCom

Darren Linton's executive roles have seen him lead organisational change, marketing and communications, and digital transformations across a number of industries within large international companies, including Johnson & Johnson, Disney and NBC Universal.

He returned to Auckland in 2015 after spending 19 years in the UK and is passionate about customer engagement and building diverse and inclusive cultures.

Current roles and general disclosure of interests: Chair, Hype & Dexter; Chief Executive Officer and Director, GoSee; Director Search Republic.



**Dr Jim Mather**  
BBus, MBA, PhD

He tātai whakapapa a Tākuta Jim Mather nō Ngāti Awa me Tūhoe, Dr Jim Mather is of Ngāti Awa and Tūhoe descent. He specialises in Māori economic development and has a driving passion for education, media and health.

Dr Mather has held positions as Chief Executive Officer of the Pacific Business Trust, Māori Television and Te Wānanga o Aotearoa, and was awarded the New Zealand Army Sword of Honour in recognition of his distinguished achievement in officer training.

Current roles and general disclosure of interests: Chair, Radio New Zealand; Chair, Lakes District Health Board; Chair, InZone Education Foundation; Chair, Ako Mātātupu / Teach First; Director, New Zealand Health Partnerships Limited; Director, Southbase Construction Limited, Director, Ngāti Awa Group Holdings Limited; Managing Director, Mather Solutions Limited; Member, Ministry of Business, Innovation and Employment Risk and Advisory Committee; Member, Chartered Accountants of Australia and New Zealand; Member, New Zealand Institute of Directors; Member, Te Puni Kōkiri Audit and Risk Management Committee.

## Director's profiles (continued)



**Abbie Reynolds**  
BA/LLB

Abbie Reynolds is a nationally respected advocate for climate change response and sustainability in business. She is chief executive of Predator Free 2050 Ltd and was formerly Executive Director of the Sustainable Business Council. Her other roles have included being part of the New Zealand Government's Electric Vehicle Leadership Group, and a member of the Prime Minister's Chief Science Advisor's Rethinking Plastics.

In 2018, Abbie co-founded the New Zealand Leaders' Climate Coalition. The following year she won the Board and Management Award in the 2019 New Zealand Women of Influence Awards.

Current roles and general disclosure of interests: Trustee, Sustainable Coastlines Board; Chair, Westpac External Advisory Panel; Member, Climate Connect Aotearoa External Advisory Panel.



**Tommy Parker**  
BA (Hons), DipTP, MSC

Tommy is currently the Programme Director for Auckland Light Rail. He has nearly 30 years of experience in transport, urban planning and engineering in New Zealand and the United Kingdom, working in both the public and private sectors. His previous roles include Australasian Consulting Leader for Arup and 13 years working at Waka Kotahi - New Zealand Transport Agency, including as Group Manager for Highway and Network Operations. At Waka Kotahi, Tommy led the delivery of the Roads of National Significance - New Zealand's biggest transport infrastructure programme. He also led the review of Highway Maintenance Practice and the introduction of Transport Operations Centres in Auckland, Wellington, and Christchurch. He initiated and chaired the Northern Canterbury Transport Infrastructure Recovery after the Kaikoura earthquake - the Alliance won the Institute Civil Engineers' (UK) global award for culture and engineering, established the Road Efficiency Group, working with local authorities to seek efficiencies in road asset management across the country, and implemented the Waka Kotahi 'Customer First' initiative which put customer requirements at the heart of Waka Kotahi's business.



**Nicole Rosie**  
BA/LLB, LL.M, MPH

Nicole Rosie has led Waka Kotahi NZ Transport Agency as Chief Executive since February 2020. She has extensive Chief Executive and senior executive experience across both the public and private sectors working in transport and commercial sectors, for companies including Toll NZ, KiwiRail, Fonterra and WorkSafe NZ. Nicole is experienced in system-based thinking and using levers across behavioural change, regulatory and investment to achieve outcomes at a system level.

Current roles and general disclosure of interests: Chief Executive Officer of Waka Kotahi NZ Transport Agency; Director and shareholder, Puck Limited; Steering group member, Construction Accord; Member.

## CCO liaison councillors



**Councillor Bill Cashmore**

Deputy Mayor  
Franklin Ward CCO  
Liaison Councillor  
Non-voting member



**Councillor Chris Darby**

North Shore Ward  
CCO Liaison Councillor  
Non-voting member



## Auckland transport committees & board meetings

### Regional Transport Committee (RTC)

**Chair:** Adrienne Young-Cooper

**Members:** Wayne Donnelly, Kylie Clegg, Mary-Jane Daly, Dr Jim Mather, Darren Linton, Tommy Parker, Abbie Reynolds, Nicole Rosie

**Non-voting member:** Gwyneth McLeod (KiwiRail representative)

The Regional Transport Committee (RTC) is a requirement for every regional council in New Zealand. Auckland's RTC meets every three years to steer the RLTP process.

### Safety Committee

**Chair:** Kylie Clegg

**Members:** Adrienne Young-Cooper (ex-officio), Dr Jim Mather

The Safety Committee assists the Board in discharging its responsibility to exercise due care, diligence and skill in relation to oversight of all matters related to safety. This includes safety on the transport network, safety in public transport services and safety in construction and other AT activities. The Safety Committee focuses on ensuring safety in delivery of AT activities and health, safety and well-being of AT staff, partners and customers.

### People and Culture Committee (PCC)

**Chair:** Dr. Jim Mather

**Members:** Adrienne Young-Cooper (ex officio), Wayne Donnelly

The People and Culture Committee (PCC) assists the AT Board to carry out its governance function as it relates to remuneration policy leadership and capability, succession, employee development, inclusion and diversity, employee engagement and culture. It provides support and mentorship for the personal development of the Chief Executive, supports the Board to ensure AT's legal obligations in relation to its people are met, and ensures that AT fulfils its Treaty of Waitangi responsibilities through implementation of its Māori Engagement Plan and other related initiatives.

### Design and Delivery Committee (DCC)

**Chair:** Wayne Donnelly

**Members:** Adrienne Young-Cooper (ex officio), Kylie Clegg, Darren Linton, Tommy Parker

The Design and Delivery Committee (DCC) monitors the performance of the of the transport system, provides oversight and direction to strategy and tactical planning of change and development of the system, and monitors change programmes across the organisation, including benefit realisation.

### Finance and Assurance Committee (FAC)

**Chair:** Mark Darrow

**Members:** Adrienne Young-Cooper (ex officio), Kylie Clegg, Abbie Reynolds

The Finance and Assurance Committee (FAC) assists the AT Board to fulfil its responsibilities for financial reporting, audit and risk management. It provides assurance regarding compliance with internal controls, accounting policy and practice, has oversight of AT's financial performance and monitors financial risks and opportunities. The FAC reviews AT's fraud prevention policies and controls, systems and processes for monitoring compliance with relevant legislation and regulations, and is charged with ensuring the successful delivery of AT's capital programme through appropriate project identification, project sequencing and programming, risk management, capital planning and project reporting.

### Governance board meetings

The AT Board holds publicly-open monthly meetings in accordance with its principle of transparent decision-making. Closed sessions respect the need for commercially sensitive information to be protected. Open agendas, minutes, meeting dates and reports submitted are all available on AT's website at [AT.govt.nz/about-us/our-role-organisation](https://at.govt.nz/about-us/our-role-organisation).

## Director attendance at board meetings and committees during 2021/22

Director	Board	Design & Delivery Committee (DDC)	Finance & Assurance Committee (FAC)	People & Culture Committee (PCC)	Safety Committee (SC)
Adrienne Young-Cooper Chair Member DDC, FAC, PCC and SC	7	8	5	4	6
Wayne Donnelly Deputy Chair Chair DDC Member PCC and SC	8	8	3	4	6
Abbie Reynolds Director Member FAC	8	5	4		
Darren Linton Director Member DDC	8	6			3
Dr Jim Mather Director Chair PCC	8			4	6
Kylie Clegg Director Chair SC Member DDC, FAC,	8	8	5		6
Mark Darrow (first meeting 10/22) Director Chair FAC	4	3	2	1	1
Nicole Rosie Waka Kotahi NZ Transport Agency rep	7				
Tommy Parker Director Member DDC	5	5			
Mary-Jane Daly (last meeting 10/21) Director Chair FAC	4		3		2

## Executive leadership team



**Shane Ellison**  
**Chief Executive Officer**

to 24 June 2022

**BBS, MPubInfra**

Shane Ellison concluded over four years with Auckland Transport as Chief Executive on 24 June 2022.

During this time with Auckland Transport, he joined a number of cross-agency governance roles including the Auckland Light Rail Establishment and Construction Health and Safety New Zealand Boards, as well as in the Trafanz Executive Management team and the Auckland Transport Alignment Project Governance Group.



**Mark Lambert**  
**Interim Chief Executive Officer**

**beginning 27 June 2022. Previously Executive GM, Integrated Networks**

**BSc (Hons)**

Mark Lambert was appointed Interim Chief Executive effective 27 June 2022 by the AT Board.

He brings over 25 years of experience in executive and senior management, construction and capital project delivery, management consultancy and public transport design and operations, working in both public and private sectors, across the UK, Europe and New Zealand. Mark moved to New Zealand in 2003 working for Ernst & Young before joining the predecessor to Auckland Transport, the Auckland Regional Transport Authority.

Mark is a Board Director of the Public Transport Association Australia New Zealand (PTAANZ).



**Andrew Allen**  
**Executive GM, Service Delivery**  
**B.Eng**

Andrew Allen has over 25 years' experience in the civil engineering industry.

He was Group Manager of the former Auckland City Council Transport Asset Group until his appointment to AT in 2010. Andrew has chaired the ATOC Management Board since its formation in 2011.



**Jenny Chetwynd**  
**Executive GM, Planning and Investment**  
**BRP (Hons), MBA**

Jenny Chetwynd has more than 30 years private and public sector experience.

Before joining AT in 2019, Jenny held senior roles at Waka Kotahi NZ Transport Agency, Transpower, the Ministry for the Environment and Boffa Miskell.



**Mark Laing**  
**Executive GM, Finance**  
**CA, MAF, BBS**

Mark Laing is a Chartered Accountant with a broad background including strategy, commercial and operational experience, corporate finance, M&A, capital markets, investor relations, treasury, audit and risk.

Prior to joining AT in 2018, Mark worked at Spark NZ, Telecom NZ, UBS Warburg and KPMG.



**Rodger Murphy**  
**Executive GM, Risk & Assurance**  
**B.Acc**

Rodger Murphy's career has spanned professional services, banking and risk management.

He has previously been a partner at Deloitte and held senior management roles in the BNZ. Rodger has 25 years' experience in governance, risk management and business process improvement.

## Executive leadership team (continued)



**Stacey Van Der Putten**  
Executive GM, Safety  
MBA

Stacey is a leader with over 20 years' experience across service focussed industries including public housing, healthcare, construction and defence sectors. Stacey has held senior positions in business development, operations, change management and strategic relationship management.

Prior to her current position as Executive GM Safety, she spent four years as the Group Manager of Metro Services at Auckland Transport.

She is a member of NZ TrackSAFE Board of Trustees.



**Vanessa Ellis**  
Executive GM,  
Customer Experience  
BBS, Member New Zealand  
Institute of Directors

Vanessa is an experienced executive who has successfully led multifunctional teams and large scale investment and organisation-wide transformation programmes in public and private sectors: telecommunications, transport, logistics, education and retail. Vanessa is responsible for a team focused on customer insights and analytics, product and marketing, community transport, sustainable mobility, human-centred design, customer services, digital channels and customer experience strategy.



**Roger Jones**  
Executive GM,  
Business Technology  
BSc

Roger Jones has extensive experience in the IT industry, in the past working for NZ Police, Air New Zealand and Fonterra.

He is a member of the Microsoft Services Executive Board, an Independent Director at healthAlliance and a member of the Hewlett Packard Enterprise Customer Advisory Board.



**Wally Thomas**  
Executive GM, Stakeholder,  
Communities and  
Communication  
DIPJ, PRINZ Fellow

Wally Thomas had a successful career as an award-winning journalist and editor before holding a number of senior corporate communications and political advisory roles.

He is a Fellow of the Public Relations Institute of New Zealand and has served on boards for various charities and not-for-profits.

Wally left AT on 30 June 2022.



**Natasha Whiting**  
Executive GM, Culture &  
Transformation  
BA, LLB, MBS

Natasha Whiting has a wealth of senior HR experience across multiple sectors including telecommunications, manufacturing, banking and building.

She has worked for DB Breweries, NZ Post, Westpac, Telecom New Zealand, Fletcher Building, TelstraClear and the Ford Motor Company.

## Risk and assurance

Risk and assurance is an integral component of AT's overall governance structure. Its purpose is to provide independent, objective assurance and advice designed to drive continuous improvement in how we operate. This support helps management to be more effective in meeting AT business objectives, fulfilling its strategy, and meeting its obligations to key stakeholders.

### Specifically, Risk and Assurance:

- Supports the Finance and Assurance Committee in fulfilling its oversight responsibilities
- Works with the business to evaluate and improve the effectiveness of governance, risk management and control processes using a systematic approach and prioritising its efforts through a flexible, risk-based internal audit plan
- Provides assurance to the Chief Executive and Board that AT's financial and operational processes and controls are operating in an efficient, effective, and ethical manner
- Co-ordinates the implementation of the Risk Management Framework across the organisation
- Facilitates risk assessment workshops, providing advice, and coaching the organisation on risk and control. This includes the development of a common language and risk management approach based on international risk management standards, principles and guidelines
- Acts as the central point for coordinating, monitoring, and reporting on risks
- Supports managers and business areas to identify the best strategies to mitigate risks.
- Leads the planning and response for business continuity and crisis management activities.

### Risk Management

#### Risk management activities in 2021/22 focused on:

- Updating Auckland Transport's 18 Key Risk Areas
- Conducting deep dives into 18 Key Risk Area on a 12 – 18-month cycle
- Delivering ongoing risk management training and providing support to Risk Champions and Risk Owners
- Collaborating with Auckland Council Group Risk and providing updates for the Auckland Council Audit and Risk Committee
- Providing updates and risk reports for the Executive Leadership Team and Finance and Assurance Committee
- Leading the organisation's response to Covid-19 and updating the Pandemic Response Plan.

### Special Investigations

An independently managed whistle-blower service (0800 AT REPORT / at.report@pwc.com) operates as a contact point for AT people and suppliers on any compliance or probity concerns. AT's people are required to complete relevant training modules, and in 2021/22 additional anti-corruption training was developed and this will be rolled out in 2022/23.

A 'SpeakUp' platform was also developed in connection with Culture and Transformation, to help encourage and empower AT's people to raise any concerns across a range of channels.

### Compliance

The Compliance Team is responsible for overseeing compliance within AT. It provides support to AT's business units to help ensure compliance with laws, regulatory requirements, contractual matters, policies and procedures, as well as identifying, preventing and correcting non-compliance.

#### The team also provides support to the business on:

- Policy development and updates
- Risk champion support to key business areas, and
- Regulatory requirements

### Legal Support

A dedicated in-house legal team supports activities across the organisation ensuring compliance with relevant legislation and supporting commercial activities and wider organisational functions. This team also works with selected external legal advisers to ensure the necessary specialist legal support is provided to AT's organisational objectives and commercial activities.





## Risk and assurance (continued)

### Internal and Probiity Audits

AT's Internal Audit Team provides independent assurance to the AT Board and the Chief Executive on whether business controls are operating in an efficient, effective, and ethical manner.

**The team works to improve business efficiency and reduce the risk of error, waste, and fraud by reviewing:**

- Financial and operational processes
- Legislative compliance
- Conflict of interest management
- Business technology
- Project management compliance with good practice.

Internal Audit also monitors the implementation of recommendations and provides assurance to the AT Board and Chief Executive that actions agreed by management are implemented correctly in the timescale agreed, and that the actions undertaken have effectively mitigated the risks identified.

Probiity audits ensure all participants involved with significant procurement contracts with AT are treated fairly and with transparency. For all significant procurements, an independent probiity auditor is assigned to monitor and review the processes followed. The probiity review results are reported to the Finance and Assurance Committee and the Chief Executive.





# Āhua o te pūtea

## Financials



## Financial statements

Statement of comprehensive revenue and expenditure

Statement of financial position

Statement of changes in equity

Statement of cash flows

Summary of capital expenditure

Notes to the financial statements

## Statement of comprehensive revenue and expenditure for the year ended 30 June 2022

	Note	Actual 2022 \$000	Budget 2022 \$000	Restated* 2021 \$000
<b>Revenue</b>				
Auckland Council operating funding	1	379,855	379,855	389,062
Auckland Council capital funding	1	375,285	403,908	354,687
Waka Kotahi NZ Transport Agency operating funding	1	386,447	368,288	415,230
Waka Kotahi NZ Transport Agency capital funding	1	260,190	406,206	318,341
Other revenue	1	444,504	616,246	526,843
Finance revenue	2	202	166	2,813
<b>Total revenue</b>		<b>1,846,483</b>	<b>2,174,669</b>	<b>2,006,976</b>
<b>Expenditure</b>				
Personnel costs	3	155,346	157,492	142,230
Depreciation and amortisation	6,7	407,615	425,921	381,887
Finance costs	2	27,640	28,947	26,123
Other expenses	4	861,241	885,785	813,954
<b>Total expenditure</b>		<b>1,451,842</b>	<b>1,498,145</b>	<b>1,364,194</b>
<b>Surplus before tax</b>				
		394,641	676,524	642,782
Income tax benefit/(expense)	5	-	-	-
<b>Surplus after tax</b>		<b>394,641</b>	<b>676,524</b>	<b>642,782</b>
<b>Other comprehensive revenue and expenditure</b>				
Revaluation gain/(impairment) on property, plant and equipment	16	3,780,049	-	112,824
Deferred tax on revaluation	5	-	-	-
<b>Other comprehensive revenue and expenditure</b>		<b>3,780,049</b>	<b>-</b>	<b>112,824</b>
<b>Total comprehensive revenue and expenditure</b>		<b>4,174,690</b>	<b>676,524</b>	<b>755,606</b>

\* Prior year (2020/21) financial results have been restated due to a voluntary change in accounting policy for software as a service. Refer to Note 29.

**Adrienne Young-Cooper**

CHAIR  
15 September 2021

**Mark Darrow**

FINANCE AND ASSURANCE COMMITTEE CHAIR  
15 September 2021

## Statement of financial position as at 30 June 2022

	Note	Actual 2022 \$000	Budget 2022 \$000	Restated* 2021 \$000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	11	4,390	5,697	5,697
Receivables	12	586,353	661,146	661,146
Inventories	13	13,356	10,726	10,726
Other assets		10,276	4,492	4,492
Non-current assets held for sale	8	157	-	-
<b>Total current assets</b>		<b>614,532</b>	<b>682,061</b>	<b>682,061</b>
<b>Non-current assets</b>				
Receivables	12	-	-	-
Property, plant and equipment	6	26,269,043	22,478,325	21,809,132
Intangible assets	7	163,741	169,999	169,999
<b>Total non-current assets</b>		<b>26,432,784</b>	<b>22,648,324</b>	<b>21,979,131</b>
<b>Total assets</b>		<b>27,047,316</b>	<b>23,330,385</b>	<b>22,661,192</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables and accruals	14	281,566	325,993	325,993
Employee entitlements	15	17,487	17,091	17,091
Derivative financial instruments	10	401	516	516
Borrowings	9	8,847	8,381	8,381
<b>Total current liabilities</b>		<b>308,301</b>	<b>351,981</b>	<b>351,981</b>
<b>Non-current liabilities</b>				
Payables and accruals	14	3,505	6,745	6,745
Employee entitlements	15	289	328	328
Derivative financial instruments	10	2,043	-	-
Borrowings	9	471,222	472,738	480,069
<b>Total non-current liabilities</b>		<b>477,059</b>	<b>479,811</b>	<b>487,142</b>
<b>Total liabilities</b>		<b>785,360</b>	<b>831,792</b>	<b>839,123</b>
<b>Net assets</b>		<b>26,261,956</b>	<b>22,498,593</b>	<b>21,822,069</b>
<b>Equity</b>				
Contributed capital		13,220,520	12,955,323	12,955,323
Accumulated funds		4,836,173	5,086,402	4,409,878
Other reserves		8,205,263	4,456,868	4,456,868
<b>Total equity</b>	16	<b>26,261,956</b>	<b>22,498,593</b>	<b>21,822,069</b>

\* Prior year (2020/21) financial results have been restated due to a voluntary change in accounting policy for software as a service. Refer to Note 29.

## Statement of changes in equity for the year ended 30 June 2022

	Note	Contributed capital \$000	Accumulated funds \$000	Other reserves \$000	Total equity \$000	Budget \$000
<b>Balance as at 1 July 2021</b>						
Surplus after tax		-	394,641	-	394,641	676,524
Other comprehensive revenue		-	-	3,780,049	3,780,049	-
<b>Total comprehensive revenue and expenditure</b>		<b>-</b>	<b>394,641</b>	<b>3,780,049</b>	<b>4,174,690</b>	<b>676,524</b>
Returned capital to Auckland Council		265,197	-	-	265,197	-
Transfer from asset revaluation reserve on disposal of property		-	31,654	(31,654)	-	-
<b>Balance as at 30 June 2022</b>	16	<b>13,220,520</b>	<b>4,836,173</b>	<b>8,205,263</b>	<b>26,261,956</b>	<b>22,498,593</b>
<b>Balance as at 1 July 2020</b>						
Surplus after tax		-	642,782	-	642,782	620,770
Other comprehensive revenue		-	-	112,824	112,824	-
<b>Total comprehensive revenue and expenditure</b>		<b>-</b>	<b>642,782</b>	<b>112,824</b>	<b>755,606</b>	<b>620,770</b>
Returned capital to Auckland Council		12,250	-	-	12,250	-
Transfer from asset revaluation reserve on disposal of property		-	2,621	(2,621)	-	-
<b>Restated balance as at 30 June 2021</b>	16	<b>12,955,323</b>	<b>4,409,878</b>	<b>4,456,868</b>	<b>21,822,069</b>	<b>21,674,983</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 30 June 2022

	Note	Actual 2022 \$000	Budget 2022 \$000	Restated* 2021 \$000
<b>Cash flows from operating activities</b>				
<b>Cash provided from</b>				
Revenue from activities		271,844	331,412	164,773
Auckland Council operating funding		379,855	379,855	389,062
Auckland Council capital funding		361,145	403,908	217,938
Waka Kotahi NZ Transport Agency operating funding		384,608	368,288	401,803
Waka Kotahi NZ Transport Agency capital funding		270,510	406,206	344,893
Crown Infrastructure Partners capital funding		11,564	10,000	55,345
Energy Efficiency Conservation Authority capital funding		7,091	-	-
Interest received		202	-	68
Goods and services tax (net)		-	-	2,243
<b>Total cash provided</b>		<b>1,686,819</b>	<b>1,899,669</b>	<b>1,576,125</b>
<b>Cash applied to</b>				
Payments to suppliers and employees		1,019,011	1,043,277	873,209
Interest paid		25,725	28,947	26,125
Goods and services tax (net)		4,984	-	-
<b>Total cash applied</b>		<b>1,049,720</b>	<b>1,072,224</b>	<b>899,334</b>
<b>Net cash from operating activities</b>	26	<b>637,099</b>	<b>827,445</b>	<b>676,791</b>
<b>Cash flows from investing activities</b>				
<b>Cash provided from</b>				
Sale of property, plant and equipment		3,758	-	98,885
<b>Cash applied to</b>				
Purchase of property, plant and equipment and intangibles		633,783	820,114	766,681
<b>Net cash applied to investing activities</b>		<b>(630,025)</b>	<b>(820,114)</b>	<b>(667,796)</b>
<b>Cash flows from financing activities</b>				
<b>Cash applied to</b>				
Repayment of loan from Auckland Council		7,330	7,331	6,910
Payment of finance leases <sup>1</sup>		1,051	-	340
<b>Total cash applied</b>		<b>8,381</b>	<b>7,331</b>	<b>7,250</b>
<b>Net cash from financing activities</b>		<b>(8,381)</b>	<b>(7,331)</b>	<b>(7,250)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,307)</b>	<b>-</b>	<b>1,745</b>
Opening cash and cash equivalents		5,697	5,697	3,952
<b>Closing cash and cash equivalents</b>	11	<b>4,390</b>	<b>5,697</b>	<b>5,697</b>

The GST (net) component of operating activities reflects the net GST paid and received from Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

No new equipment (2021: \$nil) was acquired by means of finance leases during the year.

The accompanying notes form part of these financial statements.

\* Prior year (2020/21) financial results have been restated due to a voluntary change in accounting policy for software as a service. Refer to Note 29.

## Summary of capital expenditure for the year ended 30 June 2022

	Actual 2022 \$000	Budget 2022 \$000	Restated 2021 \$000
<b>New capital expenditure</b>			
Roads	250,440	400,148	291,142
Public transport	146,661	137,361	231,549
Parking	2,159	1,652	2,760
Other	40,705	46,559	12,963
<b>Total new capital expenditure</b>	<b>439,965</b>	<b>585,720</b>	<b>538,414</b>
<b>Renewal capital expenditure</b>			
Roads	190,982	209,754	161,863
Public transport	24,381	22,280	17,048
Parking	863	2,360	744
<b>Total renewal capital expenditure</b>	<b>216,226</b>	<b>234,394</b>	<b>179,655</b>
<b>Total capital expenditure</b>	<b>656,191</b>	<b>820,114</b>	<b>718,069</b>
<b>Funding</b>			
Auckland Council capital funding	375,285	403,908	354,687
Waka Kotahi NZ Transport Agency capital funding - new	160,907	286,646	227,826
Waka Kotahi NZ Transport Agency capital funding - renewal	99,283	119,560	90,515
Other capital grants	20,716	10,000	55,463
Auckland Council capital funding through equity	-	-	780
<b>Total funding</b>	<b>656,191</b>	<b>820,114</b>	<b>729,271</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements for the year ended 30 June 2022

### Part 1. Financial results

#### Basis of reporting

Auckland Transport is a council-controlled organisation of Auckland Council, established under section 38 of the Local Government (Auckland Council) Act 2009 as a body corporate with perpetual succession, and is domiciled in New Zealand. The relevant legislation governing Auckland Transport's operation includes the Local Government (Auckland Council) Act 2009 and the Local Government Act 2002.

Auckland Transport's primary objective is to provide services and facilities for the community as a social benefit rather than to make a financial return, accordingly Auckland Transport has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements are for the year ended 30 June 2022 and were authorised for issue by the Board of Auckland Transport on 1 September 2022. Neither Auckland Council nor Auckland Transport's Board have the power to amend the financial statements once adopted.

#### Statement of compliance

The financial statements of Auckland Transport have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice ('NZ GAAP').

The financial statements have been prepared in accordance and they comply with Tier 1 PBE accounting standards.

#### Measurement basis

The financial statements are prepared based on historical cost modified by the revaluation of the following:

- Derivative financial instruments at fair value
- Certain classes of property, plant and equipment at methods appropriate to the class of asset.

#### Going concern

Auckland Transport receives funding from Auckland Council in order to deliver the agreed annual operational and capital programmes within the Auckland Council's Long Term Plan. Borrowings from Auckland Council are set out in Note 9 and are supported by schedules of repayments determined from the credit facility agreement between Auckland Transport and Auckland Council.

Auckland Transport's public transport fare, parking and enforcement revenue were significantly impacted due to COVID-19. During this period Auckland Transport

undertook significant cost reduction activities to mitigate the impact of reduced revenues. In addition, Auckland Council can and will continue to provide financial support for Auckland Transport as laid out in Auckland Council's Long Term Plan and Auckland Transport's annual Statement of Intent. Accordingly, the financial statements have been prepared on a going concern basis.

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$), which is Auckland Transport's functional currency, and have been rounded to the nearest thousand dollars unless otherwise stated.

#### Foreign currency translation

Auckland Transport translates its foreign currency transactions into New Zealand dollars using the exchange rates at the dates of the transactions. It records foreign exchange gains and losses from the settlement of transactions, and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, in surplus or deficit.

#### Goods and services tax (GST)

Items in the financial statements are exclusive of GST, with the exception of receivables and payables. The net amount of GST receivable from, or payable to the Inland Revenue Department is included as part of receivables or payables in the statement of financial position. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

#### Budget figures

The budget figures are those included in Auckland Transport's Statement of Intent 2021/2022-2023/2024, adopted by Auckland Transport's Board on 2 August 2021.

#### Cost allocation

Cost of service for each activity was allocated as follows:

- Direct costs are those costs directly attributable to an activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific activity.
- Direct costs are charged directly to activities. Indirect costs are charged to activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

#### Use of estimates and judgements

The preparation of financial statements requires Auckland Transport's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in property, plant and equipment (note 6) and provision for impairment of receivables (note 12).

#### Change in accounting policy

##### Impact of New Accounting Interpretations - Software as a Service (SaaS) arrangements

In April 2021, the International Financial Reporting Interpretations Committee (IFRIC), a committee supporting profit-oriented reporting, published an agenda decision clarifying how configuration and customisation costs incurred in implementing SaaS should be accounted for.

The IFRIC concluded that SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement, can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

#### Standards issued and not yet effective

##### PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments was issued in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Auckland Transport has considered the effect of the new standard, and does not expect any significant changes.

##### PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. Auckland Transport believes the application of PBE FRS 48 will not have any significant impact on its statement of performance as it has well established service performance reporting processes.



## Part 1

### Financial results

This section focuses on the performance of Auckland Transport during the year.

#### The notes included in this section are as follows:

- 1 Revenue
- 2 Finance revenue and finance costs
- 3 Personnel costs
- 4 Other expenses
- 5 Taxation

## Notes to the financial statements for the year ended 30 June 2022

### 1. Revenue

#### Accounting policy

Auckland Transport receives its revenue from exchange and non-exchange transactions. Exchange transaction revenue arises when an entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Exchange revenue includes parking fees.

Non-exchange transaction revenue arises from transactions without an exchange of approximately equal value. Non-exchange revenue includes grants, vested assets and fares partially funded by rates.

Auckland Transport measures revenue at the fair value of the amounts received or receivable, net of discounts, duties and taxes paid. Revenue is recognised when billed or earned on an accrual basis.

Auckland Transport receives revenue from the following sources

Type	Recognition and measurement
<b>Non-exchange revenue</b>	
Auckland Council operating and capital funding	Auckland Transport is funded in-part by its parent, Auckland Council, in order to deliver the agreed annual operational and capital programmes. This funding is recognised in accordance with the approved Auckland Transport Statement of Intent (SOI) as agreed between Auckland Transport and Auckland Council.
Waka Kotahi NZ Transport Agency operating and capital funding	Auckland Transport receives government grants from the Waka Kotahi NZ Transport Agency, which subsidise part of Auckland Transport's operational and capital expenditure. Grant distributions from the Waka Kotahi NZ Transport Agency are recognised as revenue when eligibility has been established by the grantor. There are no unfulfilled conditions or other contingencies attached to these grants.
Fare revenue (included in public transport revenue)	Auckland Transport receives fare revenue from all rail and certain bus and ferry services. This revenue is recognised when the ticket is purchased and/or travel actually occurs.
Enforcement revenue	Revenue is recognised when an infringement notice is issued. Infringement notices that are 63 days past due are lodged with a collection agency. If still outstanding at 150 days past due they are transferred from the collection agency to the courts for collection.
Vested asset revenue	For assets received for no or nominal consideration, the asset is recognised at its fair value when Auckland Transport obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.
Licenses and permits revenue	Revenue is recognised on approval of application.
Rental revenue	Revenue is recognised on a straight-line basis over the lease term.
Interest revenue	Revenue is recognised on a time proportion basis using the effective interest method.
Other operating and capital grants	Revenue is recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant or subsidies are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.
<b>Exchange revenue</b>	
Parking revenue	Revenue is recognised when billed or earned on an accrual basis.

### 1. Revenue (continued)

	Actual 2022 \$000	Restated 2021 \$000
<b>Auckland Council operating funding</b>	<b>379,855</b>	<b>389,062</b>
<b>Auckland Council capital funding</b>	<b>375,285</b>	<b>354,687</b>
<b>Waka Kotahi NZ Transport Agency operating funding</b>	<b>386,447</b>	<b>415,230</b>
<b>Waka Kotahi NZ Transport Agency capital funding</b>	<b>260,190</b>	<b>318,341</b>
<b>Other revenue</b>		
<b>Revenue from non-exchange transactions</b>		
Public transport revenue	92,803	144,977
Enforcement revenue	36,252	44,061
Other operating grants	7,500	11,406
Other capital grants	20,715	55,463
Vested asset revenue	232,031	188,996
Gain on disposal of property, plant and equipment	3,053	18,401
Other revenue	23,893	23,799
<b>Total other revenue from non-exchange transactions</b>	<b>416,247</b>	<b>487,103</b>
<b>Revenue from exchange transactions</b>		
Parking revenue	28,257	39,740
<b>Total other revenue</b>	<b>444,504</b>	<b>526,843</b>
<b>Total revenue (excluding finance revenue)</b>	<b>1,846,281</b>	<b>2,004,163</b>

Auckland Transport received additional operational funding from Auckland Council and Waka Kotahi NZ Transport Agency to underpin the shortfall in public transport revenues. The Covid-19 emergency budget also significantly reduced capital funding.

Other capital grants includes \$12.8 million (2021: \$55 million) of Shovel Ready Projects capital funding from Crown Infrastructure Partners Limited.

#### Judicial Review challenging Waka Kotahi's approval of the 2021-24 National Land Transport Programme (NLTP)

Movement, an organisation supporting active transport, has lodged a Statement of Claim for Judicial Review challenging Waka Kotahi's approval of the 2021-24 NLTP for failure to give effect to Government Policy Statement on land transport (GPS). The hearing is set down for 3-5 October 2022, in the Wellington High Court. Movement is seeking to have the NLTP quashed and a direction for Waka Kotahi to reconsider the NLTP.

AT receives funding from Waka Kotahi for various projects and programmes as prioritised in the NLTP.

If the challenge was successful and the NLTP was quashed, Waka Kotahi approval of funding applications and payments for already approved projects and programmes could be impacted. Although considered unlikely, if successful, Auckland Transport would then need to re-prioritise activities based on available funding until a new NLTP is developed or alternative sources of funding were made available.



## Notes to the financial statements for the year ended 30 June 2022

### 2. Finance revenue and finance costs

#### Accounting policy

Finance costs are recognised as an expense using the effective interest method in the period in which they are incurred.

	Actual 2022 \$000	Restated 2021 \$000
<b>Finance revenue</b>		
Interest revenue	202	68
Unrealised forward foreign exchange contracts - not hedge accounted	-	2,745
<b>Total finance revenue</b>	<b>202</b>	<b>2,813</b>
<b>Finance costs</b>		
Interest expense	25,713	26,123
Unrealised (gain)/loss on forward foreign exchange contracts	1,927	-
<b>Total finance costs</b>	<b>27,640</b>	<b>26,123</b>

### 3. Personnel costs

	Actual 2022 \$000	Restated 2021 \$000
Salaries and wages	187,388	175,138
Less salaries and wages capitalised to property, plant and equipment, and intangibles	(42,472)	(39,355)
Defined contribution plan employer contributions	4,765	4,447
Other employee related costs	4,165	3,965
Movement in employee entitlements	1,500	(1,965)
<b>Total personnel costs</b>	<b>155,346</b>	<b>142,230</b>

Employer contributions to defined contribution plans include contributions to KiwiSaver and Super Trust of New Zealand Fund.

### 4. Other expenses

#### Accounting policy

#### Impairment of assets

Property, plant and equipment and intangible assets that are subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use are not subject to amortisation and are tested annually for impairment.

At each year-end, Auckland Transport assesses whether there is evidence that a financial asset or group of financial assets and financial liabilities are impaired. Any impairment loss is recognised in the surplus or deficit.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

	Actual 2022 \$000	Restated 2021 \$000
Fees to principal auditor		
Financial statements audit	637	616
Review engagement	60	48
Operating lease payments	98,304	91,956
Directors' fees	501	472
Write-off of capital works	30,169	15,975
Impairment of receivables	654	620
Public transport operations	495,681	520,118
Roading network	110,803	102,209
Loss on disposal of property, plant and equipment	41,172	-
Other operating expenses	83,260	81,940
<b>Total other expenses</b>	<b>861,241</b>	<b>813,954</b>

## Notes to the financial statements for the year ended 30 June 2022

### 5. Taxation

#### Accounting policy

Income tax comprises current tax and deferred tax calculated using the tax rate that has been enacted or substantially enacted by the reporting date. Income tax is charged or credited to the surplus or deficit, except when it relates to items that are recognised in other comprehensive revenue and expenditure or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive revenue and expenditure or directly in equity.

Current tax is the amount of income tax payable or refundable in the current period, plus any adjustments to income tax payable in respect of prior periods. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

	Actual 2022 \$000	Restated 2021 \$000
<b>Components of income tax benefit/(expense)</b>		
Current tax	-	-
Deferred tax	-	-
<b>Income tax benefit/(expense)</b>	<b>-</b>	<b>-</b>

#### Relationship between tax benefit/(expense) and accounting profit

Surplus before tax	394,641	642,782
Tax at 28%	110,499	179,979
Plus/(less) tax effects of:		
Non-taxable revenue	(110,499)	(179,979)
Group loss offset	-	-
Deferred tax adjustment	-	-
<b>Income tax benefit/(expense)</b>	<b>-</b>	<b>-</b>

	Property plant and equipment \$000	Total \$000
<b>Deferred tax liability</b>		

#### Deferred tax liability

Balance at 1 July 2020	-	-
Credited to surplus or deficit	-	-
Charged to equity	-	-
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>-</b>
Balance at 1 July 2019	-	-
Credited to surplus or deficit	-	-
Charged to equity	-	-
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>-</b>

In 2019/20 Auckland Transport reversed tax on income from Port Related Commercial Undertaking (PRCU) as Auckland Transport's public transport ferry operations were not deemed to constitute PRCU income on the basis that the activity is not undertaken on a commercial basis.

## Part 2

### Long-term assets

This section provides information about the investments Auckland Transport has made in long-term assets.

#### The notes included in this section are as follows:

- 6 Property, plant and equipment
- 7 Intangible assets
- 8 Non-current assets held for sale

## Notes to the financial statements for the year ended 30 June 2022

### 6. Property, plant and equipment

#### Accounting policy

Property, plant and equipment consists of:

#### A. Operational assets

Type	Description
Land	Land held for rail purposes, land under carparks, park and ride, wharves and train stations
Land – finance lease	Finance leases for wharf land and water space under ferry terminals
Properties held for roading purposes	Properties purchased for future roading projects
Leasehold improvements	Auckland Transport leased offices fitouts
Buildings	Buildings held for car park buildings and bus depots
Rolling stock	Diesel and electric trains and other onboard train equipment (e.g. signalling and communication equipment)
Motor vehicles	Fleet vehicles, electric and hydrogen buses and trailers
Boats and engines	Boats used by the harbourmaster in managing the waterways
Computer hardware	Laptops, screens, servers and other physical IT equipment
Furniture and fittings	Furniture includes desks, chairs and other fittings used in Auckland Transport offices
Plant and equipment	Parking equipment (e.g. barrier arms, handheld parking infringement machines, etc.) and public transport equipment (e.g. public transport information, signal pre-emption, CCTV camera, etc.)
Wharves	Wharves used to provide public transport via ferries
Bus stations and shelters	Stations and shelters for users of bus services at bus stops and busways
Train stations	Stations for trains users
Computer hardware – finance lease	Finance lease for IT equipment

#### B. Infrastructure assets

Type	Description
Land	Restricted land, land under roads and land access to/from rail stations
Roading	Roading assets (e.g. footpath, streetlights, traffic control, pavements, etc.)
Street gardens	Street trees and gardens, to beautify the city

#### Valuation of assets

Auckland Transport accounts for revaluations on a class of assets basis.

Operational land and buildings, land – finance lease, train stations, wharves, bus stations and shelters, roading and rolling stock are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years. All other assets are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Any accumulated depreciation at the date of revaluation is transferred to the gross carrying amount of the asset, and the asset cost is restated to the revalued amount.

Increases in asset carrying amounts due to revaluation, increase the asset revaluation reserve in equity. Decreases in asset carrying amounts decrease the asset revaluation reserve to the extent that the class of assets has sufficient revaluation reserve to absorb the reduction. All other decreases are charged to surplus or deficit.

If a revaluation increase reverses a decrease previously recognised in the surplus or deficit, the increase is recognised first in surplus or deficit to reverse previous decreases. Any residual increase is applied to the asset revaluation reserve.

### 6. Property, plant and equipment (continued)

#### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Auckland Transport and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

#### Depreciation

Land and properties held for roading purposes are not depreciated. All other assets are depreciated on a straight-line basis. Depreciation writes off the cost of the assets to residual value over their useful lives. Auckland Transport reviews and, if necessary, adjusts the assets' residual values and useful lives at each year-end.

Class of asset depreciated	Estimated useful life (years)
<b>Operational assets</b>	
Buildings	10-84
Leasehold improvements	9-15
Rolling stock	5-35
Motor vehicles	5-16
Boats and engines	3-15
Computer hardware	2-15
Furniture and fittings	8-15
Plant and equipment	1-50
Wharves	5-100
Bus stations and shelters	10-60
Train stations	7-100
Computer Hardware – finance lease	5
<b>Infrastructure assets</b>	
Roading	5-100
Street gardens	10-28

#### Disposals

Gains and losses on the disposal of assets are determined by comparing the proceeds of sale with the asset's carrying amount. Gains and losses are recognised in surplus or deficit. When a revalued asset is sold or disposed of, any amount in the asset revaluation reserve relating to that asset is transferred to accumulated funds.

#### Work in progress

Work in progress is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

#### Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using either a depreciated replacement cost approach based on either a depreciation replacement cost approach, restoration cost approach, or a service unit approach. The most appropriate approach to measure value in use depends on the nature of the impairment and availability of information.

#### Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

#### Computer hardware – finance lease

The net carrying amount of plant and equipment held under finance leases is \$3.8 million (2021: \$4.8 million). Note 22 provides further information about finance leases.

## Notes to the financial statements for the year ended 30 June 2022

### 6. Property, plant and equipment (continued)

	Cost/ revaluation 1 July 2021	Accumulated depreciation and impairment charges 1 July 2021	Carrying amount 1 July 2021	Current year additions	Current year disposals
2022	\$000	\$000	\$000	\$000	\$000
<b>Operational assets</b>					
Land	729,585	-	729,585	11,020	(1,815)
Land - finance lease	25,800	-	25,800	-	-
Properties held for roading purposes	360,287	-	360,287	-	(5,337)
Buildings	208,339	1	208,340	-	-
Leasehold improvements	14,743	(4,132)	10,611	-	-
Rolling stock	578,321	(50,830)	527,491	-	(157)
Motor vehicles	4,260	(838)	3,422	-	-
Boats and engines	1,460	(532)	928	-	-
Computer hardware	70,425	(55,540)	14,885	-	(5)
Furniture and fittings	9,455	(3,513)	5,942	-	-
Plant and equipment	76,380	(48,228)	28,152	2	-
Wharves	91,261	(4,149)	87,112	-	-
Bus stations and shelters	116,913	(5,398)	111,515	-	-
Train stations	643,581	(29,049)	614,532	179,978	(36,461)
Computer hardware - finance lease	5,336	(516)	4,820	-	-
	<b>2,936,146</b>	<b>(202,724)</b>	<b>2,733,422</b>	<b>191,000</b>	<b>(43,775)</b>
<b>Infrastructural assets</b>					
Land	6,930,150	-	6,930,150	69	(1,065)
Roading	11,275,534	(270,148)	11,005,386	88,204	(6,578)
Street gardens	53,557	(22,061)	31,496	2	-
	<b>18,259,241</b>	<b>(292,209)</b>	<b>17,967,032</b>	<b>88,275</b>	<b>(7,643)</b>
Work in progress	1,108,678	-	1,108,678	860,974	-
<b>Total property, plant and equipment</b>	<b>22,304,065</b>	<b>(494,933)</b>	<b>21,809,132</b>	<b>1,140,249</b>	<b>(51,418)</b>

Current year transfers	Current year impairment/ write-off charges	Current year depreciation	Revaluation surplus/(loss)	Cost/ revaluation 30 June 2022	Accumulated depreciation and impairment charges 30 June 2022	Carrying amount 30 June 2022
\$000	\$000	\$000	\$000	\$000	\$000	\$000
5	-	-	18,532	757,327	-	757,327
-	-	-	-	25,800	-	25,800
10,663	-	-	-	365,613	-	365,613
3,705	-	(5,908)	(12,798)	193,339	-	193,339
-	-	(681)	-	14,743	(4,813)	9,930
21,935	-	(21,024)	63,914	592,159	-	592,159
1,012	-	(464)	-	5,272	(1,302)	3,970
-	-	(229)	-	1,460	(761)	699
15,397	-	(11,294)	-	85,814	(66,830)	18,984
-	-	(833)	-	9,455	(4,346)	5,109
101	-	(5,848)	-	75,809	(53,402)	22,407
122,857	-	(6,041)	-	214,118	(10,189)	203,929
18,160	-	(5,610)	-	135,074	(11,008)	124,066
85,872	-	(24,810)	-	864,596	(45,485)	819,111
-	-	(1,033)	-	5,336	(1,549)	3,787
<b>279,707</b>	<b>-</b>	<b>(83,775)</b>	<b>69,648</b>	<b>3,345,915</b>	<b>(199,685)</b>	<b>3,146,230</b>
161,375	-	-	-	7,090,528	-	7,090,528
748,122	-	(290,607)	3,710,401	15,267,964	(13,034)	15,254,930
6,394	-	(4,755)	-	59,953	(26,816)	33,137
<b>915,891</b>	<b>-</b>	<b>(295,362)</b>	<b>3,710,401</b>	<b>22,418,445</b>	<b>(39,850)</b>	<b>22,378,595</b>
(1,195,598)	(29,835)	-	-	744,218	-	744,218
<b>-</b>	<b>(29,835)</b>	<b>(379,137)</b>	<b>3,780,049</b>	<b>26,508,578</b>	<b>(239,535)</b>	<b>26,269,043</b>

## Notes to the financial statements for the year ended 30 June 2022

### 6. Property, plant and equipment (continued)

2021	Cost/ revaluation 1 July 2020 \$000	Accumulated depreciation and impairment charges 1 July 2020 \$000	Carrying amount 1 July 2020 \$000	Current year additions \$000	Current year disposals \$000
<b>Operational assets</b>					
Land	658,414	-	658,414	-	(9,475)
Land – finance lease*	25,800	-	25,800	-	-
Properties held for roading purposes	372,411	-	372,411	-	(15,045)
Buildings	163,928	(7,712)	156,216	-	(23)
Leasehold improvements	11,527	(3,820)	7,707	-	-
Rolling stock	494,886	(31,977)	462,909	-	-
Motor vehicles	2,239	(502)	1,737	-	-
Boats and engines	1,010	(441)	569	24	(20)
Computer hardware	66,025	(45,447)	20,578	-	(403)
Furniture and fittings	9,114	(3,093)	6,021	-	-
Plant and equipment	67,160	(42,564)	24,596	-	-
Wharves	90,295	(281)	90,014	-	-
Bus stations and shelters	108,517	-	108,517	-	-
Train stations	621,665	(117)	621,548	11,569	-
Computer hardware – finance lease	5,336	-	5,336	-	-
	<b>2,698,327</b>	<b>(135,954)</b>	<b>2,562,373</b>	<b>11,593</b>	<b>(24,966)</b>
<b>Infrastructural assets</b>					
Land	6,811,687	-	6,811,687	-	(1,455)
Roading	10,821,611	(412)	10,821,199	21,930	(777)
Street gardens	50,487	(17,624)	32,863	345	-
	<b>17,683,785</b>	<b>(18,036)</b>	<b>17,665,749</b>	<b>22,275</b>	<b>(2,232)</b>
Work in progress	963,153	-	963,153	868,931	-
<b>Total property, plant and equipment</b>	<b>21,345,265</b>	<b>(153,990)</b>	<b>21,191,275</b>	<b>902,799</b>	<b>(27,198)</b>

\*The land – finance lease relates to Ferry Terminal waterspace and land for an indefinite lease term until such time as Auckland Transport does not comply with the required and permitted use clauses in the finance leases. The land subject to these leases is therefore recognised at their fair value until such time as the leases are not to be renewed in perpetuity.

Current year transfers \$000	Current year impairment/ write-off charges \$000	Current year depreciation \$000	Revaluation surplus/(loss) \$000	Cost/ revaluation 30 June 2021 \$000	Accumulated depreciation and impairment charges 30 June 2021 \$000	Restated carrying amount 30 June 2021 \$000
19,507	-	-	61,139	729,585	-	729,585
-	-	-	-	25,800	-	25,800
2,921	-	-	-	360,287	-	360,287
4,397	-	(3,935)	51,685	208,339	1	208,340
3,552	-	(649)	-	14,743	(4,132)	10,611
83,878	-	(19,296)	-	578,321	(50,830)	527,491
2,021	-	(336)	-	4,260	(838)	3,422
551	-	(194)	-	1,460	(532)	928
5,036	-	(10,327)	-	70,425	(55,540)	14,885
757	-	(836)	-	9,455	(3,513)	5,942
9,131	-	(5,575)	-	76,380	(48,228)	28,152
1,245	-	(4,147)	-	91,261	(4,149)	87,112
8,396	-	(5,398)	-	116,913	(5,398)	111,515
10,575	(229)	(28,932)	-	643,581	(29,049)	614,532
-	-	(516)	-	5,336	(516)	4,820
<b>151,967</b>	<b>(229)</b>	<b>(80,141)</b>	<b>112,824</b>	<b>2,936,146</b>	<b>(202,724)</b>	<b>2,733,422</b>
135,626	(15,708)	-	-	6,930,150	-	6,930,150
433,087	(38)	(270,014)	-	11,275,534	(270,148)	11,005,386
2,726	-	(4,437)	-	53,557	(22,061)	31,496
<b>571,439</b>	<b>(15,746)</b>	<b>(274,451)</b>	<b>-</b>	<b>18,259,241</b>	<b>(292,209)</b>	<b>17,967,032</b>
(723,406)	-	-	-	1,108,678	-	1,108,678
<b>-</b>	<b>(15,975)</b>	<b>(354,592)</b>	<b>112,824</b>	<b>22,304,065</b>	<b>(494,933)</b>	<b>21,809,132</b>

## Notes to the financial statements for the year ended 30 June 2022

### 6. Property, plant and equipment (continued)

No property, plant and equipment is pledged as security for liabilities (2021: nil).

#### Auckland Council-owned property, plant and equipment

Property, plant and equipment in the legal name of Auckland Council that Auckland Transport has control over are recognised as an assets in the statement of financial position. Auckland Transport considers it has assumed all the normal risks and rewards of ownership of this property, plant and equipment despite legal ownership not being transferred, and accordingly it would be misleading to exclude this property, plant and equipment from the financial statements.

The following property, plant, and equipment are legally owned by Auckland Council but managed and controlled by Auckland Transport.

- Operational land and buildings – includes land and buildings, parking and wharf buildings.
- Finance lease land – includes wharf land and water space under Ferry Terminals.
- Properties held for roading purposes – includes properties purchased for future roading projects.
- Roads - includes land under roads, shaping, formation, foundation, surface, kerb and channelling, shoulders, drainage under roads, footpaths, lighting, signage, bridges, crossings, islands, minor structures (including railings and retaining walls), traffic facilities, and traffic signals.

#### Restrictions on Auckland Council-owned property, plant and equipment

##### Disposal

Under the Local Government (Auckland Council) Act 2009 paragraph 48 section 2, Auckland Transport must inform Auckland Council, in writing, of its decision to dispose of land not required for a road under Section 345 of the Local Government Act 1974, and the Council must dispose of the land in accordance with the requirements of the Local Government Act 1974.

##### Acquisition

Under the Local Government (Auckland Council) Act 2009 paragraph 48 section 4, Auckland Transport must inform Auckland Council, in writing, of its decision to apply for compulsory acquisition of any land, or the deemed agreement, as the case may be, and any land taken or acquired as a result will be legally vested in Auckland Council but will be recognised in Auckland Transport's financial statements.

##### Assets transferred from City Rail Link Limited

As City Rail Link Limited progress the City Rail Link project it intends to transfer separable assets to the Sponsors or their subsidiaries. City Rail Link Limited transferred C1 SP3 Britomart Station works including the Chief Post Office CPO for \$161.9 million, C1 SP5 Lower Queen Street/Britomart Tyler Galway Street for \$26.0 million, and C2 CRL Albert Street upgrade for \$8.2 million through Auckland Council to Auckland Transport (2021: \$30 million).

### 6. Property, plant and equipment (continued)

#### Revaluation

Asset class	Date of revaluation	Valuation Amount \$'000	Basis of revaluation	Valuation Company	Valuer name
Rolling stock	30 June 2022	592,159	Depreciated replacement cost	KPMG	Sean Collins
Land	30 June 2022	757,327	Fair Value with the approaches being Market and Income	Bayleys Valuations Limited Quotable Value Limited Beca Projects NZ Ltd.	Jessica McKenzie Andrew Parkyn Marvin Clough
Land – finance lease	30 June 2018	25,800	Fair Value with the approaches being Market and Income	"Telfer Young (Auckland) Limited"	Evan Gamby
Buildings	30 June 2022	193,339	Fair Value with the approaches being Market and Income	Bayleys Valuations Limited Quotable Value Limited Beca Projects NZ Ltd.	Jessica McKenzie Andrew Parkyn Marvin Clough
Train stations	30 June 2020	264,145	Depreciated replacement cost	WSP	Thrainn Viggosson
Train stations	30 June 2020	355,644	Depreciated replacement cost	Auckland Transport	Sam Ho
Wharves	30 June 2020	88,018	Depreciated replacement cost	WSP	Thrainn Viggosson
Wharves	30 June 2020	885	Depreciated replacement cost	Auckland Transport	Sam Ho
Roads and parking (excluding land and buildings)	30 June 2022	14,823,553	Depreciated replacement cost	PEACS Limited	Amar Singh
Bus stations	30 June 2020	81,939	Depreciated replacement cost	WSP	Thrainn Viggosson
Bus stations	30 June 2020	1,002	Depreciated replacement cost	Auckland Transport	Sam Ho
Bus shelters	30 June 2020	25,530	Depreciated replacement cost	PEACS Limited	Amar Singh

## Notes to the financial statements for the year ended 30 June 2022

### 6. Property, plant and equipment (continued)

#### Valuation significant assumptions and estimates

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Market evidence is available and used for the non-specialised land and buildings, which include commercial and general purpose buildings for which there is a secondary market.

Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The depreciated replacement cost is used to revalue specialised buildings (designed for a specific limited purpose), roading and public transport assets for the delivery of Auckland Transport's services. Depreciated replacement cost for these types of assets is based on the 'optimised replacement cost'. Optimised replacement cost is the minimum cost, in the normal course of business, to replace the existing asset with a technologically modern equivalent asset with the same economic benefits, adjusting for any overdesign, overcapacity and redundant components. Optimisation is limited to the extent that optimisation can occur in the normal course of business using commercially available technology.

The depreciated replacement cost valuation reflected above is calculated based on the following estimates and assumptions:

- A hybrid valuation was performed on operational land and buildings for the year ended 30 June 2022. The hybrid valuation approach is a detailed assessment beyond simple market movement assessments, however not a full revaluation. This is an assessment of value change over the past 12 months supported by a 5% inspection sample of key property types and geographies. For the desktop assessment a confirmed percentage change was applied to each property based on the current market activities in each location and by zoning category. The percentage change was cross checked against the market movement of the 5% of individual inspected sampled properties.
- Useful lives for operational land and buildings were sourced from International Infrastructure Management and New Zealand Asset Management Support Manuals.
- Railway station assets with unlimited engineering lives have been adjusted to have a typical useful life appropriate to the rate of change and obsolescence in the environment for each elemental value.
- Wharf assets' typical useful life has been based on current condition and environmental factors such as reflecting the marine environment, rate of change and obsolescence, loadings, and the predominance of concrete and steel structural elements.
- Estimating the unit rate for construction of roading assets: The most current contracted unit rates for road construction have been used. Where there is no current contracted unit rate information available, the most recent rates are used indexed for the impact of inflation.
- Assumptions on the remaining useful life over which the asset will be depreciated are based on the age, condition information held on these assets and the asset's future service potential. For roading assets these assumptions can be affected by local conditions such as ground type, weather patterns and road usage.
- Rolling stock consists of electric trains and diesel motor units operating from Papakura to Pukekohe.
- Assumptions on rail rolling stock useful lives have been based on an expected vehicle replacement programme. The programme defines the expected economic and/or physical lives of the different vehicle types.
- Asset useful lives have been determined with reference to external industry guidance and have been adjusted for local conditions based on past experience. Asset inspection, deterioration, and condition modelling are also carried out regularly as part of asset management activities, which provides further assurance over useful life estimates.

All other asset classes are measured at depreciated historical cost.

#### Work in progress

	Actual 2022 \$000	Actual 2021 \$000
<b>Operational assets</b>		
Land	30,150	24,638
Rolling stock	13,848	18,664
Wharves	29,158	9,697
Bus stations and shelters	58,178	127,426
Train stations	8,695	10,751
<b>Infrastructural assets</b>		
Roading	604,189	917,502
<b>Total work in progress</b>	<b>744,218</b>	<b>1,108,678</b>

### 7. Intangible assets

#### Accounting policy

#### Intangible assets

Purchased intangible assets are initially recorded at cost. The cost of an internally generated, intangible asset represents expenditure incurred in the development phase of the asset only. Intangible assets acquired at no cost are initially recognised at fair value where that can be reliably measured.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost, less any amortisation and impairment losses, and are reviewed annually for impairment losses. Assets with indefinite useful lives are not amortised but are tested, at least annually, for impairment, and are carried at cost, less accumulated impairment losses.

Realised gains and losses arising from the disposal of intangible assets are recognised in surplus or deficit in the period in which the disposal occurs.

#### Access rights

The access rights on rail land are long-term land leases on which stations have been built. They are recognised in the accounts at cost and amortised using the straight-line method over the life of the underlying lease. This includes the costs transferred to AT on establishment and AT's contribution to the costs of constructing railway tracks. The access rights are owned by KiwiRail but AT has the rights to use the assets under agreement with KiwiRail.

Access rights also includes public transport options within SH20a land and licences for access to Gulf Harbour Ferry Terminal.

#### Computer software

Computer software licences are capitalised based on the costs incurred to acquire and bring to use the software. These costs are amortised using the straight-line method over their estimated useful lives (three to ten years).

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Costs directly associated with the development of identifiable and unique software products controlled by Auckland Transport, and that will probably generate economic benefits beyond one year, are recognised as intangible assets. Computer software development costs recognised as assets are amortised using the straight-line method over their estimated useful lives (not exceeding eight years).

#### Designations

Designations are the authorisation given to certain activities or uses of natural and physical resources required under the New Zealand Resource Management Act.

## Notes to the financial statements for the year ended 30 June 2022

### 7. Intangible assets (continued)

	Cost 1 July 2021	Accumulated amortisation and impairment charges 1 July 2021	Carrying amount 1 July 2021	Current year additions
2022	\$000	\$000	\$000	\$000
Software	247,674	(173,633)	74,041	-
Designations	399	-	399	-
Access rights	67,942	(5,377)	62,565	-
	<b>316,015</b>	<b>(179,010)</b>	<b>137,005</b>	-
Work in progress	32,994	-	32,994	<b>27,248</b>
<b>Total intangible assets</b>	<b>349,009</b>	<b>(179,010)</b>	<b>169,999</b>	<b>27,248</b>

	Cost 1 July 2020	Accumulated amortisation and impairment charges 1 July 2020	Carrying amount 1 July 2020	Current year additions
2021	\$000	\$000	\$000	\$000
Software	232,646	(147,236)	85,410	-
Designations	399	-	399	-
Access rights	44,793	(4,684)	40,109	2,900
	<b>277,838</b>	<b>(151,920)</b>	<b>125,918</b>	<b>2,900</b>
Work in progress	30,574	-	30,574	38,134
<b>Total intangible assets</b>	<b>308,412</b>	<b>(151,920)</b>	<b>156,492</b>	<b>41,034</b>

Software includes AT HOP software. There are no restrictions over the title of Auckland Transport's intangible assets nor are any intangible assets pledged as security for liabilities.

The access rights are for the land at each of the railway station sites along the Auckland passenger rail network utilised by AT. They include the costs transferred to AT on establishment that are being amortised using straight-line method over the remaining portion of the 63-year life and AT's contribution to the costs of constructing railway tracks. The access rights are valued at cost.

Current year disposals	Current year transfers	Current year impairment/ write-off charges	Current year amortisation	Cost 30 June 2022	Accumulated amortisation and impairment charges 30 June 2022	Carrying amount 30 June 2022
\$000	\$000	\$000	\$000	\$000	\$000	\$000
(4,695)	19,527	-	(27,745)	258,097	(196,969)	61,128
-	-	-	-	399	-	399
-	-	-	(733)	67,941	(6,109)	61,832
<b>(4,695)</b>	<b>19,527</b>	<b>-</b>	<b>(28,478)</b>	<b>326,437</b>	<b>(203,078)</b>	<b>123,359</b>
-	(19,527)	(334)	-	40,382	-	40,382
<b>(4,695)</b>	<b>-</b>	<b>(334)</b>	<b>(28,478)</b>	<b>366,819</b>	<b>(203,078)</b>	<b>163,741</b>

Current year disposals	Current year transfers	Current year impairment charges	Current year amortisation	Cost 30 June 2021	Accumulated amortisation and impairment charges 30 June 2021	Restated carrying amount 30 June 2021
\$000	\$000	\$000	\$000	\$000	\$000	\$000
(233)	15,466	-	(26,603)	247,674	(173,633)	74,041
-	-	-	-	399	-	399
-	20,248	-	(692)	67,942	(5,377)	62,565
<b>(233)</b>	<b>35,714</b>	<b>-</b>	<b>(27,295)</b>	<b>316,015</b>	<b>(179,010)</b>	<b>137,005</b>
-	(35,714)	-	-	32,994	-	32,994
<b>(233)</b>	<b>-</b>	<b>-</b>	<b>(27,295)</b>	<b>349,009</b>	<b>(179,010)</b>	<b>169,999</b>



## Notes to the financial statements for the year ended 30 June 2022

### 8. Non-current assets held for sale

#### Accounting policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are not depreciated.

Any impairment losses for write-downs of non-current assets held for sale are recognised in surplus or deficit.

Any increase in fair value (less cost to sell) is recognised up to the level of any impairment losses that have been previously recognised.

	Actual 2022 \$000	Actual 2021 \$000
Land held for sale	157	-
<b>Total non-current asset held for sale</b>	<b>157</b>	<b>-</b>

### Part 3

## Borrowings and derivative financial instruments

This section provides details of Auckland Transport borrowings. This section also provides information of derivative financial instruments acquired to mitigate the risks arising from the borrowings.

#### The notes included in this section are as follows:

- 9 Borrowings and other financial liabilities
- 10 Derivative financial instruments

## Notes to the financial statements for the year ended 30 June 2022

### 9. Borrowings and other financial liabilities

#### Accounting policy

Borrowings are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities where they are due to be settled within twelve months after the reporting date. All other borrowings are classified as non-current liabilities.

	Actual 2022 \$000	Restated 2021 \$000
<b>Current portion</b>		
Finance lease	1,062	1,051
Loans from Auckland Council	7,785	7,330
<b>Total current borrowings</b>	<b>8,847</b>	<b>8,381</b>
<b>Non-current portion</b>		
Finance lease	2,884	3,946
Loans from Auckland Council	468,338	476,123
<b>Total non-current borrowings</b>	<b>471,222</b>	<b>480,069</b>
<b>Total borrowings</b>	<b>480,069</b>	<b>488,450</b>

Auckland Transport manages its borrowings in accordance with its treasury policy. There was no significant change to the treasury policy during the year. Auckland Transport was fully compliant with its treasury policy at year end.

Auckland Transport's borrowings are all issued at fixed rates as the main objective of Auckland Transport's interest rate risk management is to reduce uncertainty around interest expense as interest rates change.

#### Loans from Auckland Council

Auckland Transport's loans from Auckland Council of \$476.1 million (2021: \$483.5 million) are issued at fixed rates of interest ranging from 5.55% to 6.57% (2021: 5.55% to 6.57%).

Two loan facilities have been drawn down and will be repaid against a schedule of repayments. The first loan of \$390.2 million (2021: \$397.0 million) has a final repayment date of 21 November 2046 and the second loan of \$85.9 million (2021: \$86.4 million) has a final repayment date of 27 March 2062.

The fair value of these loans is \$482.3 million (2021: \$520.4 million). The fair value is based on cash flows discounted using a rate based on the borrowing rate of 4.55% (2021: 1.75%).

#### Finance Leases

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The fair value of finance leases is \$3.9 million (2021: \$5.0 million). Fair value has been determined using contractual cash flows discounted using a rate based on the market borrowing rate at balance date of 1% (2021: 1%).

### 10. Derivative financial instruments

#### Accounting policy

Auckland Transport uses derivative financial instruments to hedge or mitigate risks associated with foreign currency fluctuation and interest rate. In accordance with its treasury policy, Auckland Transport does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The resulting gain or loss is recognised in surplus or deficit.

	Actual 2022 \$000	Restated 2021 \$000
<b>Current liability portion</b>		
Forward foreign exchange contracts	401	516
<b>Non-current liability portion</b>		
Forward foreign exchange contracts	2,043	-

#### Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined 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 forward foreign exchange contract prices.

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$219.1 million (2021: \$4.6 million). The foreign currency principal amount was EUR 130.5 million (2021: EUR \$2.7 million).

## Part 4

### Working capital and equity

This section provides information about the operating assets and liabilities available to Auckland Transport’s day-to-day activities. This section also contains analysis of the equity of Auckland Transport.

**The notes included in this section are as follows:**

- 11 Cash and cash equivalents
- 12 Receivables
- 13 Inventories
- 14 Payables and accruals
- 15 Employee entitlements
- 16 Equity

### 11. Cash and cash equivalents

**Accounting policy**

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

	Actual 2022 \$000	Restated 2021 \$000
Cash at bank	4,155	5,414
Till floats	235	283
<b>Total cash and cash equivalents</b>	<b>4,390</b>	<b>5,697</b>

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

The weighted average effective interest rate for cash and cash equivalents is 2.0% (2021: 0.25%).

### 12. Receivables

**Accounting policy**

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost less any provision for impairment. They are due for settlement no more than 30 days from the date of recognition.

The provision for impairment of receivables is determined based on an expected credit loss model.

In assessing credit losses for receivables, Auckland Transport apply the simplified approach and record lifetime Expected Credit Losses (ECLs) on receivables. Lifetime ECLs result from all possible default events over the expected life of a receivable.

Auckland Transport consider both quantitative and qualitative inputs when assessing ECLs on receivables. Quantitative data includes past collection rates, ageing of receivables, and trading outlook. Qualitative inputs include past trading history with customers.

Expected loss rates are applied based on payment profiles and corresponding historical credit losses experienced within the year.

## Notes to the financial statements for the year ended 30 June 2022

### 12. Receivables (continued)

	Actual 2022 \$000	Restated 2021 \$000
<b>Receivables from non-exchange transactions</b>		
<b>Current portion</b>		
Trade debtors	4,774	7,009
Infringements receivable	45,782	45,806
Amounts due from related parties	481,277	488,055
Accrued revenue	76,364	141,825
	<b>608,197</b>	<b>682,695</b>
Less provision for impairment of receivables	(21,844)	(21,549)
<b>Total current receivables</b>	<b>586,353</b>	<b>661,146</b>

The carrying value of receivables approximates their fair value.

There is a concentration of credit risk from Auckland Council that is considered low risk. There is no concentration of credit risk with respect to other receivables as they are spread over 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.

### 12. Receivables (continued)

The ageing profile of debtors and other receivables at 30 June is detailed below:

	Gross \$000	Impaired \$000	Net \$000
<b>2022</b>			
Not past due	563,190	-	563,190
Past due 1-30 days	3,637	-	3,637
Past due 31-60 days	2,497	-	2,497
Past due 61-90 days	1,934	-	1,934
Past due > 90 days	36,939	(21,844)	15,095
	<b>608,197</b>	<b>(21,844)</b>	<b>586,353</b>
<b>2021</b>			
Not past due	634,905	-	634,905
Past due 1-30 days	7,570	-	7,570
Past due 31-60 days	2,135	-	2,135
Past due 61-90 days	2,035	-	2,035
Past due > 90 days	36,050	(21,549)	14,501
	<b>682,695</b>	<b>(21,549)</b>	<b>661,146</b>

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

Auckland Transport have early adopted PBE IFRS 9, which has an expected credit loss model for impairment of financial assets. The expected credit loss allowance provision for receivables was calculated using the new PBE IFRS 9.

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

	Actual 2022 \$000	Restated 2021 \$000
Balance at 1 July	21,549	22,543
Additional provisions made	654	620
Provisions reversed	(232)	(1,518)
Provisions relating to receivables written-off	(127)	(96)
<b>Balance at 30 June</b>	<b>21,844</b>	<b>21,549</b>

## Notes to the financial statements for the year ended 30 June 2022

### 13. Inventories

#### Accounting policy

Inventories held for distribution (e.g. rolling stock spare parts) are stated at weighted average cost, adjusted, when applicable, for any loss of service potential.

Where inventories are acquired at no cost or for nominal consideration, the cost is the fair value at the date of acquisition.

The carrying amount of spare parts is measured at the lower of cost or net realisable value.

The amount of any write-down in the value of inventories is recognised in surplus or deficit.

	Actual 2022 \$000	Restated 2021 \$000
Spare parts for diesel rolling stock	1,745	1,704
Spare parts for electric trains	11,593	9,022
Others	18	-
<b>Total inventories</b>	<b>13,356</b>	<b>10,726</b>

No inventories are pledged as security for liabilities.

There has been no write down of inventory during the year (2021: \$nil).

There have been no reversal of write downs of inventories.

### 14. Payables and accruals

#### Accounting policy

Current payables and accruals are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore, the carrying value approximates fair value. Non-current payables and accruals are measured at the present value of the estimated future cash outflows.

	Actual 2022 \$000	Restated 2021 \$000
<b>Current portion</b>		
<b>Payables under exchange transactions</b>		
Creditors	91,786	53,752
Accrued expenses	164,020	248,158
<b>Total payables under exchange transactions</b>	<b>255,806</b>	<b>301,910</b>
<b>Payables under non-exchange transactions</b>		
Amounts due to related parties	22,445	15,658
Revenue in advance	1,129	1,253
Goods and services tax	2,186	7,172
<b>Total payables under non-exchange transactions</b>	<b>25,760</b>	<b>24,083</b>
<b>Total current payables</b>	<b>281,566</b>	<b>325,993</b>
<b>Non-current portion</b>		
<b>Payables under non-exchange transactions</b>		
Amounts due to related parties	3,505	6,745
<b>Total non-current payables</b>	<b>3,505</b>	<b>6,745</b>

### 15. Employee entitlements

#### Accounting policy

Current employee entitlements to be settled within 12 months are reported at the amount expected to be paid.

Non-current employee entitlements such as long-service leave are valued by external actuary.

	Actual 2022 \$000	Restated 2021 \$000
<b>Current portion</b>		
Accrued salaries and wages	2,819	3,962
Annual leave	14,402	12,861
Sick leave	266	266
Long service leave	-	2
<b>Total current employee entitlements</b>	<b>17,487</b>	<b>17,091</b>
<b>Non-current portion</b>		
Retirement gratuities	253	253
Long service leave	36	75
<b>Total non-current employee entitlements</b>	<b>289</b>	<b>328</b>

### 16. Equity

#### Accounting policy

Equity is the residual interest in the organisation and is measured as the difference between total assets and total liabilities. Equity is made up of:

Contributed capital	This represents the cumulative total at the reporting date of contributions from Auckland Council, less capital returned.
Accumulated funds	This represents the accumulated surplus/deficit over time by Auckland Transport and found assets identified after amalgamation.
<b>Other reserves</b>	
• Asset revaluation reserve	This reserve relates to the revaluation of property, plant, and equipment to fair value.
• Cash flow hedge reserve	This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

#### Capital management

Auckland Transport is subject to financial management and accountability provisions of the Local Government (Auckland Council) Act 2009, which imposes restrictions in relation to borrowings and the use of derivatives.

Auckland Transport manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities and general financial dealings to ensure Auckland Transport effectively achieves its objectives and purpose, while remaining a going concern.

## Notes to the financial statements for the year ended 30 June 2022

### 16. Equity (continued)

	Actual 2022 \$000	Restated 2021 \$000
<b>Contributed capital</b>	<b>13,220,520</b>	<b>12,955,323</b>
<b>Accumulated funds</b>	<b>4,836,173</b>	<b>4,409,878</b>
<b>Asset revaluation reserve</b>		
Balance at 1 July	4,456,868	4,346,664
Change in fair value recognised during the year	3,780,049	112,824
Transfer to accumulated funds on disposal of property	(31,654)	(2,620)
<b>Asset revaluation reserve</b>	<b>8,205,263</b>	<b>4,456,868</b>
<b>Asset revaluation reserve for each asset class consists of:</b>		
<b>Operational assets</b>		
Land	429,678	411,146
Land – finance lease	13,269	13,269
Buildings	51,525	64,323
Rolling stock	67,622	3,708
Wharves	9,739	9,739
Bus stations and shelters	9,600	9,600
Train stations	299,626	331,280
<b>Infrastructural assets</b>		
Roading	7,324,205	3,613,804
<b>Total asset revaluation reserve</b>	<b>8,205,263</b>	<b>4,456,868</b>
<b>Total equity</b>	<b>26,261,956</b>	<b>21,822,069</b>

## Part 5

### Financial instruments and risk management

This section provides information on how various risks are managed by Auckland Transport.

#### The notes included in this section are as follows:

- 17 Categories of financial instruments and fair value hierarchy
- 18 Interest rate risk
- 19 Foreign exchange risk
- 20 Credit risk
- 21 Liquidity risk

## Notes to the financial statements for the year ended 30 June 2022

### 17. Categories of financial instruments and fair value hierarchy

#### Accounting policy

Auckland Transport classifies financial assets and liabilities into categories. The classification depends on the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities.

Categories	Initial recognition	Subsequent measurement	Treatment of gains and losses
<b>Financial assets</b>			
Fair value through surplus or deficit	Fair value	Fair value	Surplus or deficit
Amortised cost (2018: Loans and receivables)	Fair value	Amortised cost using the effective interest method less impairment	Surplus or deficit
<b>Financial liabilities</b>			
Fair value through surplus or deficit	Fair value	Fair value	Surplus or deficit
Amortised cost	Fair value	Amortised cost	Surplus or deficit

#### Categories of financial instruments

The carrying amounts of financial instruments are as follows:

	Actual 2022 \$000	Restated 2021 \$000
<b>Financial assets</b>		
<b>Amortised cost</b>		
Cash and cash equivalents	4,390	5,697
Receivables (excluding goods and services tax)	586,353	661,146
<b>Total</b>	<b>590,743</b>	<b>666,843</b>
<b>Financial liabilities</b>		
<b>Fair value through surplus or deficit</b>		
Forward foreign exchange contracts	2,444	516
<b>Total</b>	<b>2,444</b>	<b>516</b>
<b>Amortised cost</b>		
Payables and accruals	282,885	325,566
Borrowings	480,069	488,450
<b>Total</b>	<b>762,954</b>	<b>814,016</b>

### 17. Categories of financial instruments and fair value hierarchy (continued)

#### Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

**LEVEL 1 Quoted market price** – Financial instruments with quoted prices for identical instruments in active markets.

**LEVEL 2 Valuation technique using observable inputs** – Financial instruments with quoted prices for similar instruments in active market or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

**LEVEL 3 Valuation techniques with significant non-observable inputs** – Financial instruments valued using models where one or more significant inputs are not observable.

#### Valuation technique

	Total	Level 1 Quoted market price	Level 2 Observable inputs	Level 3 Significant non-observable inputs
	\$000	\$000	\$000	\$000

#### 2022

##### Financial liabilities

Forward foreign exchange contracts	401	-	401	-
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#### 2021

##### Financial liabilities

Forward foreign exchange contracts	516	-	516	-
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There were no transfers between the different levels of the fair value hierarchy during the year (2021: nil).

## Notes to the financial statements for the year ended 30 June 2022

### 18. Interest rate risk

#### Interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Auckland Transport is not exposed to any significant cash flow interest rate risk.

### 19. Foreign exchange risk

#### Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. From time to time Auckland Transport purchases goods and services overseas which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is Auckland Transport's policy to manage foreign currency risks arising from contractual commitments and liabilities by entering into forward foreign exchange contracts to manage the foreign currency risk exposure.

	-5% Surplus/ deficit NZ \$000	-5% Other equity NZ \$000	+5% Surplus/ deficit NZ \$000	+5% Other equity NZ \$000
<b>2022</b>				
Forward foreign exchange contracts	(10,209)	-	11,284	-
<b>2021</b>				
Forward foreign exchange contracts	(220)	-	243	-

#### Explanation of foreign exchange rate risk sensitivity

The foreign exchange sensitivity is based on a reasonable possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate of -5%/+5%.

### 20. Credit risk

Credit risk is the risk that a third party will default on its obligation to Auckland Transport, causing it to incur a loss.

In the normal course of business, Auckland Transport is exposed to credit risk from cash, debtors and other receivables and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Auckland Transport has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

#### Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Rating	Actual 2022 \$000	Restated 2021 \$000
<b>Counterparties with credit ratings</b>			
Cash at bank	AA-	4,155	5,414
<b>Counterparties without credit ratings</b>			
<b>Receivables</b>			
Existing counterparty with no defaults in the past		586,353	661,146
<b>Total receivables</b>		<b>586,353</b>	<b>661,146</b>



## Notes to the financial statements for the year ended 30 June 2022

### 21. Liquidity risk

Liquidity risk is the risk that Auckland Transport will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liability risk management implies maintaining sufficient cash and the ability to close out market positions. Auckland Transport manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

#### Contractual maturity analysis of financial liabilities, excluding borrowings

The table below analyses Auckland Transport's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount NZ \$000	Contractual cash flows NZ \$000	Less than 6 months NZ \$000	6-12 months NZ \$000	Later than 1 year NZ \$000
<b>2022</b>					
Trade and other payables	285,071	285,071	285,071	-	-
Forward foreign exchange contracts					
– outflow	-	236,603	26,187	-	210,416
– inflow	-	219,122	25,478	-	193,644
Net settled derivative liabilities	2,444	17,481	709	-	16,772
<b>2021</b>					
Trade and other payables	332,738	332,738	332,738	-	-
Forward foreign exchange contracts					
– outflow	-	5,143	4,822	321	-
– inflow	-	4,619	4,298	321	-
Net settled derivative liabilities	516	524	524	-	-

#### Contractual maturity analysis of borrowings

The table below analyses Auckland Transport's borrowings into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount NZ \$000	Contractual cash flows NZ \$000	0-10 years NZ \$000	11-20 years NZ \$000	21-30 years NZ \$000	31-40 years NZ \$000	41-50 years NZ \$000
<b>2022</b>							
Finance leases	3,946	4,015	4,015	-	-	-	-
Loans from Auckland Council	476,123	971,357	362,512	362,512	191,363	54,970	-
<b>Total borrowings</b>	<b>480,069</b>	<b>975,372</b>	<b>366,527</b>	<b>362,512</b>	<b>191,363</b>	<b>54,970</b>	<b>-</b>
<b>2021</b>							
Finance leases	4,997	5,112	5,112	-	-	-	-
Loans from Auckland Council	483,453	1,007,608	362,512	362,512	222,012	56,015	4,557
<b>Total borrowings</b>	<b>488,450</b>	<b>1,012,720</b>	<b>367,624</b>	<b>362,512</b>	<b>222,012</b>	<b>56,015</b>	<b>4,557</b>

## Part 6

### Other

This section provides other financial information that will enhance clarity and understanding of this annual report.

#### The notes included in this section are as follows:

- 22 Capital commitments and operating and finance leases
- 23 Contingencies
- 24 Related party transactions
  - A. Key management personnel remuneration
  - B. Board member remuneration
  - C. Employee remuneration
  - D. Severance payments
- 25 Major budget variances
- 26 Reconciliation of surplus after tax to net cash from operating activities
- 27 Auckland integrated fares system funds
- 28 Events after the reporting period
- 29 Prior period adjustment

## Notes to the financial statements for the year ended 30 June 2022

### 22. Capital commitments and operating and finance leases

#### Accounting policy

##### Operating leases

With operating leases, the lessor retains the risks and benefits of ownership. Lease payments are recognised as an expense in surplus or deficit on a straight-line basis over the period of the lease.

##### Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether Auckland Transport will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### Capital commitments

	Actual 2022 \$000	Restated 2021 \$000
<b>Operational assets</b>		
Land	658	-
Buildings	666	4,279
Rolling stock	239,284	6,350
Motor vehicles	426	-
Boats and engines	13	-
Computer hardware	6,860	-
Furniture and fittings	-	218
Plant and equipment	1,933	-
Wharves	40,714	3,242
Bus stations and shelters	49,308	91,361
Train stations	11,957	15,605
<b>Infrastructural assets</b>		
Roading	537,891	332,780
<b>Intangible assets</b>		
Software	24,983	18,429
<b>Total capital commitments</b>	<b>914,692</b>	<b>472,263</b>

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

### 22. Capital commitments and operating and finance leases (continued)

#### Operating leases as lessee

Auckland Transport leases property, plant and equipment in the normal course of its business. These leases have a term of between 11 and 1,799 months. The future aggregate minimum lease payments payable under leases are as follows:

- Leases can be renewed at Auckland Transport's option, with amounts set by reference to current market rates for items of equivalent age and condition. There is no option to purchase the assets at the end of the lease term.
- Operating leases predominantly relate to bus peak vehicle requirement within public transport operator contracts. There are no restrictions placed on Auckland Transport by any of the leasing arrangements.

	Actual 2022 \$000	Restated 2021 \$000
Not later than one year	101,395	92,924
Later than one year and not later than five years	315,448	320,369
Later than five years	155,871	181,374
<b>Total operating leases</b>	<b>572,714</b>	<b>594,667</b>

#### Operating leases as lessor

Auckland Transport leases property under operating leases. These leases have a term of between 1 and 771 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Actual 2022 \$000	Restated 2021 \$000
Not later than one year	9,303	10,506
Later than one year and not later than five years	24,840	30,209
Later than five years	34,250	40,283
<b>Total operating leases</b>	<b>68,393</b>	<b>80,998</b>

## Notes to the financial statements for the year ended 30 June 2022

### 22. Capital commitments and operating and finance leases (continued)

#### Finance lease as lessee

Finance leases are for various items of plant and equipment. The net carrying amount of the plant and equipment held under finance leases is \$3.8 million (2021: \$4.8 million).

Finance leases can be renewed at Auckland Transport's option, with rents set by reference to current market rates for items of equivalent age and condition. Auckland Transport does have the option to purchase the assets at the end of the lease terms.

There are no restrictions placed on Auckland Transport by any of the finance leasing arrangements.

	Actual 2022 \$000	Restated 2021 \$000
<b>Minimum lease payments</b>		
Not later than one year	1,095	1,095
Later than one year and not later than five years	2,920	4,017
Later than five years	-	-
<b>Total minimum lease payments</b>	<b>4,015</b>	<b>5,112</b>
<b>Future finance charges</b>	<b>71</b>	<b>115</b>
<b>Present value of minimum lease payments</b>	<b>3,890</b>	<b>4,977</b>

	Actual 2022 \$000	Restated 2021 \$000
<b>Present value of minimum lease payments payable</b>		
Not later than one year	881	1,086
Later than one year and not later than five years	3,009	3,891
Later than five years	-	-
<b>Total present value of minimum lease payments payable</b>	<b>3,890</b>	<b>4,977</b>

### 23. Contingencies

#### Contingent liabilities

##### Westgate Town Centre NZRPG claim

A damages claim has been brought in the Auckland High Court by Westgate Town Centre Limited and 5 related companies (together NZRPG) relating to several agreements between the former Waitakere City Council (WCC) and NZRPG to facilitate the development and provision of the infrastructure for the proposed town centre at NZRPG's Westgate retail centre. NZRPG allege the contracts obligated WCC (and its successors Auckland Council and AT) to design, construct and fund certain identified infrastructure including roads and community facilities. NZRPG also alleges breaches of those agreements which have resulted in reduced income and a reduction in the value of NZRPG's assets in the Westgate retail centre. The trial was completed on 7 April 2022 with the court reserving its decision. The Judge indicated that he would need some time to review the considerable volume of evidence and submissions and deliver his judgment. The judgement had not been delivered at the time the Financial Statements were authorised for issue.

There were no material contingent liabilities as at 30 June 2021.

#### Contingent assets

There are no material contingent assets as at 30 June 2022 (2021: \$nil).

### 24. Related party transactions

Auckland Transport is a council-controlled organisation of Auckland Council. Auckland Transport receives a significant amount of funding from Auckland Council to deliver its objectives as specified in Auckland Council's Long-Term Plan.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Auckland Transport would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other council organisations are not disclosed as related party transactions when they are consistent with the normal operating arrangements between council organisations and undertaken on the normal terms and conditions for such transactions in the same circumstances. All related party transactions were made on an arm's length basis in the current and prior financial years.

#### a. Key management personnel remuneration

	Actual 2022 \$	Restated 2021 \$
<b>Board members</b>		
Remuneration	501,300	472,140
Full-time equivalent members	1.2	1.3
<b>Leadership team</b>		
Remuneration	4,714,355	3,849,719
Full-time equivalent members	11.3	11.0
<b>Total key management personnel remuneration</b>	<b>5,215,655</b>	<b>4,321,859</b>
<b>Total full-time equivalent personnel</b>	<b>12.5</b>	<b>12.3</b>

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

#### b. Board member remuneration

The total value of remuneration paid or payable to each Board member during the period was:

	Actual 2022 \$	Restated 2021 \$
Adrienne Young Cooper - Chair	108,000	100,800
Wayne Donnelly - Deputy Chair	67,500	65,250
Kylie Clegg - Committee Chair	62,100	52,200
Mary-Jane Daly - Committee Chair (to October 2021)	20,700	60,030
Dr James Mather - Committee Chair	62,100	60,030
Darren Linton	54,000	52,200
Abbie Reynolds (from December 2020)	54,000	31,500
Thomas Parker (Leave of absence between 8 February 2022 and 26 June 2022)	31,500	31,500
Mark Darrow - Committee Chair (from November 2021)	41,400	-
Dame Paula Rebstock (to October 2020)	-	18,630
<b>Total Board member remuneration</b>	<b>501,300</b>	<b>472,140</b>

## Notes to the financial statements for the year ended 30 June 2022

### 24. Related party transactions (continued)

#### b. Board member remuneration continued

Nicole Rosie is the Waka Kotahi NZ Transport Agency appointee. Under the terms of establishment legislation the Waka Kotahi NZ Transport Agency appointee does not receive any remuneration.

There have been no payments made to committee members appointed by the Board who are not board members during the financial year (2021: \$nil).

Auckland Transport has effected directors' and officers' liability and professional indemnity insurance cover during the financial year in respect of the liability of costs of Board members and employees.

No Board members received compensation or other benefits in relation to cessation.

#### c. Employee remuneration

The following table shows the pay bands of Auckland Transport employees as at 30 June:

	Number of Employees 2022	Number of Employees 2021
\$0 - \$59,999	385	439
\$60,000 - \$79,999	386	401
\$80,000 - \$99,999	322	326
\$100,000 - \$119,999	285	259
\$120,000 - \$139,999	213	176
\$140,000 - \$159,999	129	127
\$160,000 - \$179,999	59	36
\$180,000 - \$199,999	32	22
\$200,000 - \$219,999	16	14
\$220,000 - \$239,999	13	11
\$240,000 - \$259,999	7	8
\$260,000 - \$319,999	6	6
\$320,000 - \$379,999	6	6
\$380,000 - \$419,999	4	3
\$600,000 - \$619,999	-	1

Note: 2021 Covid-19 remuneration reductions are not included in this table

Number of employees	1,863	1,835
Number of full-time employees	1,763	1,727
Full-time equivalent number of all other employees	66	69

**77% of all employees remunerated over \$100,000 took voluntary salary reductions between May 2020 and November 2020 of up to 20%.**

### 24. Related party transactions (continued)

#### d. Severance payments

For the year ended 30 June 2022, Auckland Transport made thirteen (2021: fourteen) severance payments to employees totalling \$405,246 (2021: \$292,965). The value of each of the severance payments was \$145,000, \$77,970, \$52,000, \$25,000, \$18,820, \$16,538, \$16,400, \$12,000, \$11,518, \$10,000, \$10,000, \$5,000 and \$5,000.

### 25. Major budget variances

Explanation for major variances from Auckland Transport's Statement of Intent are as follows:

	Actual 2022 \$000	Budget 2022 \$000	Variance \$000
<b>Auckland Council capital funding</b>			
Lower than budgeted funding mainly due to lower than expected capital expenditure.	375,285	403,908	(28,623)
<b>Waka Kotahi NZ Transport Agency operating funding</b>			
Higher than budgeted funding mainly due to claims for higher net PT expenditure, partially offset by lower capital activity and administration subsidies.	386,447	368,288	18,159
<b>Other revenue</b>			
Lower other revenue mainly due to the ongoing COVID-19 impacts on public transport, parking and enforcement revenue.	444,504	616,246	(171,742)
<b>Other expenses</b>			
Lower than budget mainly due to good cost control, lower than expected public transport contract costs, track and ferry access charges, unplanned facilities maintenance, and AT delivered events and training.	861,241	885,785	(24,544)
<b>Depreciation and amortisation</b>			
Lower depreciation as a result of lower than planned asset capitalisation.	407,615	425,921	18,306
<b>Receivables</b>			
Mainly due to lower than expected accrued revenue.	586,353	661,146	(74,793)
<b>Capital expenditure</b>			
Programmes and projects across the board are behind budget spend due to the impacts of COVID-19 on public consultations, consenting, procurement, tendering processes and broader supply chain constraints.	656,191	820,114	163,923

## Notes to the financial statements for the year ended 30 June 2022

### 26. Reconciliation of surplus after tax to net cash from operating activities

	Actual 2022 \$000	Restated 2021 \$000
<b>Surplus after tax</b>	<b>394,641</b>	<b>642,782</b>
<b>Add/(less) non-cash items</b>		
Depreciation and amortisation	407,615	381,888
Vested asset revenue	(232,031)	(188,996)
Loss on disposal of property, plant and equipment	41,172	-
Gain on disposal of property, plant and equipment	(3,053)	(18,401)
Write-off of capital works	30,169	15,975
Foreign exchange (gains)/losses	1,927	(2,745)
<b>Add/(less) movements in balance sheet items</b>		
Receivables	74,793	(225,197)
Inventories	(2,630)	(207)
Other assets	(5,784)	1,826
Payables and accruals	(70,077)	75,369
Employee entitlements	357	(5,503)
<b>Net cash from operating activities</b>	<b>637,099</b>	<b>676,791</b>

### 27. Auckland integrated fares system funds

Auckland Transport operates a restricted bank account for Auckland Integrated Fares System (AIFS) with a balance of \$22.0 million at 30 June 2022 (2021: \$23.2 million). This account is used for the deposit of unused stored value on AT HOP cards. These funds are held in trust for the card holders and therefore this balance has not been recognised in the statement of financial position.

### 28. Events after the reporting period

There were no significant events after the balance date.

### 29. Adjustments to the comparative financial statements

Auckland Transport has adjusted its comparative financial statements for the year ended 30 June 2021 due to the impact of New Accounting Interpretations.

In April 2021, the International Financial Reporting Interpretations Committee (IFRIC), a committee supporting profit-oriented reporting, published an agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement. This Interpretation clarifies the accounting treatment in respect of costs of configuring or customising a supplier's application software in a Software as a Service (SaaS) arrangement. Whilst such costs may be able to continue to be capitalised in limited circumstances, in many cases the costs will now need to be recognised as an operating expense.

The New Zealand Accounting Standards Board has not issued similar guidance, however, in the absence of a PBE standard specifically dealing with such costs, management considers the IFRIC decision relevant to the accounting for similar types of arrangements of the group in accordance with NZ PBE IPSAS 31 Intangible assets.

Changes in accounting treatment as a result of an agenda decision are generally accounted for as a voluntary change in accounting policy and must be applied retrospectively. Auckland Transport has completed the review of such costs and has identified the following adjustments to previous reporting periods.

	Reported 2020/21 \$000	Application of agenda decision \$000	Revised 2020/2021 \$000
<b>Statement of comprehensive revenue and expense</b>			
Depreciation and amortisation	387,962	(6,075)	381,887
Other expenditure	802,752	11,202	813,954
Total expenditure	1,359,067	5,127	1,364,194
Surplus after tax	647,909	(5,127)	642,782
Total comprehensive revenue and expenditure	760,733	(5,127)	755,606
<b>Statement of financial position</b>			
Intangible assets	204,125	(34,126)	169,999
Total non-current assets	22,013,257	(34,126)	21,979,131
Total Assets	22,695,318	(34,126)	22,661,192
Net assets	21,856,195	(34,126)	21,822,069
Accumulated funds	4,444,004	(34,126)	4,409,878
Total equity	21,856,195	(34,126)	21,822,069
<b>Statement of cash flows</b>			
Payments to suppliers and employees	862,007	11,202	873,209
Total cash applied	899,334	11,202	910,536
Net cash from operating activities	888,132	11,202	899,334
Purchase of property, plant and equipment and intangibles	777,883	(11,202)	766,681
Net cash applied to investing activities	(678,998)	11,202	(667,796)
<b>Statement of changes in equity</b>			
Balance as at 1 July 2020 - Total equity	21,083,212	(28,999)	21,054,213
Surplus after tax	647,909	(5,127)	642,782
Total comprehensive revenue and expenditure	760,733	(5,127)	755,606
Balance as at 30 June 2021 - Total equity	21,856,195	(34,126)	21,822,069

## Independent Auditor's Report

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