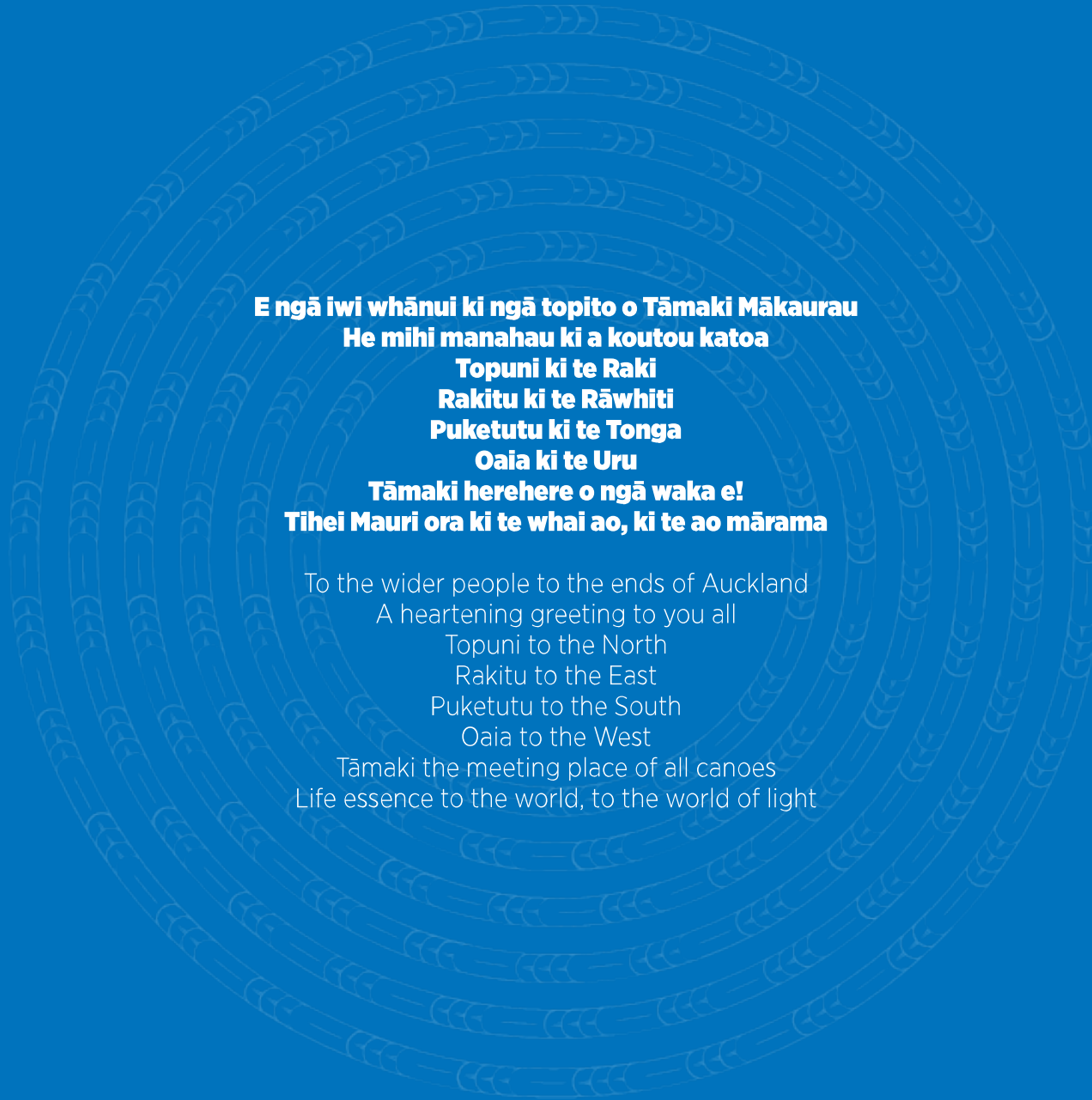




# Auckland Transport Statement of Intent: Building public confidence

2024 – 2027





**E ngā iwi whānui ki ngā topito o Tāmaki Mākaurau  
He mihi manahau ki a koutou katoa  
Topuni ki te Raki  
Rakitu ki te Rāwhiti  
Puketutu ki te Tonga  
Oaia ki te Uru  
Tāmaki herehere o ngā waka e!  
Tihei Mauri ora ki te whai ao, ki te ao mārama**

To the wider people to the ends of Auckland  
A heartening greeting to you all  
Topuni to the North  
Rakitu to the East  
Puketutu to the South  
Oaia to the West  
Tāmaki the meeting place of all canoes  
Life essence to the world, to the world of light

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# Chair's Foreword

Auckland Transport plays a pivotal role in the region's success. We are accountable to the people of Auckland and Auckland Council with central government a significant funder. What we do matters and is both visible and political.

This year's Statement of Intent (SOI) builds on the work of the previous 12 months. While not everything has gone as smoothly as we would like, the performance against last year's SOI was excellent with 18 of 19 measures achieved or exceeded.

We have been working hard to meet the expectations of Aucklanders but acknowledge we still have a long way to go to change Aucklanders' perception of Auckland Transport. Rebuilding the trust and confidence of Aucklanders is a key goal for the organisation and a significant area of focus for my fellow directors and me.

Last year, the SOI reflected the Letter of Expectation (LOE) which required a significant change in the way Auckland Transport operated. We believe we have made positive steps in this regard, with further work to do. This year a challenge we face is the change of priorities, and therefore funding, from government. The coalition government's focus is reflected in the Government Policy Statement on Land Transport (GPS) and this year's GPS has a very different flavour to the year prior. This means we need to be nimble and move quickly to reflect both the LOE and the funding available from central government.

We know our customers and communities are feeling the impact of a growing city, with construction activity and ongoing rail disruption, both planned and unplanned. Aucklanders have told us their priorities are public transport and reducing congestion. We are listening and responding.

Over the next three years, we will focus on five 'accelerators' which are areas we know we need to move quickly to deliver outcomes for Auckland. This SOI is structured around these accelerators and the outcomes we are working towards.

As we implement our strategy, how we work will be guided by listening and responding to the needs of our customers and communities; leading and partnering by bringing all players together to take a whole of system view; putting people and places at the heart of how we design and deliver our transport system and partnering with Māori to deliver a transport system that improves outcomes for all. We have added an additional KPI to strengthen the work we do in this area.

Safety is a stated goal in our legislative purpose, and we will continue to work towards a transport system that delivers on the Vision Zero aspiration of council. The GPS is signalling a change of approach from central government to safety which will require us to revise our programmes to ensure we continue to achieve ongoing declines in deaths and serious injuries.

The need to build resilience and reduce transport-generated carbon emissions are important considerations in our planning and delivery of Auckland's transport system. As with safety, central government's approach to emissions has changed which means we will need to reconsider how we achieve targeted emission reductions under the revised GPS.

We remain committed to working closely with Auckland Council to delivering a transport system that contributes to a more thriving and sustainable Tāmaki Makaurau.

Ngā mihi,

*Richard Leggat*

Chair – Auckland Transport

# Introduction

This SOI addresses the Letter of Expectation (LOE) for the Statement of Intent 2024-2027 (attached as Appendix 4).

It reflects a commitment to regaining the confidence of Aucklanders through goals and actions that will improve Aucklanders' daily lives. We outline how Auckland Transport intends to understand and carry out the strategic direction set by our shareholder, Auckland Council.

Part 1 of the SOI outlines a strategic overview, and how it links with the objectives, priorities and outcomes set by council and central government. This section includes the challenges and constraints in our operating environment that we will work to overcome.

In Part 2 of the SOI, our performance expectations are structured into five areas, which align with the strategic accelerators in our corporate strategy:

1. Making every interaction count
2. Taking public transport from good to great
3. Improving network productivity
4. Effective governance and advocacy for transport outcomes
5. Value for money (including growing external revenues accelerator)

# Part 1 Strategic Overview

## 1.1 Roles and responsibilities

Auckland Transport's role and purpose is to contribute to an effective, efficient, and safe Auckland land transport system in the public interest.

We are here to deliver an integrated system that helps Tāmaki Makaurau unlock its full potential, become more resilient, and thrive.

Our key activities that directly impact Aucklanders are:

- Operation, maintenance, and improvement of the transport network, particularly roads, ensuring it is fit for purpose
- Planning and contracting of public transport services
- Parking management and enforcement
- Planning for the future transport system for Auckland

We also undertake other activities, including:

- Leading decisions for all traffic controls – signs, lines, and signals – as the Road Controlling Authority for all public roads other than state highways in Auckland
- Providing advice and advocacy to government, council and other decision-makers
- Developing plans and strategies that align with our guiding documents: council's Long-term Plan (LTP) and the Government Policy Statement on Land Transport (GPS)
- Funding allocation and project delivery
- Communications and engagement
- Managing the interaction with other land uses, including consenting and approvals and other contractors working on the network
- Managing maritime safety on the region's navigable waters in accordance with the principles of the Port and Harbour Marine Safety Code
- Running two airports on Aotea Great Barrier

We are committed to the operating principles set out in the Local Government Act:

- Establishing and maintaining processes for Māori to contribute to our decision-making processes
- Operating in a financially responsible manner
- Using revenue efficiently, seeking value for money
- Being transparent in our revenue and expenditure
- Being transparent in our decision-making

## 1.2 Strategic alignment and key policies

Auckland Transport is committed to demonstrating leadership and clear communication, building and maintaining a culture of collaboration across the council group, and operating on a 'no surprises' basis especially on significant public-facing issues. We will take a proactive role in guiding elected members on our major activities and programmes, ensuring that our progress and achievements are transparent and aligned with the expectations of both council and the wider community.

### Delivering on council priorities

AT will engage with both council and central government transparently, with Auckland's best interests at heart. Efforts will be directed towards supporting development of the Integrated Transport Plan to ensure alignment between both central and local government priorities. More detail can be found in Appendix 2 on how we are delivering on Auckland Plan outcomes.

Our capital programme has been determined by the Long-term Plan (LTP) and Regional Land Transport Plan (RLTP). Our approach will follow the 'fix, finish, optimise' principle. New capital projects and any growth-related investments will be fully aligned with guiding strategies, such as the Future Development Strategy.

Aligning renewals with improvement projects to optimise cost effectiveness is a key council priority. We are working to enable this by coordinating our renewals with improvements, where funded. We are also partnering with other Council-Controlled Organisations (CCOs) and third-party operators that access and work on the road corridor.

Local renewals are subject to funding from central government. Although there is a limited and defined scope within the funding model for aligning improvement components, Waka Kotahi NZ Transport Agency (NZTA) is now investigating broadening the definition of the renewals programme in relation to improvements. This work is ongoing, and we will continue to review and develop our decision-making frameworks to identify, prioritise, and enable renewals to support broader outcomes leading up to the 2027 RLTP. We also continue to explore opportunities for alignment without jeopardising co-funding.

We are working collaboratively with council on developing and implementing the Making Space for Water programme, to maximise flood resilience on our network. Consistent with Ministry for the Environment requirements, this work includes developing better frameworks and predictive models to understand the extent of our assets which are subject to climate hazards. This work will inform resilience-related improvement programmes in the future and will be reflected in our Asset Management Plan from 2027.

### Future Development Strategy

Auckland's growth continues to put pressure on our network of infrastructure and services. The Future Development Strategy (FDS) provides Auckland-wide direction and integration of the council group's approach to growth and development, guiding subsequent strategies, operational plans, programmes of work and investment decisions.

We support the actions identified in the FDS related to improvements to the Auckland Unitary Plan (AUP) and the Regional Policy Statement to strengthen the policies, particularly in future urban areas, and improve alignment between land use planning and transport investment. We will actively support Auckland Council to develop and progress changes and updates to the AUP by identifying provisions for review, building upon the experience and relationship developed during the implementation of the National Policy Statement on Urban Development 2020.

Additionally, the Supporting Growth Alliance team, which includes AT and NZTA employees, is continuing to work with Auckland Council to review the programme, with ongoing discussions with council teams. Decisions on the future of the programme will be reported back to the Transport and Infrastructure Committee by the end of 2024.

## **Alignment with Government Policy Statement on Land Transport (GPS)**

AT's investment programme must be consistent with the GPS 2024. The GPS outlines four key priorities:

- Economic growth and productivity
- Increased maintenance and resilience
- Safety
- Value for Money (discussed in Part 2 of this SOI)

### **Economic growth and productivity**

This is the overarching strategic priority for the direction of this GPS. We support this priority by providing quality transport connections, which enable goods and people to reach their destinations efficiently.

Our focus in this SOI to improve network productivity, and we will deliver on this by making better use of our existing assets – initiatives such as network optimisation, smart technology solutions, reducing disruptions and road cones, and supporting the introduction of time of use charging.

Public transport has the potential to move large numbers of people more efficiently than private vehicles. With limited available transport corridor space, especially in urban areas, and the high cost of land purchases, public transport is often the only realistic way to increase the capacity of our transport network to accommodate future growth. Our development of significant public transport infrastructure projects – such as Eastern Busway – and contributions to City Rail Link (CRL) and Northwest Busway, support economic growth and productivity by ensuring continued access to our key commercial employment centres. Investing in public transport encourages mode shift which has the benefit of reducing congestion and providing more space for freight and other business travel.

### **Increased maintenance and resilience**

Our RLTP outlines an investment programme totalling around \$1.7 billion of AT maintenance and renewals in this SOI period (subject to National Land Transport Fund (NLTF) funding being made available). This is a significant increase in local road renewals, and enables progress to be made in the backlog of needed road surface renewals that have built up over recent years. We delivered over 400km of road resurfacing in 2023/24, approximately 6% of our local sealed road network. We aim to increase this number year on year, until we reach our target of 8% per annum (expected in 2027/28, just outside of this SOI).

Network resilience and sound asset management is a regional objective featured in the RLTP and this is reflected in our capital programme. Resilience and adaptation includes flood response, network discharge improvements and unsealed road improvements.



## **Safe journeys for everyone**

Aucklanders expect to travel around their region safely. The Auckland Plan 2050 aims to address this expectation through its vision of a safe transport network, free from death and serious injury.

The GPS has shifted the direction on safety with more emphasis on police-led enforcement and road user education. This includes drafting of the Land Transport Rule: Setting of Speed Limits. We acknowledge our role in keeping Aucklanders safe within the approach to safety as set by the GPS.

We will continue to deliver improvements within the direction of the GPS, which has been updated to reflect a shift in approach to speed reduction around schools and local communities, and a continued mode shift to public transport.

Customer research shows three in four Auckland residents agree that action should be taken to make roads safer when there is a known risk, and almost three in four agree that roads should be designed to minimise serious harm when a driver makes a mistake. We will continue to advocate for improved measures and policy that supports safe transport for Aucklanders.

In light of changes in direction, we have reviewed our targets for safety outcomes. Our baseline now reflects 2023/24 performance, which pleasingly had less deaths and serious injuries than forecast. Our targets from 2024/25 to 26/27 have been lowered to reflect the contribution that we expect to make to safety on Auckland's transport system, which we will continue contributing to by delivering safety interventions near schools and at high-risk locations, delivering coordinated road safety education, and supporting increased police enforcement

## Sustainability and environment

In May 2024, the Auckland Transport board approved our Sustainability Strategy for 2024 to 2031. This strategy outlines an ambition of a resilient and sustainable transport system.

To face the challenges that climate change poses to the region, the council adopted Te Tāruke ā-Tāwhiri: Auckland's Climate Plan in July 2020. Modelling in the plan suggests a 64% reduction in transport-related emissions may be needed to achieve this – a significantly greater reduction than central government's Emissions Reduction Plan.

The Transport Emissions Reduction Pathway (TERP), adopted by Auckland Council and Auckland Transport in 2022, outlines what transport would need to look like in 2030 if Auckland was on track to achieve such a significant reduction in transport-related emissions. While these pathways have been identified, they are not fully funded by the LTP.

Transport investment will remain as one of the council's most important tools to reduce carbon emissions. To continue to reduce transport-related emissions, we continue to invest in customer-focused public transport and active modes, to provide transport alternatives with lower emissions. We deliver energy and resource efficiency at new facilities and support the ongoing addition of electric and low-emission vehicles to our bus and ferry fleets. We will continue to investigate how best to support motorists in their transition to electric and low-emission vehicles.

We are aware of the need to strengthen our emissions reporting. Together with Council, we will work to develop a single framework of agreed reporting metrics. We are investigating a methodology for reporting whole-of-life carbon emissions from our infrastructure and improvement projects that will enable us to better reflect this in our decision-making and prioritisation.

Working closely with Auckland Council, we will continue to progress our adaptation work and increase the resilience of our network. We will also collaborate with the Ministry for the Environment and other central government agencies to ensure a common understanding of government's approach to current and future investment in infrastructure resilience, ranging from reinforce to managed retreat.

We will continue to support Auckland Council to meet its obligations as a climate reporting entity under the Financial Markets Conduct Act 2013 by providing specialist advice and contributing to the preparation of a compliant group climate disclosure. This includes preparing and maintaining disclosure records as required by Auckland Council, while working closely with council to avoid duplication of effort and unnecessary bureaucratic processes. We will also engage with Auckland Council's appointed auditor to prepare for assurance over group climate disclosures from 2024/2025.

## Māori Outcomes

We are committed to partnering with Māori to uphold our legislative responsibilities to:

- Maintain and improve opportunities for Māori to contribute to Auckland Transport's decision-making processes
- Recognise and provide for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga
- Take into account the principles of te Tiriti o Waitangi, including:
  - Rangatiratanga / self-determination
  - Partnership
  - Equity
  - Active protection

To assist us in meeting these requirements, we will continue to facilitate engagement forums with mana whenua on operational matters, projects, programmes, strategies, and plans. We will also seek out working relationships with mataawaka organisations, marae, wānanga, kura, whānau, and individuals.

This partnership has enabled us to deliver significant outcomes for Māori over the past several years. Examples of these include our commitment to growing the visibility of te reo Māori across our wayfinding and transport infrastructure; improving safety and access to and near marae; weaving Māori history, identity and culture throughout new infrastructure projects; promoting transport to key events such as Te Matatini Herenga Waka Herenga Tāngata National Kapa Haka Festival 2023; and working with Māori-owned businesses to help grow the Māori economy.

We are committed to working alongside Auckland Council Group and Houkura - Independent Māori Statutory Board to meet the requirements of the tri-annual Treaty of Waitangi Audit and Houkura's Schedule of Issue of Significance to Māori in Tāmaki Makaurau. We will continue to proactively work with our Māori partners across the 2024-2027 period, including facilitating a closer working relationship with iwi leaders, our board, and our executive team. We will report on Māori outcomes progress quarterly to council.

We are currently drafting Ka Tupu, Ka Wana Achieving Māori Outcomes Plan 2024-2027 which will set out specific actions and measures to meet the objectives of Auckland Council's Kia Ora Tāmaki Makaurau Māori outcomes performance measurement framework. These actions aim to:

- Support Māori businesses and the Māori economy
- Improve safety and access near marae and papakāinga
- Enable mana whenua and mataawaka participation in decision-making
- Increase and maintain the visibility of te reo Māori
- Reflect and promote Māori culture, values and identity
- Reduce the rate of Māori deaths and serious injuries on our roads
- Improve the representation and wellbeing of kaimahi and rangatahi Māori
- Empower kaimahi to incorporate te reo Māori me ōna tikanga in their mahi

## 1.3 Opportunities and challenges

As we near completing several significant projects, we will be able to provide new travel options that benefit Aucklanders. However, we recognise that Auckland Transport continues to operate in a challenging environment. We must remain aware of constraints and challenges, including uncertain funding and the ongoing task of maintaining our transport network assets.

### Opportunities for new travel patterns

Public transport patronage continues to recover after the challenges associated with the COVID-19 pandemic. However, Aucklanders have changed the way they travel, with many continuing to work from home more frequently, and choosing to drive more often when they do travel, especially for shorter trips. This has become the new normal in which we operate and design our services. The challenges to public transport reliability because of Covid and ongoing planned and unplanned rail disruption caused a distrust in our services and many Aucklanders have been reluctant to return to public transport. A key focus of our activities is to re-establish public trust and confidence in our services.

Despite the challenging environment, there are several opportunities to enable more people to get where they need to be, more quickly. We will do this by delivering several initiatives, including:

- Building dynamic streets and special vehicle lanes; optimising traffic lights and pedestrian crossings; implementing bus boosters that will optimise traffic flow through the existing network.
- Implementing Room to Move – Auckland’s Parking Strategy, which will make the most of our kerbsides and public parking to keep the region moving
- Introducing time of use charging, subject to enabling legislation being introduced, which will reduce congestion and optimise productivity on the most congested parts of the network
- Opening projects like City Rail Link and the Eastern Busway; improving ferry services; more frequent buses, trains, and new stations and integrated payment solutions which will massively increase public transport use to reduce congestion and improve access.

### Economic conditions

New Zealand is facing a period of high inflation and soaring costs of living, putting pressure on households’ finances. We acknowledge our role in using public money, funded by ratepayers of Auckland and taxpayers nationally. We are always mindful that we need to deliver value for this money and be fiscally responsible on behalf of the people of Auckland.

### Funding constraints and complex operating environment

One of our most significant challenges relates to funding certainty. The list of our improvement investments significantly exceeds available funding.

During finalisation of the LTP, council agreed to a \$14 billion capital programme for AT. Council agreed that funding levels needed to be maintained despite the withdrawal of the Regional Fuel Tax (RFT). Council also agreed to provide additional budget to ensure bus services are not cut due to funding constraints for KiwiRail track access charges and for installation of bus driver screens on 80% of buses to improve driver safety.

Funds previously raised from RFT will be directed to priority projects including the continuation of Eastern Busway, the purchase of electric trains and stabling infrastructure for CRL and other projects already underway.

Significant uncertainty remains, however, around government funding for our projects through the NLTF. The NLTF is highly constrained, and a significant portion is already committed over the next three years. The public transport infrastructure activity class is already largely allocated to Eastern Busway, electric trains (EMUs) and the National Ticketing System.

If NLTF co-funding does not eventuate, then less transport investment and services can be delivered. This will result in reduced transport service levels, worse climate impacts, and increased risks to road safety. If more funding is made available, further investment in assets and services could be made and improve the associated outcomes.

The January 2023 flood and the effects of Cyclone Gabrielle left us with significant repairs to make at substantial cost and we were already facing an asset maintenance backlog. Inflationary pressures have also led to rapid cost increases in our projects meaning less can be done with the funding available. We have made significant progress on recovery, with over 85% of repairs now completed.

### **Condition of the rail network**

The condition of the rail network continues to create challenges for Aucklanders travelling around the region by train, as highlighted earlier this year by cancellations to services as a result of high surface track temperatures, and numerous track infrastructure issues. The rebuild of the rail network by KiwiRail (and associated reduction in services) continues to place pressure on the broader public transport network, and degrade public trust and confidence in the services operated.

Ahead of the CRL being delivered in 2026, a huge effort from multiple agencies is underway to rebuild infrastructure and restore confidence. We are working closely with KiwiRail and our rail operator Auckland One Rail to manage both planned and unplanned disruptions and provide customers with timely service information. Significant underinvestment in the rail network over many years is having to be addressed at pace, and we continue to support KiwiRail with its upgrades while advocating for our customers.

## **Part 2 Statement of performance expectations**

Our organisation priorities for the next three years are designed to accelerate achievement and delivery of our ambitions or long-term goals, rebuilding trust and confidence and ultimately deliver better outcomes for Aucklanders. The areas are:

1. Making every interaction count
2. Improving network productivity
3. Taking public transport from good to great
4. Effective governance and advocacy for transport outcomes
5. Value for money (including growing external revenues accelerator)

We have also included a section on our core business activities.

## 2.1 Making every interaction count

We understand the importance of continuing to listen and respond to the needs of our customers and communities in growing their trust and confidence. We are committed to putting people and places at the heart of how we design and deliver our transport system.

And to do that, we need to improve the way we engage and interact with Aucklanders.

We also need to improve how we work with each other and our partners to respond to customers with clarity, consistency and transparency so that we positively change the experience customers, communities and our people have with AT. Auckland Transport is committed to deeply understanding the needs of customers and communities. Through every interaction, we are deeply committed to rebuilding trust and confidence.

### To make every interaction count, we will:

Work with local boards to agree local priorities and AT work plans.	2024/25 - 25/26
Provide clear communications to Councillors and local boards on projects in their areas.	Q1 2024/25
Streamline and simplify our processes for end-to-end customer interactions to make it easier for customers to get the information they need, complete their tasks, and provide feedback.	2024/25
Deliver our Community-Initiated Projects, which deliver network improvements received by customer requests. Streamline the evaluation, acceptance, and delivery process.	2024/25 - 26/27
Develop "The AT Way": Consistent best practice communications and engagement approach to programmes and projects that embeds public participation and a customer focus (including lessons learned from previous projects) to improve people's experience, stakeholder outcomes, relationships and trust and confidence in AT.	2024/25

### We will measure success by:

Measure	2023/24 actual result	2024/25 target	2025/26 target	2026/27 target
<b>Customer perceptions</b> AT listens and responds to Aucklanders' needs	29%	33%	36%	39%
<b>Formal complaints</b> Percentage of total AT case volume resulting in a formal complaint	0.3%	<0.6%	<0.5%	<0.4%
<b>Complaint resolution</b> Percentage of formal complaints that are resolved within 20 working days	93.6%	90%	90%	90%
<b>Local board satisfaction with engagement</b>	47%	47%	48%	50%

Refer to appendix 3 for more detail on how we calculate each measure.

## 2.2 Improving network productivity

We need to make the best possible use of our existing network and road spaces as our city continues to grow. While we will continue to invest in new infrastructure, it is our existing transport corridors that will need to accommodate much of the increase in travel as Auckland's population grows.

Central to our commitment to rebuilding trust and confidence, is getting the basics right and delivering faster. Making better and smarter use of our existing roads, rail, footpaths, cycleways and ferries has to be part of our solution. Our approach will focus on increased investment into network optimisation initiatives that deliver significant improvements through small-scale interventions, technology upgrades, and developing demand-based solutions to manage congestion.

Interventions for smarter use of existing road spaces will be outlined in our Network Operating Plan and supporting strategies such as Room to Move: Tāmaki Makaurau Auckland's Parking Strategy. Active modes investment is governed by our Cycling and Micromobility Programme Business Case.

To manage and maximise network productivity, this may mean trade-offs by mode in the short-term. Additional special vehicle lanes, including dynamic streets, may impact general traffic to provide more people with faster and more reliable travel on the network. As we look to the future, rising PT mode share and additional demand-management initiatives such as time of use charging seek to produce an outcome where travel times are improved for all.

We will be able to provide ongoing detail on projects through our regular updates to council's Transport and Infrastructure Committee as we confirm which projects are expected to be completed.

### To improve network productivity, we will:

<p>Make smarter use of our existing road spaces and improve traffic flow by optimising the transport network including the use of physical and technology solutions to use road space dynamically, including:</p> <p>Intersection and corridor efficiency improvements:</p> <ul style="list-style-type: none"> <li>- 7 projects completed</li> <li>- 9 designs ready for 2025/26</li> <li>- 250 intersections optimised</li> </ul> <p>Special vehicle lanes (freight, high-occupancy vehicles, bus):</p> <ul style="list-style-type: none"> <li>- 2 special vehicle lanes completed</li> <li>- 10 designs ready for 2025/26</li> </ul> <p>Dynamic streets and solutions:</p> <ul style="list-style-type: none"> <li>- 3 dynamic lanes and intersections completed</li> <li>- 4 designs ready for 2025/26</li> </ul> <p>Smart technology solutions:</p> <ul style="list-style-type: none"> <li>- Smart detection (including bus transponders) at 65 intersections</li> <li>- Pilot emergency vehicle intersection priority</li> <li>- Smart technology (CCTV analytics) implemented at 5 event locations</li> </ul>	<p>2024/25</p> <p>2024/25</p> <p>2024/25</p> <p>2024/25</p> <p>2024/25</p> <p>2025/26</p>
<p>Implement operational changes and deliver physical improvements on the network, aimed at more effectively mitigating the effects of disruptions on our customers' journeys.</p>	<p>Q3 2024/25</p>
<p>Deliver improvements to how we communicate with our customers regarding travel disruptions caused by planned events on our network.</p>	<p>Q4 2024/25</p>



Continue to remove road cones and minimise disruption caused by temporary traffic management. This will be delivered through our transition to the New Zealand Guide to Temporary Traffic Management, by:	
- Building new systems to analyse and assess risk-based applications for access to the network and temporary traffic management	Q3 2024/25
- Consolidate changes to the Activity Coordination Tool	Q4 2024/25
- Update our procurement practices away from the Code of Practice for Temporary Traffic Management	Q2 2025/26
Progress implementation of Room to Move by delivering comprehensive parking management plans in collaboration with local boards, starting with the city centre, and beginning park and ride initiatives.	2024/25
Develop a transition plan to implement Time of Use Charging.	2024/25

**We will measure success by:**

Measure	2023/24 actual result	2024/25 target	2025/26 target	2026/27 target
<b>Average travel time</b> across the arterial network (10km journey)	23 minutes	24 minutes	23 minutes	23 minutes
<b>Arterial productivity</b> Average number of people moving per hour during the morning peak	28,639	28,000	30,000	32,000
<b>Freight performance</b> Percentage of the freight network without congestion in the interpeak	86.5%	85%	85%	85%
<b>Bus Priority</b> Kilometres of bus priority (Including SVL and dynamic lanes) delivered	4.9 km	5 km	10 km	10 km

*Refer to appendix 3 for more detail on how we calculate each measure.*

## 2.3 Taking public transport from good to great

We know that Aucklanders want more from their public transport services now and as we grow the network.

Our public transport network needs ongoing investment to keep up with the growing demands of our people. Auckland Council, along with government, are currently investing billions of dollars in new assets like the City Rail link and new busways, and services that will enable faster, more reliable and safer journeys. We understand that uplifting Aucklanders' confidence in their public transport system will require improvements people can see and feel in the short term. So, in addition to these large projects, AT is investing across the network in many small improvements that collectively will improve public transport accessibility for all communities.

We have developed a Public Transport Growth Programme to bring together the practical actions we will take to provide reliable services and customer experiences that accelerate patronage growth.

We also conduct regular improvements and reviews to PT services to ensure optimisation is an ongoing activity. The Regional Public Transport Plan (RPTP) outlines how PT will be managed and improved over the period of this SOI, with the Auckland Rapid Transit Pathway outlining longer-term infrastructure investment requirements.

### To improve public transport from good to great, we will:

Continue implementation of the RPTP, through the PT growth programme, and PT service network optimisation.	2024/25
Finish existing public transport infrastructure projects, such as CRL, Level Crossing Removal, and Eastern Busway.	
CRL:	
- Work with KiwiRail to finalise the Day 1 timetable	Q2 2024/25
- Complete retrofit of existing electric trains, and accept 23 new electric trains	Q2 2025/26
- Take control and ownership of assets	2025/26
- Planning and testing to get ready for passenger operations to begin	2025/26
Level Crossing Removal:	
- CRL Day One Level Crossing removal programme completed (Homai, O'Neills, Church Street)	Q3 2024/25
- Plan for future Level Crossing Removal groups	2024/25 – 26/27
Eastern Busway:	
- Secure remaining consents	Q2 2024/25
- Rā Hihī (flyover) completion	Q3 2025/26
- Stages EB2, EB3R, EB3C and 4i completion	2027/28
Progress work on affordable rapid transit projects, and large-scale projects identified in the Integrated Transport Plan.	2024/25 - 26/27
Enhance the first and final leg of PT journeys with six priority PT stations.	2024/25 - 26/27
Progress implementation of contactless payments and contribute to support National Ticketing functionality so that customers can more easily pay for their public transport fares and to provide increased access to the PT network.	2024/25 – 25/26
Implement a weekly fare cap for public transport users.	Q1 2024/25
Implement FareShare – working with businesses to support their employees using public transport.	2024/25

**We will measure success by:**

<b>Measure</b>	<b>2023/24 actual result</b>	<b>2024/25 target</b>	<b>2025/26 target</b>	<b>2026/27 target</b>
<b>PT boardings</b> Annual number of PT trips	86.8m	95.9m	106.8m	116.0m
<b>PT reliability</b> Percentage of services that start according to schedule	94.1%	Bus: 98% Ferry: 98% Rail: 85%*	Bus: 98% Ferry: 98% Rail: 85%*	Bus: 98% Ferry: 98% Rail: 90%*
<b>PT punctuality</b> Percentage of services that start and end according to schedule	88%	88%	89%	89.5%
<b>PT utilisation</b> for frequent routes during peak	48%	49%	50%	51%

*\*Rail reliability targets have been set to be no higher than those in KiwiRail's Statement of Corporate Intent 2025-2027*

*Refer to appendix 3 for more detail on how we calculate each measure.*

## 2.4 Effective governance and advocacy for transport outcomes

AT has a significant role to play in influencing and advocating across the transport ecosystem. Our involvement in governance forums on the future of transport can be highly beneficial to our ability to deliver the services that Aucklanders need. We will work together with council and our partner agencies to strengthen and develop better strategic relationships and governance structures. Our goal is to support a better long-term approach that provides funding certainty and a more strategic focus.

Legislative change may be needed to best meet Auckland's transport challenges. We will take a system view of what is needed, and support advocacy to central government to enable us to address these needs.

AT will support council on engagement on relevant issues to government. As the Road Controlling Authority, we are required to act in consultations with neighbouring RCAs including NZTA on operational matters such as changing of speed limits and setting bylaws.

### To improve governance outcomes in transport, we will:

Support the development of the 30-year Integrated Transport Plan.	2024/25
Work with council, government, and community partners to develop a framework for governance that supports Auckland's transport network in the future.	2024/25 - 25/26
Identify and advocate policy, legislative and regulatory changes necessary to address both project funding issues and more general revenue barriers, and review annually.	
Support council on advocacy and submissions on central government policy changes for transport-related matters.	2024/25 –26/27

## 2.5 Value for money

AT is committed to delivering value for money to our shareholder and funder, Auckland Council, and the people of Auckland.

We will primarily do this through four key levers:

1. Delivering our capital programme better, faster, cheaper
2. Reducing net operating costs of council through more cost-efficient delivery of services
3. Growing our external revenues
4. Participating in and implementing council Group Shared Services (GSS)

A key strategic focus in the LTP is to focus on financial strategy and budget levers, including reducing net operating costs of the council group and more cost-efficient delivery of services. To deliver improved value for money, we want to reduce the contribution council has to make towards AT's operating expenses. We will look at revenue streams that generate additional income, and offset some of the operating expense pressures.

AT carefully assesses every project we are investing in to ensure benefits outweigh whole-of-life costs.

We are seeking alternative funding sources, including identifying opportunities for enduring partnerships with the development sector.

Council is reviewing the value for money provided by CCOs. AT commits to supporting and engaging on any s17A Delivery of services cost-effectiveness and value for money reviews.

AT has worked to reduce our property footprint and will continue to work with council on the group property review and any appropriate actions identified.

We are committed to implementing GSS where it makes sense. Consistent with Budget Responsibility and Transparency rules, implementation of GSS will be subject to robust business cases that demonstrate positive benefit-cost ratios (BCR) for the Council Group as a whole, taking into account the quality of services provided by the Council Group to Aucklanders.

### To ensure value for money, we will:

Grow non-rates revenue and deliver cost saving and efficiency targets as identified in the LTP2024. This will include leading the creation of new and improved third-party revenue opportunities, growing farebox and parking charges, and reducing costs from our activities.	2024/25
Deliver capital programmes more efficiently through the entire design and construction process.	2024/25 –26/27
Work constructively with council to investigate and implement arrangements for shared services, including technology functions where appropriate. Leverage existing technology frameworks across CCOs, while ensuring risks are appropriately managed and delivery of customer outcomes are not compromised, subject to business case approval with a positive BCR.	2024/25 - 26/27
Work to increase revenues from parking and enforcement, supported by employing an additional 50 parking and transport officers to enforce parking, improve safety, and identify temporary traffic management issues.	2024/25

**We will measure success by:**

<b>Measure</b>	<b>2023/24 actual result</b>	<b>2024/25 target</b>	<b>2025/26 target</b>	<b>2026/27 target</b>
<b>Farebox Recovery Ratio</b> The percentage of the total PT operating cost recovered through fares*	31.0%	35%	36%	37%

*\*Total PT fare revenue is forecast to increase by \$60m/95m/125m compared to 2023/24 (not cumulative). Refer to appendix 3 for more detail on how we calculate each measure.*

## 2.6 Core business and other activities

This section represents a summary of AT's activities that do not fall within the five accelerated areas above. This includes our commitments to council's strategic priorities, and activities that AT undertakes under our purpose to contribute to an effective, efficient, and safe Auckland land transport system in the public interest.

This includes delivering our capital programme with an approach to 'fix, finish and optimise' and deliver better, faster, and cheaper. Our continued role and engagement on projects such as Waitematā Harbour Connections and Northwest Busway will support council direction. Work completed to date on large projects, such as light rail, will be retained so that the lessons and information can best be used in the future where appropriate.

Taking care of our existing assets is a priority in our investment activities. We will deliver a renewals programme that reflects the level of central government funding and matched 50/50 by local funding from Auckland Council. The RLTP 2024 provides for \$5.5 billion of renewals over the next ten years that require central government co-funding of approximately \$2.75 billion. If less co-funding is made available through the NLTP 2024, the total level of renewals will need to be adjusted and any relevant targets reconsidered.

### We will:

Maintain our assets to a safe standard within funding limits and seek opportunities to improve funding towards our approved Asset Management Plan in a way that minimises the whole of life cost and considers the unique needs of different areas across the region such as rural areas.	2024/25 - 26/27
Seek continuous improvement in reducing greenhouse gas emissions associated with our assets, operations, services, and corporate activities; including developing processes that will enable us to quantify embodied emissions, and develop a single framework of agreed reporting metrics with Council.  Our actions are outlined in our Sustainability Strategy 2024.	2024/25 – 26/27
Contribute to the preparation of a compliant group climate statement to ensure Auckland Council meets its reporting and record-keeping obligations as a climate reporting entity under the Financial Markets Conduct Act 2013.	2024/25
Progress the Better Faster Consents work programme alongside Council and Watercare to simplify and improve the resource consenting process.	2024/25
Deliver safety interventions including improving safety near schools and at high-risk locations, delivering coordinated road safety education, supporting increased police enforcement, continuing to advocate for a review of safety-related fines and penalties and the accelerated expansion of automated enforcement.	2024/25 - 26/27
Publish Ka Tupu, Ka Wana, Achieving Māori Outcomes Plan.	Q2 2024/25
Review the decision-making framework for identifying and prioritising renewal work to align with network improvements.	2025/26
Regularly report to Auckland Council through the Transport and Infrastructure Committee on delivery of the Regional Land Transport Plan (annually), as well as regular capital delivery milestones, bus priority lanes and active mode kilometres added to the network (quarterly).	2024/25 - 26/27

**We will measure success by:**

<b>Measure</b>	<b>2023/24 actual result</b>	<b>2024/25 target</b>	<b>2025/26 target</b>	<b>2026/27 target</b>
<b>Safety</b> Deaths and serious injuries on the road network in Tāmaki Makaurau Auckland	586	No more than 576	No more than 566	No more than 556
<b>Emission reduction</b> Reduction in operational emissions, including Public Transport activities (from 2021/22 baseline)	11% increase (from 2021/22)	10% increase from 2021/22*	0% change from 2021/22*	5% decrease from 2021/22*
<b>Cycle counts</b> The number of people cycling past defined count sites	3.35m	3.44m	3.52m	3.61m
<b>Asset condition</b> Proportion of key assets in moderate or better condition	85%	85%	85%	85%
<b>Road maintenance</b> Percentage of the sealed local road network that is resurfaced or rehabilitated	6.1%	6.5%	7.0%	7.5%
<b>Resource consent timeframes</b> Adherence to the service level agreement to provide specialist input into the resource consents	79%	80%	85%	90%
Percentage of <b>capital budget</b> invested	99%	90%	90%	90%
Percentage of <b>capital programme</b> delivery on time	New measure	Develop and agree methodology, begin reporting	TBC	TBC
Percentage of <b>procurement spend</b> with Māori-owned businesses	2.3%	3%	4%	5%
<b>Number of marae improved</b> by AT's programmes	1	1	1	1

*\*Emission reduction targets are the same as a reduction of 1% / 10% / 14% from the 2023/24 actual result. Refer to appendix 3 for more detail on how we calculate each measure.*



## Summary of 2024/25 – 2026/27 Capital Programme

Note: The following tables reflect the latest capital programme for the period 2024/25 – 2026/27 as outlined in the Regional Land Transport Plan 2024 (RLTP). This capital programme should be treated as provisional until the National Land Transport Plan (NLTP) is available, which is expected later this year. This capital programme has been updated from the LTP as approved by council and published. AT will engage collaboratively with Auckland Council beginning September/October 2024 after the NLTP has been finalised. We will make potential changes to the capital programme then.

### 2024/25 Budget by Programme/Project

Programme/Project	2024/25 Budget (\$m)	Programme/Project	2024/25 Budget (\$m)
Renewals Road Pavement	189	Eastern Busway Pakuranga to Botany	264
Renewals Streets	93	Urban Cycleways GI to Tāmaki Drive Stage 4	27
Flood Response	57	Property for Route Protection and Encroachments	26
Renewals Public Transport	35	Point Chevalier to Westmere Improvements	21
Renewals Structures	22	Drury Local Road Improvements	21
Unsealed Road Improvements	13	Cycling for Climate Action	17
Other	10	Supporting Growth Post Lodgement	16
<b>Subtotal: Renewals and Resilience</b>	<b>419</b>	Wainui and Redhills Growth Improvements	14
		Mangere West Cycleway	10
EMU Rolling Stock Tranche for CRL	173	Other	23
Decarbonisation of Ferries Stage 1	65	<b>Subtotal: Urban Development</b>	<b>439</b>
Level Crossings Removal for CRL	22		
Midtown Bus Improvements for CRL	20	Road Safety Programme	37
Great North Road Improvements	15	Community Network Improvements	22
Karangahape Roadside for CRL	12	Local Board Transport Capital Fund	20
Bus Access and Optimisation	12	Hill Street Intersection Improvement	15
Northwest Bus Improvements	10	Network Optimisation	12
Rosedale Bus Station and Corridor	10	Community Cycling and Micromobility	9
Public Transport Safety and Amenity	9	Intelligent Transport Systems	5
EMU Stabling and Depots for CRL	8	Time-of-use Programme (congestion)	4
First-and-final leg for RTN stations	2	Room to Move Programme	3
Other	27	Bus and Transit Lanes programme (dynamic lanes)	3
<b>Subtotal: Public Transport</b>	<b>384</b>	Marae and Papakāinga (Turnouts) safety	1
		Freight Network Improvements	1
Customer and Business Systems	34	Other	20
Core Technology and Renewals	14	<b>Subtotal: Network and Safety</b>	<b>152</b>
Contactless payment and HOP Hardware Refresh	10		
National Ticketing System (AT assets)	6		
<b>Subtotal: Technology and Change</b>	<b>65</b>		
<b>TOTAL</b>			<b>1459</b>

## 2024/25 – 26/27 Budget by Portfolio and Project Group

Portfolio	Group	2024/25 (\$m)	2025/26 (\$m)	2026/27 (\$m)
<b>1. Renewals &amp; Resilience</b>	Asset Renewals	348.0 m	426.8 m	520.2 m
	Resilience/Adaptation	70.7 m	100.0 m	74.6 m
<b>2. Public Transport</b>	Bus City Centre	25.8 m	22.6 m	45.1 m
	Bus Projects	46.5 m	42.1 m	50.8 m
	Ferry Projects	65.5 m	83.2 m	90.6 m
	Rail Projects	223.8 m	94.9 m	33.9 m
	Rapid Transit Access	22.8 m	44.4 m	65.9 m
<b>3. Urban Development</b>	Cycleway Projects	86.3 m	74.0 m	57.8 m
	Eastern Busway	264.4 m	229.2 m	131.2 m
	Priority Growth Areas	46.3 m	55.1 m	81.7 m
	Property for Growth	42.0 m	39.3 m	34.3 m
<b>4. Network &amp; Safety</b>	Community Response	38.5 m	46.7 m	52.8 m
	Local Board Priority	22.9 m	31.1 m	26.3 m
	Network Optimisation	38.1 m	39.3 m	49.8 m
	Parking and Demand	10.6 m	83.6 m	38.5 m
	Road Safety	41.9 m	60.7 m	67.7 m
<b>5. Technology &amp; Change</b>	Customer Systems	64.7 m	60.8 m	53.7 m
		<b>1,458.8 m</b>	<b>1,533.9 m</b>	<b>1,475.0 m</b>

## 2.7 Financial statements

The operating budget lines below follow the format of the quarterly reporting templates. The aim is to have consistency in the presentation to make it easier for users to interpret and compare to other information.

General Notes for financial statements:

1. 2023/24 is based on the approved 2023/24 budget.
2. 2024/25 to 2026/27 are based on the 2024 Long-term plan (LTP).

Operating budgets - \$m	2022/23 Actual	2023/24 Budget	2024/25 LTP	2025/26 LTP	2026/27 LTP
<b>Net direct expenditure/ (income)</b>	<b>387</b>	<b>403</b>	<b>480</b>	<b>526</b>	<b>547</b>
<b>Direct revenue</b>	<b>753</b>	<b>802</b>	<b>929</b>	<b>1,013</b>	<b>1,032</b>
Fees & user charges	182	264	351	394	426
Operating grants and subsidies (external)	515	477	502	548	541
Other direct revenue	55	61	76	72	64
<b>Direct expenditure</b>	<b>1,139</b>	<b>1,205</b>	<b>1,409</b>	<b>1,539</b>	<b>1,578</b>
Employee benefits	177	173	196	202	209
Grants, contributions & sponsorship	0	0	3	3	0
Other direct expenditure	962	1,032	1,210	1,334	1,369
<b>Other key operating lines</b>					
AC operating funding	425	439	512	559	579
Vested assets	366	275	275	275	275
Non-direct revenue					
Non-direct expenditure					
Depreciation and amortisation	527	552	550	574	591
Net finance expense	25	28	23	22	22
Principal repayments	8	8	10	11	11
Tax expense					

2022/23 Actual - \$m	2022/23 Actual	2023/24 Budget	2024/25 LTP	2025/26 LTP	2026/27 LTP
<b>Net direct expenditure/ (income)</b>	<b>387</b>	<b>403</b>	<b>480</b>	<b>526</b>	<b>547</b>
Roads and footpaths	126	122	144	143	154
PT	261	282	336	383	392

Operating budgets by AT activity - \$m	2022/23 Actual	2023/24 Budget	2024/25 LTP	2025/26 LTP	2026/27 LTP
<b>Net direct expenditure/ (income)</b>	<b>387</b>	<b>403</b>	<b>480</b>	<b>526</b>	<b>547</b>
Roads and footpaths	103	103	123	123	132
Parking and Enforcement <sup>1</sup>	-46	-97	-83	-94	-94
Public Transport - Bus	125	189	185	205	222
Public Transport - Rail	60	70	86	109	104
Public Transport - Ferry	18	21	24	24	24
Public Transport - Other	23	24	32	39	27
Internal Support	103	94	113	120	131

1. The Parking and Enforcement activity generates a surplus.

Capital expenditure budgets - \$m	2022/23 Actual	2023/24 Budget	2024/25 LTP	2025/26 LTP	2026/27 LTP
<b>Capital expenditure</b>	<b>818</b>	<b>1,058</b>	<b>1,459</b>	<b>1,534</b>	<b>1,475</b>
- to meet additional demand	98	133	519	432	350
- to improve the level of service	475	517	487	551	487
- to replace existing assets	245	408	452	550	638
<b>Capital funding sources</b>	<b>855</b>	<b>1,058</b>	<b>1,459</b>	<b>1,534</b>	<b>1,475</b>
Capital grant revenue - external	408	469	680	767	738
Capital grant revenue - CIP	32	76			
Capital grant revenue - EECA					
Capital grant revenue - NZUP			93		
Capital grant revenue - IAF			6		
AC capital funding	415	513	680	767	738
Asset sales					

## Other financial information

Years	Proceeds from sale of assets
2022/23 Actual	\$1.283m
2023/24 Actual (31 December 2023 YTD)	\$0.061m

Assets and Shares	As at 31 December 2023
Current value of assets	\$28.2b
Shareholders equity ratio	97.2%

## Prospective statement of comprehensive income

\$000 Financial year ending 30 June	2023/24 Budget	2024/25 LTP	2025/26 LTP	2026/27 LTP
<b>Revenue</b>				
Operating funding from Auckland Council	439,359	512,444	558,666	579,262
Capital funding from Auckland Council	511,990	679,963	766,892	737,607
Fees and user charges	264,209	351,011	394,017	426,446
Subsidies and grants	1,022,654	1,280,886	1,314,437	1,278,822
Development and financial contributions				
Vested assets (non-Crown)	275,000	275,000	275,000	275,000
Other revenue	61,155	76,173	71,842	63,891
<b>Total revenue</b>	<b>2,574,366</b>	<b>3,175,476</b>	<b>3,380,853</b>	<b>3,361,028</b>
<b>Expenditure</b>				
Employee benefits	173,145	195,901	202,269	208,776
Depreciation and amortisation	552,450	549,785	573,778	591,405
Grants, contributions and sponsorship	0	3,250	3,250	0
Other operating expenses	1,031,954	1,209,810	1,333,812	1,369,298
<b>Total expenses</b>	<b>1,757,549</b>	<b>1,958,746</b>	<b>2,113,108</b>	<b>2,169,479</b>
Finance revenue				
Finance costs	28,086	22,681	22,166	21,625
<b>Net operating income</b>	<b>788,731</b>	<b>1,194,050</b>	<b>1,245,579</b>	<b>1,169,924</b>
Net other gains/(losses)				
Share of surplus/(deficit) in associates and jointly controlled entities				
<b>Surplus/(deficit) before income tax</b>	<b>788,731</b>	<b>1,194,050</b>	<b>1,245,579</b>	<b>1,169,924</b>
Income tax expense				
<b>Surplus/(deficit) after income tax</b>	<b>788,731</b>	<b>1,194,050</b>	<b>1,245,579</b>	<b>1,169,924</b>
<b>Surplus/(Deficit) after income tax is attributable to:</b>				
Auckland Transport	788,731	1,194,050	1,245,579	1,169,924
Non controlling interest	0	0	0	0
<b>Other comprehensive income</b>				
Net gain on revaluation of property, plant and equipment				
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>788,731</b>	<b>1,194,050</b>	<b>1,245,579</b>	<b>1,169,924</b>
<b>Total comprehensive income is attributable to:</b>				
Auckland Transport	788,731	1,194,050	1,245,579	1,169,924
Non controlling interest	0	0	0	0

## Prospective statement of changes in equity

\$000 Financial year ending 30 June	2023/24 Budget	2024/25 LTP	2025/26 LTP	2026/27 LTP
<b>Equity at 1 July</b>	<b>27,048,791</b>	<b>27,837,522</b>	<b>29,031,571</b>	<b>30,277,150</b>
Total comprehensive income	788,731	1,194,050	1,245,579	1,169,924
Movements in non-controlling interest	0	0	0	0
<b>Total comprehensive income</b>	<b>788,731</b>	<b>1,194,050</b>	<b>1,245,579</b>	<b>1,169,924</b>
Investment by Auckland Council		0	0	0
<b>Equity at 30 June</b>	<b>27,837,522</b>	<b>29,031,571</b>	<b>30,277,150</b>	<b>31,447,074</b>
<b>Total comprehensive income is attributable to:</b>				
Auckland Transport	788,731	1,194,050	1,245,579	1,169,924
Non controlling interest	0	0	0	0
	<b>788,731</b>	<b>1,194,050</b>	<b>1,245,579</b>	<b>1,169,924</b>

## Prospective statement of financial position

\$000 Financial year ending 30 June	2023/24 Budget	2024/25 LTP	2025/26 LTP	2026/27 LTP
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	4,978	26,718	26,718	26,718
Receivables	643,379	671,758	671,758	671,758
Inventories	12,040	12,965	12,965	12,965
Other assets	13,537	0	0	0
Non-current assets held for sale	1,451	1,451	1,451	1,451
Derivative financial instruments	514	3	3	3
<b>Total current assets</b>	<b>675,899</b>	<b>712,895</b>	<b>712,895</b>	<b>712,895</b>
<b>Non-current assets</b>				
Receivables	0	0	0	0
Property, plant and equipment	27,815,824	28,974,807	30,209,812	31,368,621
Intangible assets	164,829	145,393	145,393	145,393
Derivative financial instruments	372	0	0	0
<b>Total non-current assets</b>	<b>27,981,025</b>	<b>29,120,200</b>	<b>30,355,205</b>	<b>31,514,014</b>
<b>TOTAL ASSETS</b>	<b>28,656,924</b>	<b>29,833,095</b>	<b>31,068,100</b>	<b>32,226,909</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables and accruals	331,248	326,171	326,171	326,171
Employee entitlements	19,051	18,444	18,444	18,444
Derivative financial instruments	0	4,190	4,190	4,190
Borrowings	11,243	11,742	11,742	11,742
Provisions	5,229	0	0	0
<b>Total current liabilities</b>	<b>366,771</b>	<b>360,547</b>	<b>360,547</b>	<b>360,547</b>
<b>Non-current liabilities</b>				
Payables and accruals	264	0	0	0
Employee entitlements	290	290	290	290
Derivative financial instruments	294	679	679	679
Borrowings	451,784	441,120	430,546	419,432
Provisions				
Other non-current liabilities				
<b>Total non-current liabilities</b>	<b>452,632</b>	<b>442,089</b>	<b>431,515</b>	<b>420,401</b>
<b>TOTAL LIABILITIES</b>	<b>819,403</b>	<b>802,636</b>	<b>792,062</b>	<b>780,948</b>
<b>NET ASSETS</b>	<b>27,837,521</b>	<b>29,030,459</b>	<b>30,276,037</b>	<b>31,445,961</b>
<b>EQUITY</b>				
Contributed capital	13,272,241	13,282,925	13,282,925	13,282,925
Accumulated funds	6,314,498	7,496,752	8,742,330	9,912,254
Reserves	8,250,782	8,250,782	8,250,782	8,250,782
<b>Total ratepayers equity</b>	<b>27,837,521</b>	<b>29,030,459</b>	<b>30,276,037</b>	<b>31,445,961</b>
Non-controlling interest				
<b>TOTAL EQUITY</b>	<b>27,837,521</b>	<b>29,030,459</b>	<b>30,276,037</b>	<b>31,445,961</b>



## Prospective statement of cashflows

\$000 Financial year ending 30 June	2023/24 Actual	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
<b>Cashflow from operating activities</b>				
<b>Cash provided from:</b>				
Income from activities	325,364	460,207	465,858	490,337
Operating funding from Auckland Council	439,361	512,446	558,666	579,262
Capital funding from Auckland Council	511,990	679,963	766,892	737,607
Operating subsidies and grants - Waka Kotahi	476,651	502,071	547,546	541,215
Capital funding from Waka Kotahi	539,000	679,963	766,892	737,607
Capital grant revenue - CIP	7,000	98,850	0	0
Interest received	0	0	0	0
Net GST received/(paid)				
<b>Total cash provided</b>	<b>2,299,365</b>	<b>2,933,499</b>	<b>3,105,853</b>	<b>3,086,027</b>
<b>Cash applied to:</b>				
Payments to suppliers and employees	1,205,099	1,420,138	1,539,330	1,578,074
Payments to statutory entities for levies				
Interest paid	28,086	22,681	22,166	21,625
Net GST received/(paid)				
<b>Total cash applied</b>	<b>1,233,185</b>	<b>1,442,819</b>	<b>1,561,497</b>	<b>1,599,700</b>
<b>Net cash from operating activities</b>	<b>1,066,180</b>	<b>1,490,680</b>	<b>1,544,357</b>	<b>1,486,327</b>
<b>Cashflow from investing activities</b>				
<b>Cash provided from:</b>				
Proceeds from asset sales		0	0	0
<b>Total cash provided</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash applied to:</b>				
Capital expenditure projects	1,057,990	1,458,775	1,533,783	1,475,214
<b>Total cash applied</b>	<b>1,057,990</b>	<b>1,458,775</b>	<b>1,533,783</b>	<b>1,475,214</b>
<b>Net cash from investing activities</b>	<b>(1,057,990)</b>	<b>(1,458,775)</b>	<b>(1,533,783)</b>	<b>(1,475,214)</b>
<b>Cashflow from financial activities</b>				
<b>Cash provided from:</b>				
Loan from Auckland Council	0	0	0	0
Borrowings				
Other				
<b>Total cash provided</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash applied to:</b>				
Principal repayments	8,190	10,165	10,574	11,115
Payment of finance leases				
<b>Total cash applied</b>	<b>8,190</b>	<b>10,165</b>	<b>10,574</b>	<b>11,115</b>
<b>Net cash from financing activities</b>	<b>(8,190)</b>	<b>(10,165)</b>	<b>(10,574)</b>	<b>(11,115)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>0</b>	<b>21,740</b>	<b>0</b>	<b>(1)</b>
Opening cash balance	4,978	4,978	26,718	26,718
<b>Closing cash balance</b>	<b>4,978</b>	<b>26,718</b>	<b>26,718</b>	<b>26,717</b>

# Appendix 1: Legislative requirements

## Board's approach to governance

AT was established under the Local Government (Auckland Council) Amendment Act 2010 as a Council-Controlled Organisation (CCO) of the Auckland Council. Auckland Council is effectively our sole shareholder.

AT's purpose is to contribute to an effective and efficient land transport system to support Auckland's social, economic, environmental, and cultural well-being.

Auckland Transport's activities are directed and guided at a strategic level by the Board of Directors.

The Board has overall responsibility for delivering transport in Auckland. This includes managing and controlling public transport and local roads, as well as preparing the Auckland Regional Land Transport Programme.

All decisions relating to the operation of Auckland Transport 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.

## Board composition and responsibilities

The AT Board consists of between 6 and 8 voting members plus 1 non-voting member (appointed from Waka Kotahi). In 2024 the Board consists of 6 voting members including two appointed councillors.

The Board's core responsibilities are to:

- negotiate statements of intent with council;
- act consistently within 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
- provide leadership in relationships with key stakeholders.

The Board has four committees plus a working group as follows which assist it in discharging its governance obligations. Each is chaired by a member of the Board:

- Design and Delivery Committee;
- Finance and Assurance Committee;
- Safety Committee; and
- People and Culture Committee.

## Board meetings

The Board will ensure that the following two specific meetings during each financial year are open to members of the public:

- A meeting to consider AT's performance under its SOI in the previous financial year
- A meeting to consider the Council's shareholder comments on the draft SOI for the following financial year

There are six board scheduled meetings each year, with additional meetings held if necessary. The specific times and locations of these meetings will be publicly notified in newspapers with a circulation across Auckland, and on the AT website. There are also up to 30 board committee or working group meetings, where directors have the opportunity to work through specific matters with management.

## Acquisition of shares

The Board will ensure that AT complies with the requirements of the Council's CCO Accountability Policy and Governance Manual before subscribing for, purchasing, or otherwise acquiring shares in any company or other organisation.

## Accounting Policies

### 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 forecast financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

### Measurement basis

The forecast 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.

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

Items in the forecast financial statements are exclusive of GST, with the exception of receivables and payables.

### Going concern

Auckland Transport receives funding from Auckland Council, Waka Kotahi and other government organisations in order to deliver the agreed annual operational and capital programmes within Auckland Transport's Statement of Intent and Auckland Council's Long-Term Plan.

Auckland Council continues 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. Central government also provides additional funding to support public transport recovery and adverse weather events.

Based on the funding set out in the recently approved Auckland Council Annual Plan, and for subsequent years, the approved Long-term Plan (LTP) and New Zealand Transport Agency Waka Kotahi's National

Land Transport Programme, AT receives sufficient revenue to meet operating and capital costs. Accordingly, the forecast financial statements have been prepared on a going concern basis.

## **Significant accounting policies**

### **Revenue**

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.

### **Receivables**

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. Auckland Transport applies the simplified approach and records lifetime expected credit losses (ECLs) on receivables.

### **Property, plant and equipment**

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.

Assets, excluding land and properties held for roading purposes, are depreciated on a straight-line basis.

Auckland Transport's property, plant and equipment are held at fair value or depreciated historical cost on a class of assets basis. Revaluations for asset classes held at fair value are performed 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.

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.

### **Payables and accruals**

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.

### **Borrowings**

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.

### **Change in accounting policies**

There had been no change in accounting policies during the forecast years.

### **Use of estimates and judgements**

The preparation of forecast 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.

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.

## Appendix 2: Responses to Council’s strategic objectives

As a CCO, AT must respond to Council’s strategic direction. The Auckland Plan 2050 is Auckland Council’s long-term plan to ensure Auckland grows in a way that will meet the opportunities and challenges of the future.

Auckland Transport supports the six outcomes outlined in the plan that will bring about the change needed for Auckland’s future as described below:

<b>Auckland Plan Outcomes</b>	<b>How Auckland Transport contributes</b>
Belonging and participation	Working with local boards to enhance the partnering relationship and deliver local transport-led initiatives in the local board area and across the region. Committing to open and timely engagement and collaboration with stakeholders, businesses, and communities to ensure best possible engagement and outcomes.
Māori identity and wellbeing	Guided by Kia Ora Tāmaki Makaurau - the council group’s Māori Outcomes Performance Measurement Framework – to deliver Māori outcomes in Tāmaki Makaurau. Facilitating engagement forums with mana whenua on operational matters, projects, programmes, strategies, and plans. Improving opportunities for mataawaka Māori to contribute to our decision-making processes.
Homes and places	Working with crown entities and the council group on housing developments and urban transformation opportunities to achieve integrated land-use and transport solutions in agreed priority areas.
Transport and access	Developing a compelling transport strategy that engages stakeholders, communities, and the people of Tāmaki Makaurau and supports a single transport plan for Auckland across all organisations in the eco-system. Identifying congestion and transport network productivity challenges and actively implementing improvements Enhancing real-time network performance and improving real-time communications to users. Developing a programme of technology-based solutions to improve the arterial road corridor and transport network productivity. Delivering ongoing road safety improvements in our communities Prioritising services across our network based on customer needs evidenced by research and insight. Ensuring public transport is a viable option, increasing mode share through user choice. Improving transport equity through prioritised investment across the region. Optimising the transport network by ensuring a balanced response to customer demand, safety, social service provision, whilst meeting performance criteria. Minimising the impact of disruptions on the network.
Environment and cultural heritage	Developing a transition plan setting out AT’s plan to contribute to and prepare for a rapid global transition towards a low GHG-emissions economy.

	Ensuring AT activities support a climate resilient transport network.
Opportunity and prosperity	<p>Connecting Aucklanders to where they want to go.</p> <p>Improving access to work and leisure opportunities, enabling Aucklanders to thrive.</p> <p>Ensuring freight connections and goods and services networks are maintained for better economic outcomes.</p> <p>Developing and implementing procurement practices to create economic opportunities for Māori.</p> <p>Enabling greater public-private partnerships leveraging commercial opportunities and integrating these into the transport system to reduce costs.</p>

# Appendix 3: Notes on measures and targets

## How we will be held accountable

We will provide regular reports to Council's Transport and Infrastructure Committee (the committee) on our activities. Additionally, we will provide a quarterly update including progress on all SOI deliverables, and results for the SOI measures, as described in Part 2 Statement of performance expectations.

We will continue to report on the Department of Internal Affairs (DIA) mandatory measures annually. We will report on LTP measures to the committee twice each year, as included in 6-month (quarter 2) and year-end reports. The DIA mandatory measures and LTP measures can be found below in *Additional reporting requirements*.

AT will use the following guidelines to report on performance against the targets:

- where performance is within +/- 2.5% of a target, the target will be considered to be met;
- where performance is above a target by more than 2.5%, the target will be considered to be exceeded;
- where performance is below a target by more than 2.5%, the target will be considered to be not met.

## Notes on SOI measures

Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Customer perceptions</b> AT listens and responds to Aucklanders' needs	29%	33%	36%	39%
<p>The 2022/23 baseline annual result was 27%. The SOI 2023/24 target was 30%.</p> <p>We measure customer perceptions from our Brand and Reputation tracker. Data is collected via online surveys conducted with a representative sample of Aucklanders in relation to age, gender, ethnicity and region. Respondents are sourced through an online panel partner amongst people who have opted in to completing this type of feedback.</p> <p>These results are calculated as the 12-month rolling average of survey results.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Formal complaints</b> Percentage of total AT case volume resulting in a formal complaint	0.3%	<0.6%	<0.5%	<0.4%
<p>This measure has a baseline of 0.77% set in 2020 and was included in previous SOIs as a response to the CCO Review. The SOI 2023/24 target was &lt;0.65%. Significant case volume in 2023/24 due in part to HOP outages led to a lower overall percentage of cases that resulted in formal complaints.</p> <p>The final result is the percentage of all cases throughout the year that resulted in a formal complaint.</p>				



Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Complaint resolution</b> Percentage of formal complaints that are resolved within 20 working days	93.6%	90%	90%	90%
<p>This measure has a baseline of 79% in 2020/21 and was included in previous SOIs as a response to the CCO Review. The SOI 2023/24 target was 85%.</p> <p>The final result is the percentage of all formal complaints throughout the year that are resolved within 20 working days.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Local board satisfaction with engagement</b>	47%	47%	48%	50%
<p>An elected member survey was previously conducted by Council twice each electoral term (every 18 months) to measure elected member satisfaction with staff performance. The elected member survey was put on hold during FY20/21 while the project was reviewed. The SOI 2023/24 target was to implement the survey process, and set targets.</p> <p>In 2024/25, AT expects to conduct two surveys. The final result will be the average of all surveys conducted each year.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Average travel time</b> across the arterial network	23 minutes	24 minutes	23 minutes	23 minutes
<p>Identified as a key measure from the Letter of Expectation, our targets aim to hold travel times steady on the arterial network. This measure was introduced in the SOI 2023/24 with a baseline of 24 minutes.</p> <p>This measure calculates the average travel speed of people in cars and buses in the morning peak hour and uses the average trip in Auckland (10 km for the purposes of this calculation). The final result will be the average of each monthly result in the financial year.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Arterial productivity</b> Average number of people moving per hour during the morning peak	28,639	28,000	30,000	32,000
<p>Productivity is measured as the average speed multiplied by number of people per lane in one hour on the congested parts of 32 monitored arterial routes, irrespective of what vehicle people are travelling in.</p> <p>The 2022/23 baseline result for this measure is 28,000, and the SOI 2023/24 target was 28,000. The target for 2023/24 has been kept at 28,000 as we experience ongoing disruption on the arterial network due to construction.</p> <p>The final result will be the average of each monthly result in the financial year.</p> <p>The 32 monitored arterial routes are: Great North Rd; Manukau Rd; Balmoral Rd; Clark/Wolverton/Tiverton; Great South Rd; Dominion Rd; Tāmaki Dr; Penrose/Waipuna Rd; Sandringham Rd; Blockhouse Bay Rd; Hillsborough/Godley Rd; Mt Albert/Mt Smart/Mays; Albany Hwy; Constellation Dr; East Coast/Forrest Hill; Esmonde Rd/Lake Rd; Whangaparāoa Rd; Onewa Rd; Oteha Valley Rd; Tristram Avenue; Wairau/Barrys Point; Te Irirangi Rd; Mangere/Massey; Ormiston/Sandstone Rd; Roscommon/Weymouth Rd; Wiri Station/Mill Rd; Mt Wellington Hwy/Great South; Ngapipi Dr/Kepa Rd/Āpirana; East Tāmaki/Springs Rd; Ellerslie Panmure/Ti Raukau Dr; Lincoln Rd; and Te Atatū/Edmonton Rd.</p>				

Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Freight performance</b> Percentage of the freight network without congestion in the interpeak	86.5%	85%	85%	85%
<p>Proportion of the freight network operating at Level of Service C or better during the interpeak. The monitored freight network is the Future Connect Strategic Freight Network. Level of service is measured by median speed as a percentage of the posted speed limit and categorised as follows:</p> <ul style="list-style-type: none"> <li>• A: 90% and greater</li> <li>• B: 70-90%</li> <li>• C: 50-70%</li> <li>• D: 40-50%</li> <li>• E: 30-40%</li> <li>• F: less than 30%</li> </ul> <p>Level of service D-F broadly represent “congested” conditions.</p> <p>The 2023/23 baseline result for this measure is 87%. The SOI 2023/24 target was 85%. The final result will be the average of each monthly result in the financial year.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Bus Priority</b> Kilometres of bus priority (Including SVL and dynamic lanes) delivered	4.9 km	5 km	10 km	10 km
<p><b>This measure has been newly included for the SOI 2024-2027.</b></p> <p>Bus priority includes dedicated bus lanes, special vehicle lanes, and dynamic lanes. This measure includes improvements to existing priority lanes, such as review of time-periods.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>PT boardings</b> Annual number of PT trips	86.8m	95.9m	106.8m	116.0m
<p>Our patronage targets reflect a progressive reinstatement of cancelled services, continued trends around working from home, and the impact of the rail network rebuild. These targets have been increased since the SOI 2023/24 to reflect additional funding provided for in the LTP.</p> <p>The SOI 2023/24 target was 83.4m. The final result will be the 12-month sum of total patronage by bus, train, and ferry (including commercial services) across the financial year.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>PT reliability</b> Percentage of services that start according to schedule	94.1%	Bus: 98% Ferry: 98% Rail: 85%	Bus: 98% Ferry: 98% Rail: 85%	Bus: 98% Ferry: 98% Rail: 90%
<p>Reliability is defined as a percentage of reliable operated services out of all scheduled services. A reliably operated service is defined as a scheduled service that operated by the intended mode and departed the first stop within -0:59 min and +9:59 min of the scheduled start time. A service that was not operated will not have an actual departure time and will count as an unreliable service).</p> <p>The reliability measure for 2024/25 to 2026/27 has been revised to separate targets by mode.</p> <p>The SOI 2023/24 target was 95%. The final result will be a 12-month rolling average separated mode.</p> <p>Our targets reflect an ambition to run our PT service network at 98% reliability. However, our rail reliability targets have been set to be no higher than those in KiwiRail's Statement of Corporate Intent 2025-2027. We acknowledge that the KiwiRail measure relates to the number of completed trips (reaching terminal destination), whereas our measure relates to the number of trips that begin.</p> <p>This measure is a customer-oriented perspective of reliability and is different from our operators' performance contracts as outlined in the Public Transport Operating Model (PTOM).</p>				

Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>PT punctuality</b> Percentage of services that start and end according to schedule	88%	88%	89%	89.5%
<p>Punctuality is defined as a percentage of punctual operated services out of all operated services, and weighted by patronage.</p> <p>A punctual operated service is defined as a scheduled service that operated by the intended mode, and both (1) departed the first stop within -0:59 min and +4:59 min of the scheduled start time and (2) arrived at the last stop no later than +4:59 min of the scheduled arrival time.</p> <p>The SOI 2023/24 target was 87%. The final result will be a 12-month rolling average, weighted by patronage.</p> <p>This measure is a customer-oriented perspective of punctuality and is different from our operators' performance contracts as outlined in the Public Transport Operating Model (PTOM).</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>PT utilisation</b> Utilisation for frequent routes during peak	48%*	49%	50%	51%
<p><b>This measure has been newly included for the SOI 2024-2027.</b></p> <p>Utilisation provides a perspective on occupancy of seats provided during weekday peak direction on our Rapid Transit Network and Frequent Transit Network, including all public transport modes (Bus, Train, Ferry). Peak direction refers to inbound 7:00 am - 8:59 am and outbound 3:30 pm - 5:59 pm.</p> <p>PT utilisation is defined as a percentage. The measure reflects the peak number of passengers onboard each service out of all seats available.</p> <p>*The baseline for this measure is 48% and is based on the period from Apr-Jun 2024.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Farebox Recovery Ratio</b> The percentage of the total PT operating cost recovered through fares	31.0%	35%	36%	37%
<p>Farebox recovery measures the contribution passenger fares make to the operating cost of providing PT services. The result is the total of all fare revenue divided by all PT operating costs throughout the financial year. Results above these targets are considered meeting or exceeding.</p> <p>The 2023/24 performance was 31%. This excluded central government funding of youth discounts (which ended 30 June 2024). The SOI 2023/24 target was 25%.</p> <p>The 2024/25 target factors in increased fare revenue from the removal of youth discounts in 2023/24, and patronage growth from returning to full Bus and Ferry services. 2025/26 - 26/27 targets reflect the introduction of CRL and continued annualisation.</p>				

Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Safety</b> Deaths and serious injuries on the road network in Tāmaki Makaurau Auckland	586	No more than 576	No more than 566	No more than 556
<p>This measure tracks the number of deaths and serious injuries across all Tāmaki Makaurau Auckland roads, including state highways.</p> <p>The 2022/23 baseline was 665 deaths and serious injuries on all Auckland roads. The SOI 2023/24 target was no more than 640. The final result will be the 12-month sum of all deaths and serious injuries on Auckland roads across the financial year.</p> <p>The targets for the 2024 SOI have been revised to reflect the contribution that we expect to make to safety on Auckland's transport system.</p> <p>As seen in previous years, safety outcomes can fluctuate year on year. This reflects random variation as well as external factors such as petrol price, demographic changes and traffic increases. We will continue to monitor both three- and five-year trends alongside year-on-year changes to measure progress.</p> <p>In previous years, this measure has reported against a calendar year target (January to December). These targets now relate to financial year (July to June), to be aligned with other SOI performance measures.</p> <p>The annual change in the number of deaths and serious injuries on local roads will still be reported separately as a DIA mandatory measure.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Emission reduction</b> Reduction in operational emissions including Public Transport activities (from 2021/22 baseline)	11% increase from 2021/22	10% increase from 2021/22 (1% decrease from 2023/24)	0% change from 2021/22 (10% decrease from 2023/24)	5% decrease from 2021/22 (14% decrease from 2023/24)
<p><b>This measure has been revised for the SOI 2024-2027.</b></p> <p>This measure is now baselined against the 2021/22 result of 100,613 tCO<sub>2</sub>e. The 2024/25 target reflects a forecasted increase of 10% above the 2021/22 baseline, primarily caused by relatively high level of PT service kilometres in 2024/25 relative to base year 2021/22 that was still impacted by Covid. The rate of decarbonisation of PT services in 2024/25 – 25/26 is less than the rate of increase in emissions due to increased service kilometres.</p> <p>These targets are the same as a 1% / 10% / 14% decrease from the 2023/24 actual result.</p> <p>Operational emissions relate to the GHG emissions emitted directly or indirectly during the operational phase of assets, product, and services of Auckland Transport. These include corporate activities, operational activities of AT's assets and public transport services provided by AT or through operators. This operational emissions boundary includes Scope 1, 2 and 3 of the AT emissions inventory excluding the Scope 3 related to embodied, enabled, avoided and upstream emissions.</p> <p>Scope 3 emissions sources of this KPI could be modelled based on sample emission activity database reported by third-party contractor(s) providing the services to AT.</p>				

Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Cycle counts</b> The number of people cycling past defined count sites	3.35m	3.44m	3.52m	3.61m
<p>The 2022/23 baseline result for this measure was 3.043 million trips in the past 12 months. The SOI 2023/24 target was 3.12m. Our targets have been set using an annual increase of 2.5% per year. The final result will be the 12-month sum of all cycle counts at nominated count sites across the financial year.</p> <p>Some trips may be counted more than once across the cycle network.</p> <p>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.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Asset condition</b> Proportion of key assets in moderate or better condition	85%	85%	85%	85%
<p><b>This measure has been revised for the SOI 2024-2027.</b></p> <p>Key assets include pavement assets, structures (bridges, major culverts, sea walls, car park buildings, airfields), and PT assets (train stations, bus stations, ferry terminals). The 2023/24 baseline is 85%.</p> <p>We are moving away from a Pavement Integrity Index (PII) and Surface Condition Index (SCI) to two new indices. In 2024/25, up to half of the network will be assessed using the SCI and PII and half under new methods. Due to this uncertainty in assessment methodology, and increasing funding levels to reach an annual resurfacing and rehabilitation result of 8-9.5%, the targets have been held steady at 85% for this SOI period.</p> <p>The final result will be the proportion of assets in moderate or better condition at the time of the last assessment in the financial year.</p> <p>Road maintenance standards and footpath condition will be reported separately as DIA mandatory measures.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Road maintenance</b> Percentage of the sealed local road network that is resurfaced or rehabilitated.	6.1%	6.5%	7.0%	7.5%
<p>The 2023 baseline was 4.6%. The SOI 2023/24 target was 6.0%. The final result will be the cumulative total of all road resurfacing completed in the financial year, in terms of percentage of the total sealed local road network.</p> <p>Our aim is to increase annual road resurfacing and rehabilitation to a target of 9.5%, but due to funding limitations this will occur outside of this SOI period.</p> <p>The percentage of the sealed local road network that is resurfaced or rehabilitated is a DIA mandatory measure.</p>				

Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Resource consent timeframes</b> Adherence to the service level agreement to provide specialist input into the resource consents	79%	80%	85%	90%
<p>The 2023 baseline was estimated at 50%. The SOI 2023/24 target was 70%. The final result will be reported as an average of all resource consents processed each quarter.</p> <p>Service levels have been agreed with Auckland Council as part of the Better, Faster Consents project as providing specialist input into 90% of required resource consents within 10 working days or an otherwise agreed timeframe.</p> <p>Processes are being implemented to reach the agreed service level of 90%; however, these processes are not expected to be completed until 2025/26. As the results are an average across the entire year, our targets for 2024/25 and 2025/26 are below the final agreed service level of 90%.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
Percentage of <b>capital budget invested</b>	99%	90%	90%	90%
<p>The SOI 2023/24 target was 90%.</p> <p>This provides a simple and straightforward measure of how well AT delivers on the capital budget. A breakdown of the 2023/24 capital programme is provided in section 2.6. Although we aim to deliver 100% of the capital programme each year, the targets are set at 90% due to factors outside of our control, such as delivery constraints, and funding made available throughout the year.</p> <p>The final result will be the annual capital spend as a percentage of \$1,459m.</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
Percentage of <b>capital programme delivery on time</b>	New measure	Develop and agree methodology, begin reporting	TBC	TBC
<p><b>This measure has been newly included for the SOI 2024-2027.</b></p> <p>AT will work to establish a baseline measure, and agree this methodology with council in 2024/25. This will likely be tracked at a programme level (e.g. renewals, safety, cycleways, and individual major projects).</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
Percentage of <b>procurement spend with Māori-owned businesses</b>	2.3%	3%	4%	5%
<p>The 2022/23 baseline for this measure is 1.3%. The SOI 2023/24 target was 2%.</p> <p>Our target includes direct and indirect spend (including extended supply chain).</p>				
Measure	2023/24 actual	2024/25 target	2025/26 target	2026/27 target
<b>Number of marae improved</b> by AT's programmes	1	1	1	1
<p><b>This measure has been newly included for the SOI 2024-2027.</b></p> <p>This measure is the outcome of our Marae and Papakāinga (Turnouts) Safety Programme.</p>				

## Additional reporting requirements

These targets below are aligned with Council's LTP 2024.

Source	Measure	2024/25 target	2025/26 target	2026/27 target
DIA measures	The change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number.	Reduce by 9	Reduce by 9	Reduce by 9
	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	83%	83%	83%
	The percentage of footpaths within Auckland that fall within the level of service or service standard for the condition of footpaths that is set out in AT's Asset Management Plan (AMP).	95%	95%	95%
	Percentage of the sealed road network that is resurfaced.*	6.5%	7.0%	7.5%
	Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames.	85%	85%	85%
LTP measures in addition to listed SOI measures	Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all rural roads.	92%	92%	92%
	Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban roads.	81%	81%	81%
	Percentage of road assets in acceptable condition (as defined by AT's AMP).	95%	95%	95%
	Percentage of passengers satisfied with public transport services.	85%	85%	85%

\*Also included as an SOI measure

# Appendix 4: Letter of Expectation



20 December 2023

Mark Darrow  
Acting Chair  
Auckland Transport

Tēnā koe Mark

## **Letter of Expectation for Statement of Intent 2024-2027**

This letter of expectation sets out the council's priorities and expectations to inform the development of the draft Statement of Intent (SOI) 2024-2027 of Auckland Transport.

It sets out common expectations across all council-controlled organisations (CCOs), and expectations specific to Auckland Transport as agreed by the Governing Body on 14 December 2023.

The content of this letter was approved by the Governing Body on 14 December 2023, with delegation to Deputy Mayor, Chair of the CCO Direction and Oversight Committee, relevant Lead Councillor and me to finalise and issue this letter of expectations.

The Governing Body also approved extensions of the statutory deadlines for the SOI process, as is allowed in the Local Government Act 2002, Schedule 8, section 4. This means the due dates for the process are:

- date of submission of the draft SOIs is on or before 1 April 2024
- date for final submission of SOIs is on or before 31 July 2024.

Please liaise with CCO Governance staff about ensuring these dates can be met. Council will likely consider its shareholder feedback on draft SOIs at the Transport and Infrastructure Committee meeting 23 May 2024.

### **Part 1. Expectations of all CCOs**

#### ***i) Alignment to final 2024-2034 Long-term Plan (LTP)***

Council will commence public consultation on the draft 2024-2034 Long-term Plan in late February 2024. Following consultation and deliberations, a final Long-term Plan will be adopted in June 2024. Once this occurs, final SOIs (including financial information and performance measures) should be aligned with the final Long-term Plan and the strategic priorities contained within.

#### ***ii) Financial strategy and budget levers***

##### Group budget responsibility and transparency rules

- CCOs are expected to provide better advice to elected members, including:
  - use of cost/benefit analysis for spending decisions. CCOs are expected to work with council to determine a consistent methodology / approach for estimating benefits, which much outweigh costs.
  - some contestable advice (i.e. we are seeking advice provided to elected members which is separate from the council department or CCO asking to spend the money). This need not require external advice in every instance but can leverage expertise within the council group.
  - a thorough assessment of options against LTP strategic priorities.



### Capital expenditure

- Fix, finish, optimise – CCOs are expected to consolidate, finish what we have started, fix what is broken and get the best out of what we already have. CCOs should slow down growth in capital programmes, look after what we already have, before embarking on big new capital projects.
- Any new CCO capital projects to support growth should be in accordance with the direction of the Future Development Strategy.

### Operating savings

- Council group will need to deliver additional cost savings that have not been identified, of at least \$20m in year one, rising to \$50m in year three of the Long-term Plan (based on the core scenario).

### **iii) Better, faster, cheaper: cost savings and value for money**

- Fit for purpose technology: CCOs should not set up any separate technology functions and share generic technology functions
- CCOs are expected to deliver group shared services and consolidation of service functions (council will set the mandate for this)
- CCOs should work with council to optimise the performance of our significant property portfolio and implement the findings of the Group Property model review
- CCOs are expected to support and actively engage in any S17A, value for money and other reviews council may commission.

### **iv) Compliance with Statement of Expectations of substantive CCOs**

- CCOs should adhere to the Statement of Expectations of substantive CCOs, which explains how CCOs should conduct their business and manage their relationships with council and other interested groups (including matters such as the 'no surprises' principle)
- Visible chair and board leadership should be provided to elected members on CCO major activities and programmes, and at key project milestones
- Communication on significant public facing issues should be led as a partnership between the CCO Chair and elected members.

### **v) Engagement with government**

- Work with the new government, only where interests are aligned and messages are consistent with those of Auckland Council
- CCOs should inform council of any conversation with the government on any new proposal
- CCOs are expected to ensure any relevant data and work undertaken on the previous government's proposals are retained and utilised where relevant.

### **vi) Climate change (mitigation and resilience)**

- Continue to be guided by Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan by incorporating climate change considerations (whole of life GHG emissions and resilience) into work programmes and decisions
- Continue reducing climate emissions and improving climate resilience, with a focus on cost-effective delivery of climate projects
- Demonstrate leadership and accountability through measurement and reporting on the climate performance of their decisions
- Work towards reducing exposure and vulnerability to the impacts of climate-related risks (AC Group and Regional risks)
- If there are risks to a CCO's achievement of their carbon emissions targets, these should be highlighted through the CCO's regular quarterly reporting to the relevant committee, and as appropriate, to the council's Audit and Risk Committee.

- Reduce transport emissions in line with council's and government's targets and pathways to reach net zero by 2050.

**vii) Local Boards**

- CCOs are expected to provide timely, delivery focused, quality, concise advice to local boards.

**viii) Māori Outcomes**

- CCOs should continue to be guided by *Kia Ora Tāmaki Makaurau* and deliver, monitor and report on each Achieving Māori Outcomes plan
- CCOs are expected to actively work as a partner with Māori, along with central government and external partners
- CCOs should actively seek to maximise opportunities for Māori businesses to participate in procurement processes.

**Part 2. Key expectations of Auckland Transport**

The Council's key expectations of Auckland Transport are:

**i) Auckland Transport needs to build upon the priorities set out in the previous letter of expectation and reflect progress on these in the quarterly reports to Council**

- Continue work to change how they interact with Aucklanders and listen to Aucklanders
- Get the most out of the existing transport network
- Reduce Auckland Transport's cost to council
- Improve temporary traffic management, reduce its impact and seek revenue and improve open road traffic management to ensure it is removed when works are complete
- Take direction and oversight from council
- Support development of an integrated transport plan
- Reduce delays incurred by utilities & developers when working with Auckland Transport.

**ii) Auckland Transport's capital programme needs to reflect the priorities set out in the Mayoral Proposal**

The priorities outlined below should be read in conjunction with the Mayoral Proposal [[Mayoral Proposal for the draft Long-term Plan 2024-2034 \(aucklandcouncil.govt.nz\)](#)].

- I want Auckland Transport to fix the roads by looking after what we have. I expect you to fully fund our share of road renewals, though only if co-funding is available from the National Land Transport Fund. I also want to ensure the whole region benefits by progressing the Unsealed Road Improvement Programme.
- We also have to make public transport faster, more reliable and easier to use by:
  - introducing a \$50 weekly public transport pass, a maximum weekly charge for adults
  - introducing open loop ticketing, pay for public transport with payWave
- reducing travel times for public transport with network optimisation and dynamic lanes, and small capital works that will improve reliability of buses
- finishing existing mega rapid transit projects, notably the City Rail Link and Eastern Busway, including work to progress removing level crossings and low cost early improvements
- progressing work on affordable Rapid Transit network projects that Auckland needs, including delivery of dynamic lanes and other low cost early improvements
- progressing the integrated transport plan, which includes things like the Northwestern Busway, Avondale to Southdown rail and the third and fourth main trunk line
- progressing a trial of a low-cost bike ferry connecting Northcote and the City Centre.
- I expect you to cut spending on low-value initiatives and find cheaper alternatives for raised pedestrian crossings. I expect Auckland Transport to work with council in determining what is a low-value initiative, with the focus for safety spending being on initiatives that are proven to reduce deaths and serious injuries and where the community demonstrates support. This includes enabling variable speed reduction around schools.

- Auckland Transport need to refocus the cycle programme on low-cost opportunities to complete the cycling network, focusing on completing existing links and initiatives that can be delivered with minimal disruption.
- As noted in the common expectations, I expect Auckland Transport to manage operating cost pressure, make savings and increase revenue including from increasing parking fines and charges where allowed. I want to see increased revenue from enforcement and parking. We have provided in the draft long-term Plan funding to employ an additional 50 enforcement officers to assist with this.
- I also expect that all Regional Fuel Tax funds that are held in reserve are committed to be spent on projects where contracts have been signed, and that you continue work to maximise funding from NZ Transport Agency Waka Kotahi and KiwiRail.

**iii) In addition to the expectations in the Mayoral Proposal, I expect Auckland Transport to work with the council and wider council family to:**

Ensure group alignment with Future Development Strategy

We expect Auckland Transport to demonstrate that your capital and growth programme is aligned with Watercare and wider Council strategic direction, including the Future Development Strategy. To be clear – do not invest where we are not planning for growth and supply.

Auckland Transport and Watercare should support Auckland in rejecting and/or submitting in opposition to Private Plan Changes that do not conform with the Future Development Strategy.

Provide timely support and information to council when requested

I expect Auckland Transport to provide information as required and in a timely way to support council's financial, climate and statutory reporting. I do not want bureaucratic process and the need for confidentiality agreements to slow down these transactions. I expect these processes to be streamlined and actioned more quickly in the future.

Work with the Government on progressing the Integrated Transport Plan and Time of Use Charging and other matters

Auckland Transport is to work with government and council to get the best transport outcome for Auckland. This includes Auckland Transport progressing the Time of Use charging programme to reduce congestion, including supporting network infrastructure, and making use of other tools to support demand management where applicable. I expect Auckland Transport to continue to collaborate with council to advocate to government on a number of other initiatives, including advancing the ongoing northern cycle pathway, level crossing funding and changes to parking regulations.

I want to make clear that Auckland Council does not support NZ Transport Agency's recommended option for the Waitemata Harbour Crossing [refer to council resolution TICCC/2023/146] and is concerned that it has no governance or decision-making role in the Waitemata Harbour Connections project. Council does support early project improvements including the Northern Busway enhancements, the State Highway 1 Cycleway and the targeted active mode improvements to better connect people to busway stations and ferry terminals. The council supports staff and Auckland Transport's involvement in the development of lower cost / higher benefit alternatives, but not in progressing the current recommended option.

Please refer to common expectations for council's position on other government project's and programmes of work. In respect of Auckland Light Rail, I expect Auckland Transport to secure the Intellectual Property held by Auckland Light Rail, given the substantial contribution you have made to this project over the last few years.

Explore all and innovative approaches to driving further use of public transport

In light of changes to Fringe Benefit Tax (1 April 2023), I expect Auckland Transport to both work with employees and progress innovative pricing and marketing models to drive further use of the public transport network. This includes encouraging employers to offer their staff weekly, monthly and annual public transport passes.

Council looks forward to receiving Auckland Transport's draft Statement of Intent no later than 1 April 2024.

Staff are available to expand aspects of this letter if required. Please contact Alastair Cameron, Manager CCO Governance and External Partnerships to discuss.

Ngā mihi



Wayne Brown  
**MAYOR OF AUCKLAND**

cc:

Desley Simpson, Deputy Mayor

Cr John Watson, Chair Transport and Infrastructure Committee

Dean Kimpton, Chief Executive, Auckland Transport

Alastair Cameron, Manager CCO Governance and External Partnerships