

Annual Report – Performance against the Statement of Intent 2020/21

For decision: For noting:

Ngā tūtohunga / Recommendations

That the Auckland Transport Board (board):

- a) Notes this report.

Te whakarāpopototanga matua / Executive summary

1. Auckland Transport (AT) has a statutory obligation to consider the organisation's performance under its Statement of Intent (SOI) in an open session board meeting.
2. The 2020/21 financial year was an extraordinary year with many unpredictable events. In spite of this, AT achieved favourable results in both operating and capital delivery programmes. AT delivered a favourable surplus before tax of \$647.9 million, \$27.1 million favourable against budget and \$729.3 million of new infrastructure, 96% of the capital programme.
3. AT's non-financial performance measures were both positively and negatively impacted by the COVID-19 pandemic (COVID-19). Of AT's 25 performance measures, 16 targets were exceeded, three were met, four were not met, and two were not surveyed this financial year.
4. AT's 2020/21 Annual Report (Attachment 1) contains more details on AT's performance against the SOI for the year ended 30 June 2021.

Ngā tuhinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
July 2021 Finance and Assurance Committee	2020/21 Draft Annual Report and AC Reporting Pack	The Committee reviewed and provided feedback on the content of the Draft Annual Report.
August 2021 Finance and Assurance Committee	Updated Draft 2020/21 Annual Report	The Committee reviewed and provided feedback on the content of the Draft Annual Report.
September 2021 Finance and Assurance Committee	Updated 2020/21 Annual Report	The Committee reviewed the final Annual Report and recommended to the board that the Annual Report be adopted (via circular resolution).

Date	Report Title	Key Outcomes
September 2021 Board	Adoption of the AT Annual Report for the Year Ended 30 June 2021	The board reviewed and adopted the Annual Report.

Te horopaki me te tīaroaro rautaki / Context and strategic alignment

5. Section 96 of the Local Government (Auckland Council) Act requires the board to consider the organisation's previous financial year performance against its SOI in a meeting open to the public after 1 July.

Ngā matapakinga me ngā tātaritanga / Discussion and analysis

6. 2020/21 was a tumultuous and challenging year with COVID-19 continuing to have a significant impact on operations. Both the budget and SOI targets were set with the assumption that there would not be further lockdowns in 2020/21. Unfortunately, this was not the case and has therefore impacted the achievement of a number of measures.
7. Despite this AT continued to deliver for people and communities by progressing and completing significant infrastructure projects, successfully supporting large events including the 36th America's Cup, improving the customer experience across all our services and touchpoints and providing better travel choices for Aucklanders.
8. The wellbeing of our people has been a priority over the last year with a focus on retaining staff and growing the capability of our people so we can deliver on our strategic goals and prepare for future work.

Non-Financial Performance Summary

9. AT has an agreed set of key performance measures and targets which form the basis for accountability to deliver on Auckland Council's strategic direction, priorities and targets.
10. AT's non-financial performance measures continued to be significantly impacted by COVID-19. Sixteen targets were exceeded, three were met, four were not met, and two were not surveyed this financial year.
11. Pages 52-55 of AT's 2020/21 Annual Report (Attachment 1) contain AT's non-financial performance against the SOI performance measure targets for the year ended 30 June 2021.

Financial Performance Summary

12. AT's performance against the SOI financial targets was positive with a surplus before tax of \$647.9 million, \$27.1 million favourable to the \$620.8 million budget. This favourable result is primarily due to stringent management of expenditure put in place to mitigate the risk of lockdown.
13. AT delivered 96% of its full year capital budget this year. The level of capital programme delivery is exceptional under the circumstances and included the delivery of key strategic infrastructure such as the Downtown redevelopment programme, new Puhinui interchange, Eastern Busway Stage 1 and Karangahape Road enhancement.
14. This year central Government funded 51% of AT's capital programme (Waka Kotahi New Zealand Transport Agency & Crown Infrastructure Partners) and 52% of AT's operating programme (including the public transport top up). This is also a significant achievement and reflects hard work over the last three years to get to this point. Going forward AT will have difficulty funding its operations and capital programme if it does not receive similar levels of funding support from central Government.
15. Pages 70-122 of AT's 2020/21 Annual Report contains AT's financial performance against the SOI budget for the year ended 30 June 2021.

Ngā tūraru matua / Key risks and mitigations

16. The effects of COVID-19 continued to adversely affect public transport patronage targets and parking revenue, as many Aucklanders worked from home and returned to private vehicle use. These revenue streams have still not returned to pre-COVID-19 levels, although congestion has returned to pre-COVID-19 levels. AT is actively investigating ways to attract both new and existing customers to public transport.

Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

17. For the year ended 30 June 2021, AT's total revenue for the year was \$2,007.0 million against a budget of \$2,056.7 million, total expenditure was \$1,359.1 million, against a budget of \$1,435.9 million resulting in a surplus before tax of \$647.9 million, \$27.1 million favourable to the \$620.8 million SOI budget.
18. AT's net asset position is \$21.9 billion, up \$0.8 billion from last year primarily due to delivery of new infrastructure of \$729.3 million and a \$112.8 million valuation increase in land and buildings.
19. Further information on AT's financial results are available in AT's 2020/21 Annual Report.

Ngā whaiwhakaaro ō te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

20. AT's progress in addressing climate change which include the following key performance measures is included in AT's Annual Report:

- Number of buses in the Auckland bus fleet classified as low emission.
- Reduction in carbon dioxide (emissions) generated annually by AT corporate operations (from 2017/18 baseline).
- Percentage of AT streetlights that have energy efficient LEDs.
- Number of cycle movements past selected count sites.
- Total public transport boardings.

21. AT will continue to develop climate reporting ahead of legislative requirements.

Ngā whakaaweawe me ngā whakaaro / Impacts and perspectives

Mana whenua

22. AT contributed to mana whenua engagement through forums for operations and governance matters. A dedicated Māori Policy and Engagement team regularly engaged with all mana whenua/iwi who have connections to Tāmaki Makaurau.

Ngā mema pōti / Elected members

23. AT continued to engage widely with local boards in 2020/21, keeping members up to date with the delivery of projects within funding constraints, and providing support with multiple community consultations from network upgrades to proposed speed restrictions.

Ngā rōpū kei raro i te Kaunihera / Council Controlled Organisations

24. AT partnered and worked collaboratively with Auckland Council and Council Controlled Organisations to achieve its 2020/21 targets which include delivering new infrastructure.

Ngā kiritaki / Customers

25. Improving customer experience across all our services and touchpoints is one of AT's major objectives. Our goal is to become more aligned to customer needs, be more responsive and genuinely improve the experience that people have on Auckland's transport system every day. Refer to the Annual Report for more details.

Ngā whaiwhakaaro haumaruru me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

26. The number of deaths and serious injuries (DSI) in the 2020 calendar year was 454, significantly below the level in the SOI of 627. Local road deaths have decreased by 3% (from 34 to 33) and local road serious injuries decreased by 19% (from 499 to 421) compared to the 2019 calendar year due to COVID-19 restrictions suppressing traffic volumes. With less traffic on our roads following the second COVID-19 lockdown in 2020, the average speeds at which people travelled in their cars increased and there was a significant uplift in DSI. Provisional indications to the end of June 2021 count 46 deaths and 485 serious injuries.

27. Over the last year safety improvements have been made to four high risk roads, 12 high risk intersections and 10 pedestrian crossing facilities, and another seven red-light running enforcement cameras and Closed Circuit Television cameras were added to improve network performance.


Ā muri ake nei / Next steps

28. AT remains committed to Auckland Council's aspirations around sustainability, lowering emissions and delivering on kaitiakitanga through conservation and restoration initiatives. Moving forward we're mindful that Aucklanders want a transport system and great urban spaces. We are intent on continuing to seize opportunities to step up and deliver.

Te whakapiringa / Attachment

Attachment number	Description
1	Annual Report for the Year Ended 30 June 2021

Te pou whenua tuhinga / Document ownership

Submitted by	Sam Ho Financial Reporting Manager David Bardsley Group Manager Finance	
Recommended by	Mark Laing Executive General Manager Finance Jenny Chetwynd Executive General Manager Planning & Investment Andrew Downie Governance Lead	
Approved for submission	Shane Ellison Chief Executive	