



Auckland Transport Statement of Intent

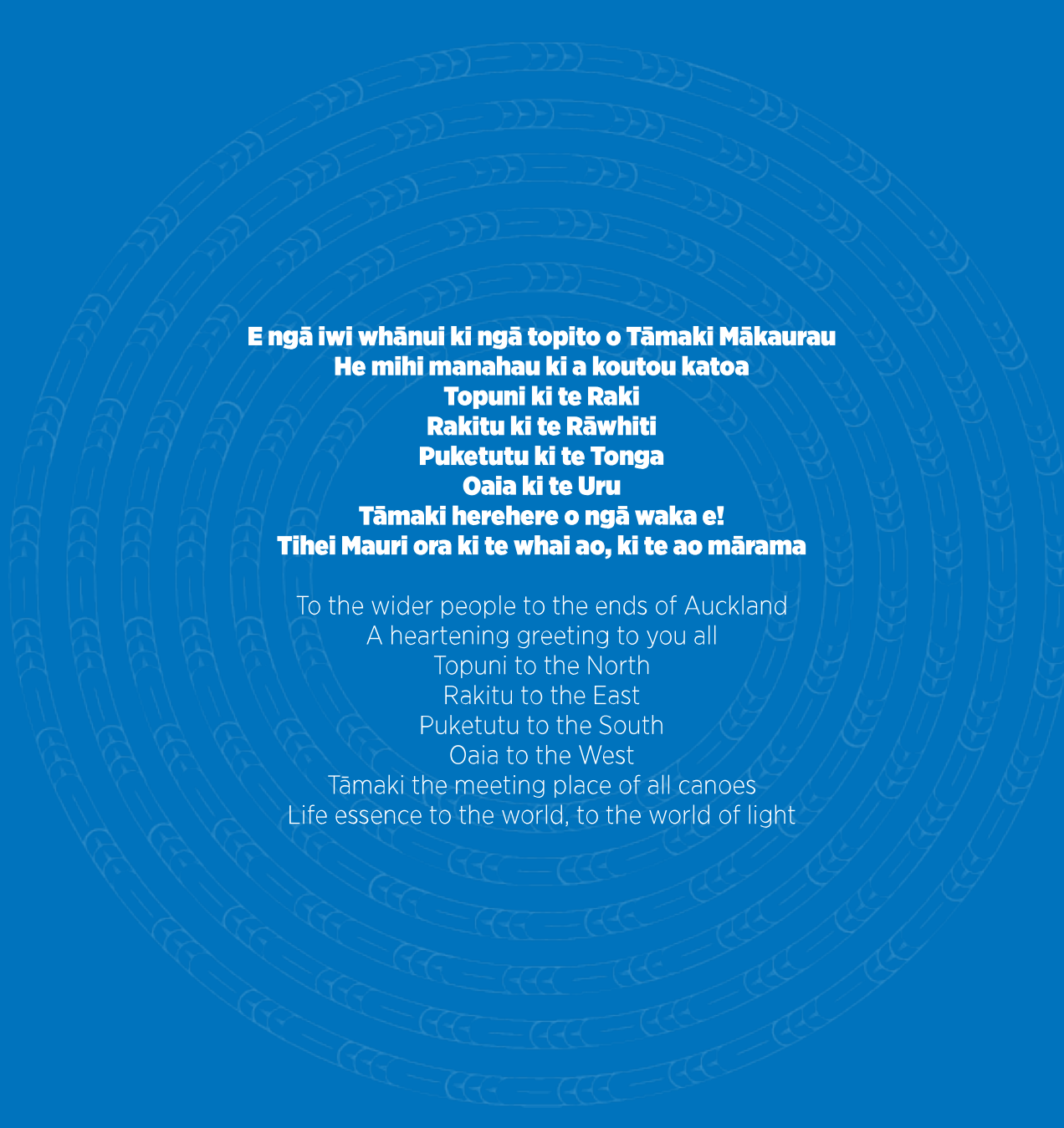
Preparing for tomorrow, delivering on today

2025 - 2028



Photo supplied by City Rail Link





**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

The title of this year's Statement of Intent (SOI) – Preparing for Tomorrow, Delivering on Today – sums up Auckland Transport's fundamental objectives for the coming year.

We are well aware and supportive of the need for change. Auckland Transport will work collaboratively with Auckland Council and central government to ensure we can better meet the needs of our growing city. At the same time, our focus will remain on achieving the targets and delivering the work programme agreed with Auckland Council in this SOI.

While we continue to fulfil our responsibilities under existing legislation, Auckland Transport will engage proactively with Auckland Council to determine any duties that may be suitable for transition ahead of legislative change. In particular, we will strive to ensure that decision-making and associated discussions occur closer to impacted communities. We will also work with Auckland Council officers to determine an approach for preparation of the next Regional Land Transport Plan.

The year ahead is an exciting one for transport, with the opening of the City Rail Link (CRL). The CRL, along with integrating our other public transport modes into the new rail timetables, will significantly boost public transport usage and contribute to reducing journey times in many parts of Auckland.

Aligned to the opening of the CRL is Auckland Transport's ongoing objective to take public transport from good to great and have more people choose to use our services. Our bus and ferry networks are reliable and punctual, and we have made recent rail performance improvements. However, we remain concerned about safety incidents that have occurred on some of our services. We are working closely with NZ Police, Auckland Council and our own transport officers and drivers to minimise the number and impact of these incidents.

Increasing network productivity is an important part of our objective to reduce congestion and therefore journey times. In line with this, we are making progress in introducing dynamic lanes, leveraging technology to improve traffic flow and repurposing parking and kerbside space.

We acknowledge that temporary traffic management (TTM) incursions on the road corridor have caused delays and frustration. The legislation regarding TTM was updated on 1 November 2024, but industry players are slow to change the way TTM is deployed. We have made it clear that we expect to see the new risk-based approach adopted – we do not want incursions on town centre and arterial roads during peak hours. We anticipate more progress to be made this year, which will mean less disruption and better traffic flow, especially during peak hours on major arterials.

With over \$30b of assets under management, we are a very large asset manager. We are continually maintaining these assets, and building and acquiring new assets. Next year we will assume responsibility for three new underground train stations, so ensuring our assets are fit for purpose and delivering value for money is a significant priority.

Legislation requires us to provide a safe transport network, and recent speed rule amendments along with a change in Government focus and funding have required us to rethink our approach. This is a work in progress, but Aucklanders can be assured we will continue to uphold the Vision Zero aspiration as set out in the Auckland Plan 2050.

Ultimately, to achieve our SOI targets Auckland Transport needs a dedicated team of people working effectively together. The CCO reform and uncertainty around roles within the transport space is unsettling to our people, which provides a major challenge for the board and senior management to maintain what I believe is a high performing culture. Retaining team members and keeping them positive and motivated will be key to delivering on this year's SOI. The board and I are committed to this, and to doing our best for Auckland.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'Leggat', with a stylized flourish at the end.

Richard Leggat
Chair, Auckland Transport

Part 1 Introduction and strategic overview

This Statement of Intent (SOI) addresses the Letter of Expectation (LOE) for the SOI 2025-2028 (attached as Appendix 3).

It reflects Auckland Transport's commitment to remaining accountable and delivering on priorities expressed in previous years. It states how we intend to understand and carry out the strategic direction set by our shareholder, Auckland Council.

Part 1 of the SOI provides a strategic overview, and outlines the connection to the council's objectives, priorities and outcomes, and alignment with the Government Policy Statement on Land Transport.

Part 2 of the SOI divides our performance expectations into six key focus areas that detail how we plan to deliver on our organisational priorities for the next three years. These key focus areas are:

1. Making every interaction count
2. Improving network productivity
3. Taking public transport from good to great
4. Value for money
5. Preparing for transport reform
6. Core business activities

1.1 Roles and responsibilities – delivering on today

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

We note our activities listed below are likely to be adjusted as part of the upcoming CCO reform or legislative change.

Our key activities that directly impact Aucklanders are:

- Operating, maintaining and improving the transport network, particularly roads, ensuring it is fit for purpose
- Planning and contracting public transport services
- Parking management and enforcement
- Planning for Auckland's future transport system

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, the council and other decision-makers
- Developing plans and strategies that align with our guiding documents: the council's Long-term Plan (LTP), the Government Policy Statement (GPS) on Land Transport, and the Regional Land Transport Plan (RLTP)
- Funding allocation and project delivery
- Communications and engagement

- Managing 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 Transport sector reform – preparing for tomorrow

Auckland Transport is working towards the most significant transformation since it was formed in 2010. Throughout this process, we are committed to supporting Auckland Council to achieve the best possible transport system outcomes for Aucklanders.

In support of the transition, we are participating constructively in the transport reform working group led by council. We will provide prompt technical information and feedback when requested to inform council's reform proposals, and support council elected members and staff in delivering quality advice and making informed decisions. In parallel, we will actively contribute to the implementation of Auckland Council Group Shared Services.

As reform legislation is yet to be passed and non-structural change still to be confirmed, this SOI has been prepared based on Auckland Transport's current roles, responsibilities, and organisational structure. This is consistent with our draft FY26 annual budget. However, we acknowledge the direction provided in the Cabinet papers released on 7 May 2025, and we are aligning our planning assumptions with the direction provided by these Cabinet papers.

Auckland Transport is committed to aligning with council's revised expectations of us and delivering on the following priorities:

- Maintaining focus and energy on delivering every day for Auckland, including ensuring we achieve value for money and putting the customer and community at the heart of everything we do
- Providing greater transparency to council, recognising shifts in accountability by allowing council access to board discussions on transport reform, allowing AT staff to share candid performance insights, and supporting council-led decision-making through open information sharing
- Implementing any decisions made by Governing Body, while delivering a seamless transition for Aucklanders
- Providing quality advice to support local boards in taking a greater role in local decision-making.

Regardless of how Auckland Transport's roles and responsibilities may evolve through CCO reform, we remain committed to being a delivery-focused organisation that supports the council's strategic direction by delivering an efficient and sustainable transport network, providing great public transport, and ensuring safe and seamless journeys for everyone. Over the past two years Auckland Transport has been on a journey to transform our culture to be more customer, community, and delivery focused. We remain dedicated to continuous improvement.

While we embrace the upcoming change, we want to assure council and Aucklanders that we will continue to deliver on our core legislative requirements and functions. We will enable outcomes that support the Long-term Plan and commitments made in the Regional Land Transport Plan.

1.3 Strategic alignment and key policies

Auckland Transport intends to implement Auckland Council priorities, ranging from supporting Long-term Plan outcomes, to delivering on key strategic documents. More detail on how we are delivering on Auckland Plan outcomes can be found in Appendix 2.

Strategic document	How Auckland Transport (AT) contributes
Auckland Plan (transport and access)	<ul style="list-style-type: none"> • Contributing to the development of the Integrated Transport Plan. • 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, while meeting performance criteria. • Working with NZ Transport Agency Waka Kotahi to ensure both motorway and arterial productivity is optimised. • Minimising the impact of disruptions on the network.
Long-term Plan (LTP)	<p>Our capital programme is determined by the LTP and Regional Land Transport Plan (RLTP). Our capital delivery supports value for money through an approach aligning with the 'fix, finish, optimise' principle, ensuring we take care of our assets, finish current large-scale projects, and optimise the network and infrastructure we already have before looking to build more.</p> <p>We are committed to delivering year two of the LTP 2024-2034 operating budget and capital programme, including associated efficiency targets.</p> <p>Our draft Asset Management Plan (AMP) will be developed by February 2026 in collaboration with the council's Infrastructure Strategy and Asset Management System teams. This draft AMP will support development of the LTP 2027.</p> <p>AT works to address the challenges outlined in the LTP, namely:</p>

Strategic document	How Auckland Transport (AT) contributes
	<p>Changing travel patterns, and population growth</p> <ul style="list-style-type: none"> • We monitor how and where people travel. • We maximise the productivity of the roads we have now through a network optimisation programme and development of smart technology solutions • We work with Auckland Council and government to plan for the future of large infrastructure investment, through supporting the development of the Integrated Transport Plan. <p>Resilience, renewals, and maintenance</p> <ul style="list-style-type: none"> • Our largest capital spend goes towards looking after current assets through our renewal programme. • We are also increasing our delivery programme for road surface rehabilitation. • Note: current funding levels will be insufficient to keep up with our assets' deterioration rate. • We will continue to improve the resilience of the transport network through embedding the landslides framework into asset management, improving drainage on the rural network to reduce floods and slips, and installing additional flood warning systems to alert communities of flooded roads. <p>Reducing harm</p> <ul style="list-style-type: none"> • We continue to deliver improvements within the direction of the GPS on Land Transport 2024, which reflects a shift in approach to speed reduction around schools and local communities, and a continued mode shift to public transport. • Our road safety engineering programme works closely with maintenance delivery to reduce delivery costs whilst addressing community concerns. • We use a risk-based analysis to determine high-risk locations for interventions, and we have an increased focus on community activation – responding to community requests, especially from schools around safety. We work closely with our road safety partners, including NZ Police, on a general deterrence model to influence driver behaviour. • We are also actively working to ensure our public transport network is safe, both on board services and around our stations and stops. More detail on how we do this is included in section 2.3 – Taking public transport from good to great. • We will work closely with affected communities on responding to recent speed limit reversals.
Future Development Strategy (FDS)	<ul style="list-style-type: none"> • The 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.

Strategic document	How Auckland Transport (AT) contributes
	<ul style="list-style-type: none"> Growth-related decisions will be consistent with the emerging FDS framework. In the meantime, we will seek input from the council and elected members. AT will support development of the framework and its subsequent implementation.
Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan and Transport Emissions Reduction Pathway (TERP)	<ul style="list-style-type: none"> Te Tāruke-ā-Tāwhiri prepares Auckland for the impacts of climate change. It has a focus on clear greenhouse gas emission reduction targets. In 2025/26, we will support Auckland Council to develop a recommendation on bold and achievable targets, considering the funding required to achieve these as well as the long-run costs of not funding TERP activities. To reduce our own operational emissions, we support the ongoing addition of electric and low-emission vehicles to our bus and ferry fleets. We will continue to include climate change considerations (whole of life greenhouse gas emissions and resilience) in our capital programmes and operational decisions, within available resources. We also seek to utilise low-carbon materials where practicable to reduce embodied emissions.
Kia Ora Tāmaki Makaurau / Tāmaki Ora: Māori Outcomes Performance Measurement Framework	<ul style="list-style-type: none"> Auckland Council developed Kia Ora Tāmaki Makaurau to respond more effectively to the needs and aspirations of mana whenua and Māori communities. We are committed to partnering with Māori to uphold our legislative responsibilities to: Maintain and improve opportunities for Māori to contribute to our 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 Consider the principles of Te Tiriti o Waitangi, including: <ul style="list-style-type: none"> Rangatiratanga / self-determination Partnership Equity Active protection In 2024, we published Ka Tupu, Ka Wana: Achieving Māori Outcomes Plan 2024-2027. This sets out our specific actions and measures to deliver on the needs and aspirations of Māori, aligned with Kia Ora Tāmaki Makaurau and Tāmaki Ora objectives, including: <ul style="list-style-type: none"> Tuakiri Ora – ensuring the presence of te reo Māori on and around our public transport network Whai Rawa Ora – supporting the Māori economy through our diverse suppliers programme Marae Ora – providing safety and access improvements to Marae and Papakāinga through our capital works. With Ka Tupu, Ka Wana actions and objectives, we will work collaboratively with Ngā Mātārae (Māori Outcomes Directorate)

Strategic document	How Auckland Transport (AT) contributes
	<p>and the council group to take a coordinated approach to delivering outcomes for Māori.</p> <ul style="list-style-type: none"> • We will report on our actions and outcomes from Ka Tupu, Ka Wana as part of our quarterly reporting to the council.
Auckland Water Strategy	<ul style="list-style-type: none"> • The Auckland Water Strategy sets a vision for Auckland's waters and provides strategic direction for investment and action across the council group. • Our Environment Action Plan, Hikina te Wero, outlines our approach to managing our water discharges, and water conservation. This is delivered through our capital programme where we install stormwater treatment devices along our busy roads. • We have recently updated our Service Level Agreement (SLA) with Healthy Waters to clearly identify roles and responsibilities for the maintenance and management of the stormwater network. This SLA guides our collaborative approach to delivering stormwater assets and services. • We will provide input into the development and implementation of plans and standards associated with the new Water Reform bill and acknowledge that Healthy Waters will lead this work.
Government Policy Statement (GPS) on Land Transport	<ul style="list-style-type: none"> • The GPS on Land Transport sets out the Government's land transport strategy and strategic priorities. • Our regional objectives are aligned with the GPS, developed through the Regional Land Transport Plan. They are reflected in AT's funded programme as follows: <ul style="list-style-type: none"> • Economic growth and productivity: support for the region's economic productivity; faster, more reliable public transport. • Increased maintenance and resilience: network resilience and sound asset management; continued decarbonisation of the transport system towards the 2050 objective. • Improved safety: improved safety and reducing deaths and serious injuries. • Value for money: ensuring the responsible spending of ratepayer and taxpayer money, including embedding new procurement rules (considering both council and central government direction).

Part 2 Statement of performance expectations

Auckland Transport's organisational priorities for the next three years reflect our intention to deliver on Long-term Plan outcomes.

This section is structured into key focus areas, with each detailing how we plan to achieve our organisational priorities.

These areas are:

1. Making every interaction count – our commitment to our customers
2. Improving network productivity – getting the most out of our existing network
3. Taking public transport from good to great – what we need to make AT's public transport world class
4. Value for money – responsible spending of ratepayer's money
5. Preparing for transport reform – working towards our new role in the transport sector and the Auckland Council Group
6. Core business activities – legislative functions, maintaining our assets, and delivering our capital programme.

2.1 Making every interaction count

One of our biggest priorities continues to be listening and responding to the needs of customers and communities, to deliver better services that meet their needs, which will also result in greater trust and confidence in Auckland Transport.

Key areas of focus continue to include:

- Embedding best practices engagement across all AT projects and programmes, including engaging as early as possible, allowing adequate time for community and stakeholder input, being transparent about choices and trade-offs, and closing the loop to show how feedback has influenced decision making and outcomes.
- Building on work to give elected members a greater understanding and say in local decision making, including through Kōkiri agreements with local boards.
- Making greater use of evidence and insights to assess the impacts on our customers and deliver measurable improvements in areas identified.
- Improving communication with our customers relating to disruptions, planned and unplanned on the transport network, through more timely, relevant and accurate information, supported by technology improvements.

During 2024/25 we made significant improvements to our engagement with local boards, including completing Kōkiri agreements with 20 out of 21 local boards. This ensures they have greater visibility and input on AT's forward works programme, particularly in relation to local transport projects. As a result, local board satisfaction with our engagement has improved from 48% to 75%. We continue to prioritise empowering local boards to have a greater say in transport decisions that affect their local communities through timely and quality advice. We have also reviewed our community engagement processes and introduced a consistent approach, including upskilling staff and embedding new tools and processes. To deliver better outcomes for customers we will be continuing to better understand our customers' needs and reflect these in our decisions, actions, and outcomes.

To make every interaction count, we will:

Complete annual Kōkiri Agreements with all local boards, and continue to enhance these agreements to further improve local empowerment in decision making and quality advice. This will be done alongside with Auckland Council.	Q3 2025/26
Identify and understand customer needs. Use this understanding to guide our decisions and actions to better meet those needs.	Q3 2025/26
Continue to 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. <ul style="list-style-type: none"> • Improved customer self-service through digital channels • Customer experience improvements and simplified processes for customer when reporting issues with the network 	Q3 2025/26 Q4 2025/26
Streamline the delivery of our community-initiated projects with a dedicated physical works contract.	Q1 2025/26
Delivery of 300 community-initiated projects in 2025/26.	2025/26

We will measure success by:

Measure	2024/25 actual	2025/26 target	2026/27 target	2027/28 target
Customer perceptions AT listens and responds to Aucklanders' needs	32%	36%	39%	42%
Formal complaints Percentage of total AT case volume resulting in a formal complaint	0.48%	<0.4%	<0.35%	<0.35%
Complaint resolution Percentage of formal complaints that are resolved within 20 working days	94%	90%	90%	90%
Local board satisfaction with engagement	75%	75%	75%	75%

2.2 Improving network productivity

Auckland’s population is growing and set to reach nearly 2.5 million people by 2050. This is putting increasing pressure on our land and road space. Auckland Transport is working to reduce congestion, improve journey times, and enhance the overall experience for all Auckland road customers. We want to enable all public transport, freight, commercial and private passenger vehicles to travel to the places they want, safely and reliably, in a way that meets their needs.

Rising costs and limited funding are making it increasingly expensive to build and maintain Auckland's transport system. This is necessitating trade-offs and careful decision-making to focus on basics and deliver value for money. Aligned with Auckland Council direction, we are prioritising initiatives that best utilise our existing network, and use innovative technology to improve network throughput and efficiency.

Technology is a critical enabler for achieving a more efficient, reliable, and sustainable transport system in Auckland. We are leveraging technological advancements to address current challenges and future demands in the region's transport network. This includes investing in advanced signalling systems, intelligent transport systems, and real-time updates.

Improving Auckland’s transport network productivity remains one of our core priorities, that we will address through:

- building on and accelerating initiatives to reduce journey times for Aucklanders, by further optimising the road space we have available.
- making use of new and smarter technology to improve the flow of people and goods and providing more reliable journey times.
- fully implementing the NZ Guide to Temporary Traffic Management.
- reducing the impact and community frustration from network disruptions and Temporary Traffic Management (TTM), by informing communities about the purpose and duration of ongoing work.
- enhancing how we detect, respond to, and communicate disruptions — ultimately reducing their impact on our customers. These improvements are also included throughout other sections of the SOI, recognising that meaningful improvement requires a coordinated and integrated effort across our organisation.
- repurposing parking and kerbside space, managing it more actively used especially during peak hours to connect people and communities to places they need to go and support economic productivity.
- incorporating active modes in our network productivity decisions.

To improve network productivity, we will:

Make better use of our existing road spaces and improve traffic flow by optimising the transport network to use road space dynamically, including continued implementation of:	
Special vehicle lanes (SVLs):	2025/26
<ul style="list-style-type: none">• Deliver 10 km of new SVLs. Significant SVLs for 2025/26 include: Silverdale Bus Priority on SH1 (NZTA) / Carrington Road / Mt Wellington Highway / Mt Smart Road Westbound / Sylvia Park Road / Rosebank Road – Avondale• Review operating hours for a further 10km of SVLs	
Dynamic streets and solutions: 4 projects	2025/26
	2025/26

Intersection and corridor efficiency improvements: 9 projects	2025/26
Smart Technology:	
<ul style="list-style-type: none"> Smart detection for intersection optimisation (bus boosters and advanced detection) – 100 sites in 2025/26 Smart technology implemented at 5 event locations Implement automated traffic management site detection Review and implement improvements to our traffic signal operations system (SCATS) Work with the freight industry to pilot freight pre-emption at key intersections 	
Improve how we assess, manage, and communicate travel disruptions to customers, which will be enabled by improved processes, systems, and technology, specifically:	
<ul style="list-style-type: none"> Establish 24/7 disruption communication capability 	Q1 2025/26
<ul style="list-style-type: none"> Assess and deploy technology solutions that enable better identification and response to planned or unplanned disruptions on the network 	Q2 2025/26
<ul style="list-style-type: none"> Deliver a unified One Network communication approach with NZTA 	Q4 2025/26
Make more arterials and key corridors available for movement in peak hours and support more reliable journey times by minimising disruption caused by temporary traffic management (TTM) and road cones.	
Transition to the NZ Guide to Temporary Traffic Management (NZGTTM)	2025/26
<ul style="list-style-type: none"> Hold three webinars to educate the industry on expectations on NZGTTM applications Train AT TTM staff on NZGTTM Apply penalty fees where TTM is found to be non-compliant In 2025/26 we aim to assess 85% of all applications using NZGTTM. From 1 July 2026, we will assess 100% of corridor access requests using NZGTTM guidelines. 	2025/26
Ensure that TTM assets are removed in a timely manner when the work is complete.	
<ul style="list-style-type: none"> Redundant TTM collection: clear the urban network Lane closure halts: no new lane closure approvals on arterial roads during peak hours (unless by exception) 	2025/26
Ensure all work sites have clear signage to keep customers informed, explaining the works, their duration, who is conducting the work and why.	
<ul style="list-style-type: none"> 100% of AT projects (more than seven days' duration) with compliant signage. 	

Progress implementation of Room to Move by delivering comprehensive parking management plans (CPMPs) for local areas to address new and emerging parking, kerbside challenges across all modes of transport and for all users, in collaboration with local boards, and focused on delivering value-for-money interventions. We will also deliver responsive parking management where requested and more paid parking in areas of high demand.

- City Centre CPMP Q4 2025/26
- Four CPMPs in 2026/27, and seven in 2027/28 2026/27-27/78

We will measure success by:

Measure	2024/25 actual	2025/26 target	2026/27 target	2027/28 target
Average travel time across the arterial network (10km journey)	23 minutes	23 minutes	23 minutes	23 minutes
Arterial productivity Average number of people moving per hour during the morning peak	28,573	30,000	32,000	32,000
Freight performance Percentage of the freight network without congestion in the interpeak	86%	85%	85%	85%
Bus priority Kilometres of bus priority (including SVL and dynamic lanes) delivered	7.1 km	10 km	20 km	20 km

2.3 Taking public transport from good to great

We know that Aucklanders want a seamless, safe, and accessible public transport system that moves them around the region whether they choose to drive, walk, cycle, bus, train or ferry. Auckland Transport is listening and responding to Aucklanders' needs, while providing public transport services that go to more places, more frequently, are responsive to changes in demand, and resilient to severe weather.

Our Regional Public Transport Plan (RPTP) outlines how public transport will be managed and improved over the period of this SOI. Together with Auckland Council and central government, we are investing billions of dollars in rapid transit development. We are also investing in many small improvements across the network that collectively will improve public transport accessibility for all communities.

Rapid transit will enable the movement of large numbers of people using public transport on specially built corridors, separated from other traffic to provide more reliable routes. The most transformational developments for Auckland within this SOI include:

- The City Rail Link (CRL), which will deliver a 3.45km twin-tunnel underground rail link with two new underground stations, Te Waihorotiu and Karanga-a-Hape, a fully rebuilt Maungawhau Station along with modification and integration into Waitematā Station.
- The Eastern Busway expansion, to be finished in 2027, which will help people to travel by bus and train between Botany, Pakūranga, Panmure, and Britomart in the city centre. As well as connecting surrounding suburbs with the rail network, it will also make local trips easier by providing more sustainable travel options for walking, biking and using the bus.

In addition to these large projects, we are continuing to invest in our Public Transport Growth Programme. This aims to further improve service reliability and customer experiences to accelerate patronage growth. We are also developing a safety action plan to address customers' declining perception of safety on public transport, focusing on community engagement and learnings from other cities around the world.

City Rail Link (CRL) enablement

Before the CRL can open in 2026, there is a lot of work to do: across the wider Auckland rail network to get it ready for more frequent, reliable, and faster trains; across the rest of the network to best integrate with a new rail timetable; and for our customers – to help them prepare for and benefit from this investment. This includes KiwiRail's Rail Network Rebuild, integrating, testing and commissioning of new systems, and our work to ensure we are ready to provide great customer service.

CRL Enablement focuses on preparations for the opening of the CRL to customers and facilitating a transformation of the public transport system. This includes preparations for the opening of the CRL stations, managing the disruption of wider rail network infrastructure upgrades undertaken by KiwiRail, launching a new network-wide public train service timetable, and integration with the broader public transport network.

Office of the Auditor-General Report on reliability of public transport in Auckland

In May 2025, we received the report and recommendations from the Office of the Auditor-General on reliability of public transport in Auckland. The report makes five recommendations for Auckland Transport:

- a. Planning and tracking – more clearly describe the difference planned actions will make to goals for public transport reliability and safety, how it will monitor progress of those actions, and mitigate risks to achieving these goals;
- b. Disruptions reviews – develop criteria to determine when it will review disruptions, and define how it will use what it learns from those reviews to inform ongoing improvements;
- c. Disruptions management – improve processes for managing unplanned disruptions to services, including school bus services, and consider ways to better inform the public about unplanned disruptions;

- d. Performance insights – review the information it holds about passenger experience to help direct service improvements and improve performance reporting, allowing the public, Auckland Council, and others to better understand the reliability of public transport in Auckland;
- e. Public information – increase accessibility of information available to the public about the performance of Auckland’s public transport services.

Doing better for safety and reliability is important to us as we continually improve how our customers experience PT. With this work we’re confident in delivering greater service improvements for Aucklanders. Some of our responses to these recommendations are already underway, such as work on public transport safety planning, and publishing our public transport data online for public transparency. Our actions for disruptions management are outlined in section 2.2 - Improving Network Productivity, which outlines how we will assess, manage, and communicate travel disruptions to customers across all modes of travel.

Ferry fleet renewal and ferry service continuity

In 2022, we commenced a long-term programme to renew the aging ferry fleet and reduce ferry network operational carbon emissions. The programme is staged to ensure that network resilience is retained while our low-emission vessels are commissioned, route tested and achieve enough in-service hours to provide the needed data sets to inform on-going investment across the wider ferry network. Staging also enables us to adapt to changes in customer demand and funding priorities.

To date, we have focused on providing network resilience by refurbishing existing diesel ferries and procuring four low-emission vessels which begin to arrive in 2025/26. This is later than was anticipated. The associated charging infrastructure is also still being constructed.

Due to the delays with these four vessels, long build lead times for new low-emission vessels and the government’s decision to deprioritise funding for climate initiatives, we have had to rethink our short-term approach to address the issues of imminent fleet retirement and service community needs.

In June 2025, our Board endorsed progressing investigations into procuring three modern diesel-powered ferries to address the critical need to renew the aged ferry fleet, improve reliability, drive value for money outcomes, and enhance market competition in Tāmaki Makaurau.

We remain committed to the strategic direction to decarbonise ferries. Over the next decade, up to 29 ferries are forecast to be required across all routes, including further new low-emission fleet supported by the Climate Action Transport Targeted Rate (CATTR). The CATTR will not be used to fund the purchase of any modern diesel ferries. We expect passenger demand, especially in growth areas such as Hobsonville Point and Pine Harbour, to continue to change and additionally new ferry technologies will emerge and mature. We will ensure that we are guided by Council investment priorities, while at the same time ensuring our passengers continue to enjoy fast and reliable ferry services.

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

Enable CRL:

- | | |
|---|------------|
| • CRL Travel Demand Management action plan initiated | Q2 2025/26 |
| • Completing retrofit of existing electric trains, and accepting 23 new electric trains | Q3 2025/26 |
| • Taking control and ownership of assets | 2025/26 |
| • Planning and testing to get ready for passenger operations to begin | 2025/26 |
| • Drury and Paerata stations opening | Q3 2025/26 |
| • Review and improve rail journey and dwell times prior to CRL Day 1 and launch a new network-wide public train service timetable | 2025/26 |
| • Safety Case approval | Q3 2025/26 |

Deliver public transport growth initiatives, including:	
<ul style="list-style-type: none"> Expanding Fareshare and product offering 	2025/26
<ul style="list-style-type: none"> Promote Rapid and Frequent Transit Network routes to increase awareness and customer consideration 	2025/26
Respond to the Office of the Auditor-General's recommendations on public transport safety and reliability by:	
<ul style="list-style-type: none"> (Planning and tracking) Implementing project tracking tool, and establish governance for reliability and safety programmes 	Q1 2025/26
<ul style="list-style-type: none"> (Planning and tracking) Develop and document risk mitigation plans for safety and reliability 	Q3 2025/26
<ul style="list-style-type: none"> (Planning and tracking) Introducing standardised project and programme documentation, and document benefits assessment methodology for reliability and safety 	2025/26
<ul style="list-style-type: none"> (Disruptions reviews) Documenting our processes to review and improve our response to major disruptions, specifying what can be improved and how it is actioned 	Q2 2025/26
<ul style="list-style-type: none"> (Performance insights) Reviewing reliability and punctuality measure against customer expectations and international exemplars 	Q2 2025/26
<ul style="list-style-type: none"> (Performance insights) Documenting criteria, processes, and tracking for poor-performing routes to be addressed 	Q4 2025/26
<ul style="list-style-type: none"> (Public information) Publishing easier to use performance information on our website and continuously improving to better meet stakeholder needs 	Q4 2025/26
Improve safety on public transport by developing and implementing our safety action plan, including trialling an onboard bus real-time CCTV system. We will also reach 80% bus drive safety screen rollout by the end of FY26.	Q1 2025/26
Improve value for money and long-term financial resilience specifically for PT Commercialisation through annual fare and concessions review, and awarding bus procurement tranche 3.	Q3 2025/26
Continue implementation of the RPTP: service level and route improvements.	2025/26
First and final leg improvements: deliver station access improvements, bike parking, and activations at Henderson and Glen Innes stations and build a pipeline for station access improvements at other priority RTN stations.	2025/26
Improve our ferry network, through introducing two new electric and one hybrid ferry into service. A second hybrid ferry is expected in 2026/27.	2025/26 – 26/27
Work with Auckland Council to develop a shared understanding of the status of the Ferry Programme, the decision to purchase three diesel ferries, the CATTR programme, and council's expectations around decarbonising the ferry fleet.	Q2 2025/26
Work with council's Transport Strategy and Sustainability (CATTR) teams to undertake a refresh of the Ferry Programme business case (covering both ferry services and fleet / infrastructure across the entire network).	2025/26

We will measure success by:

Measure	2024/25 actual	2025/26 target	2026/27 target	2027/28 target
Public transport (PT) boardings Annual number of PT trips	88.8m	94.0m Bus: 75m Rail: 14m Ferry: 5m	104.2m ¹ Bus: 81.3m Rail: 17.9m Ferry: 5m	111.7m Bus: 84.5m Rail: 22.1m Ferry: 5.1m
Reliability Percentage of services that start according to schedule	96.2%	98%	98%	98%
PT punctuality Percentage of services that start and end according to schedule	90.4%	89%	89.5%	90%
PT utilisation for frequent routes during peak	46.4%	50%	50%	50%
Farebox Recovery Ratio The percentage of the total PT operating cost recovered through fares	33.5%	34%	35%	35%

¹ The patronage projections for 2026/27 and 2027/28 reflect current travel patterns. These will not be the final figures submitted for the SOI in future years. These projections will be refined into more accurate short-term forecast as part of the SOI process each year, and may increase if PT uptake is higher than expected, or factors that suppress demand are eased.

2.4 Value for money

We have an ongoing commitment to deliver value for money to our shareholder and funder, Auckland Council, and Aucklanders. To deliver value for money we are focused on:

- Delivering our operating budget in line with the LTP, including managing our cost spend, and delivering revenue growth.
- Supporting an effective group approach to procurement, identifying opportunities to leverage scale and benefits, and embed new procurement rules (as directed by Auckland Council and central government).
- Applying Auckland Council's ten steps for better value projects, and delivering a capital programme that does not waste money. We will test our projects against the principles:
 1. Early problem definition and robust value assessment - *are we solving the right problem?*
 2. Rightsizing our investment - *are we investing the right amount?*
 3. Increase use of standard designs - *can we use standardised designs?*
 4. Setting maximum prices - *have we set cost limits?*
 5. Factor in past supplier performance - *are we choosing the best suppliers?*
 6. Focus on local suppliers - *are we leveraging local suppliers?*
 7. Streamline processes and remove barriers - *can we simplify processes and remove barriers?*
 8. Manage consultation and consultancy carefully - *are we managing consultation and consultancy costs?*
 9. Independent assessment - *have we independently reviewed the project?*
 10. Continuous value assessment - *are we still getting value at every stage?*

We are actively participating in Group Shared Services (GSS). In all instances, we will participate in the process to ensure the best outcomes for transport in Auckland.

We remain committed to supporting and engaging on any s17A Delivery of services cost-effectiveness and value for money reviews.

To deliver value for money, we will:

Implementation GSS in line with GSS board decisions.	2025/26
Reduce costs to council by mobilising Out-of-home media contracts and growing non-rates revenue.	2025/26
Deliver capital programmes more efficiently through the entire planning, prioritisation, design and construction process, aligning renewal work with network improvements and reflecting our capital spending rules where appropriate.	2025/26
Enable, diverse, emerging, and Māori procurement, by establishing a Diverse Supplier Partnership Programme for civil construction contractors, consistent with the council's Emerging Suppliers programme. Kake Mai ki te Rironga Pāpori o AT Programme (Supplier Diversity and Emerging Suppliers Programme) aims to select between 4-6 prequalified suppliers for the three-year duration of the panel pilot.	2025/26
Review of the Transport Design Manual, as part of a joint review with council to ensure our standards are complementary.	Q3 2025/26

2.5 Preparing for transport reform

Auckland's transport system governance is complex, involving multiple entities working together to deliver shared outcomes. We acknowledge that our role in the transport ecosystem is set to change under CCO reform, moving to a greater focus on delivery, with council taking the lead in setting transport policy, strategy, and planning.

We are preparing AT for a new role as a delivery organisation, aligned with transport reform. We will ensure that our governance and decision-making processes reflect this shift in accountability.

As a CCO, AT will continue to play a role to provide high quality advice and advocate for high quality outcomes across the transport ecosystem that delivers for Auckland. Guided by council, we will collaborate closely with our partners to ensure our programmes and projects align with council and government transport strategic direction.

In support of the CCO reform transition over the next 12 months, and prior to any legislative change, we are focused on working with council to identify opportunities that ensure AT successfully transitions to its new remit and delivers on the expectations of transport reform by:

- ensuring AT's strategic documents align with the strategic direction outlined in council's transport strategy, policy and plans by beginning a process that governs document development in line with council expectations
- strengthening democratic accountability through continuing to focus on how we work more closely with local boards to provide them with quality advice to support their local decision making
- strengthening other key stakeholder relationships that help us deliver with partners in the community, e.g. mana whenua, Houkura - Independent Māori Statutory Board, freight groups, business communities, etc
- promptly providing data and expertise upon request to support and inform decisions on transport strategy, policy and planning.
- providing timely information and engagement on key issues and projects at the very earliest stage to local and regional elected members including early engagement prior to growth-related decisions
- enhancing the quality of information given to our shareholder, elected members, local boards, and the future iteration of the Regional Transport Committee. This includes transparency in how decisions are being made on financial budgets, progress made on delivery, providing additional details around our measurement methodologies, publishing AT Board committee agendas, and informing the council on conversations with Government about legislative reform

In 2026, subject to final transport legislation reform and council direction, we will update AT's Operating Model and Enterprise Business Plan to solidify our revised role as a delivery-focused organisation. This work will build on early transition actions and be shaped by the final outcomes of the CCO transport reform, in alignment with council direction. Our intent is to ensure AT is well-positioned to operate effectively within the future legislative and operating environment.

To prepare for transport reform, we will:

Support Auckland Council to develop their process for the Regional Land Transport Plan 2027, 30-year Integrated Transport Plan, and implement the agreed approach.	2025/26
Work with Auckland Council and Government to clarify Auckland Transport's role in the governance that supports Auckland's transport network in the future. Provide high quality advice to council to support the legislative process and CCO reform.	2025/26

Update our corporate strategy and begin design for an updated operating model to give effect to CCO reform

Q4 2025/26

2.6 Core business and other activities

This section provides a summary of Auckland Transport's significant activities that fall within our legislative functions, maintaining our assets, and delivering our capital programme. This includes our commitment to Auckland Council's strategic priorities, and activities that we undertake under our purpose to contribute to an effective, efficient, and safe Auckland land transport system in the public interest.

To successfully deliver on our core business responsibilities, we will:

Continue to deliver on existing public transport infrastructure projects (Eastern Busway and level crossing removals) in line with agreed milestones, including:	
<ul style="list-style-type: none"> Rā Hihi (flyover) completion 	Q3 2025/26
<ul style="list-style-type: none"> Completion of CRL Day One level crossing removals, construction of station access bridges and removal of pedestrian level crossings at three stations (Takaanini, Te Mahia, Glen Innes) 	2025/26
<ul style="list-style-type: none"> Eastern Busway Stages EB2 (Pakuranga Town Centre), EB3R (South-Eastern Highway to Pakuranga Creek), EB3C (Pakuranga Creek to Botany) and 4i (Botany Town Centre Station – interim) completion 	2025/26
Maintain our assets to a safe standard within funding limits and seek opportunities to improve funding towards our approved Asset Management Plan. We will do this 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.	2025/26
Seek continuous improvement in reducing greenhouse gas emissions associated with our assets, operations, services, and corporate activities. This includes developing processes that will enable us to quantify embodied emissions and work with Auckland Council to develop a single framework of agreed reporting metrics.	2025/26
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.	2025/26
Update the Service Level Agreement for Auckland Council and Auckland Transport with revised ways of working for resource consents, including revisions for new Fast Track Consents legislation.	2025/26
Deliver safety interventions including using an evidence and risk-based analysis through Crash Analysis System (CAS) data to improve safety near schools and at high-risk locations, considering cheaper and more flexible alternatives for road safety devices (such as horizontal deflections, lines and signs, lighting and feedback sign trials), and working with our partners, such as police, schools, and communities, to support enforcement, deliver coordinated road safety education, and deliver tailored activations.	2025/26
Deliver key initiatives and actions from Ka Tupu, Ka Wana: Achieving Māori Outcomes Plan 2024-2027. This includes effective Māori and mana whenua participation in decision-making, improving safety and access near marae and papakāinga, and supporting Māori businesses and economy.	2025/26
Deliver an innovative, value for money approach to designing and implementing cycling infrastructure where appropriate, through developing and delivering on Local Active Modes Plans and alignment with renewals. This will include completing 15 km of new separated cycle lanes.	2025/26
Deliver 4.5 km of new footpaths through the Walking (Climate Action Transport Targeted Rate) Programme and Community Footpath Improvements Programme.	2025/26

Regularly report to Auckland Council through the Transport, Resilience, and Infrastructure Committee on delivery of the Regional Land Transport Plan (annually), as well as progress on fully-funded local share projects (quarterly).

2025/26

We will measure success by:

Measure	2024/25 actual	2025/26 target	2026/27 target	2027/28 target
Safety Deaths and serious injuries on the road network in Tāmaki Makaurau Auckland	611 (provisional)	No more than 576	No more than 556	No more than 546
Asset condition Proportion of critical assets in poor or very poor condition ²	16.4%	No more than 17%	No more than 17%	No more than 17%
Road maintenance Percentage of the sealed local road network that is resurfaced or rehabilitated	6.76%	7.0%	7.5%	8.0%
Emission reduction Reduction in operational emissions, including AT contracted public transport activities	100,400 tCO ₂ e (Revised measure)	No increase from 2024/25	2% decrease from 2025/26	2% decrease from 2026/27
Low emission buses Number of buses in the Auckland bus fleet classified as low emission	New measure	350	450	550
Cycle counts The number of people cycling past defined count sites	3.5m	3.52m	3.61m	3.64m
Resource consent timeframes Adherence to the Service Level Agreement to provide specialist input into resource consents	93%	90%	90%	90%
Percentage of capital budget invested	93%	90%	90%	90%
Percentage of capital programme delivery on time	50%	90%	90%	90%
Percentage of procurement spend with Māori-owned businesses	3% (\$64.5m)	3% (\$70.5m)	Review methodology and report through FY25 ³	
Number of marae improved by AT's programmes	1	1	1	1

² Critical asset conditions (by asset count) excludes traffic signals, although a full asset class breakdown will be reported to council including traffic signals. We are considering how to best report asset conditions (by value) in future years. 2026/27 and 2027/28 targets of no more than 17% of critical assets in poor or very poor condition will be revised based on modelling in the Asset Management Plan 2027.

³ We remain committed to increasing Māori procurement and are working with the sector through capital delivery programmes to put additional emphasis on supporting local businesses. Current targets have been revised based on where we believe spend is achievable in this period.

Summary of 2025/26 – 2027/28 Capital Programme

Note: The tables below reflect the capital programmes that deliver on the LTP 2024. The tables have been updated to reflect the funding made available to Auckland from the National Land Transport Fund for 2024-2027, and the 2025/26 capital programme reflects Auckland Transport's approved budget for 2025/26.

2025/26 Budget by Programme/Project

Programme/Project	2025/26 Budget (\$m)	Programme/Project	2025/26 Budget (\$m)
Eastern Busway Pakuranga to Botany	244	Renewals Road Pavement	237
Property for Route Protection and Encroachments	27	Renewals Streets	97
Urban Cycleways GI to Tāmaki Drive Stage 4	26	Renewals Public Transport	32
Carrington Road Improvements	23	Flood Response	27
Cycling for Climate Action	15	Renewals Structures	24
Wainui and Redhills Growth Improvements	14	Unsealed Road Improvements	10
Cycleways programme (lower cost)	14	Other	10
Supporting Growth Post Lodgement	9	Subtotal: Renewals and Resilience	437
Urban cycleways Glen Innes Links	6		
Auckland Housing Programme improvements	6	Road Safety Programme	30
Other	6	Local Board Transport Capital Fund	20
Subtotal: Urban Development	390	Community Network Improvements	18
		Network Optimisation	18
Level Crossings Removal Takanini	165	Walking for Climate Action	9
EMU Rolling Stock Tranche for CRL	75	Safe Speeds Programme	8
Decarbonisation of Ferries Stage 1	67	Bus and Transit Lanes programme (dynamic lanes)	8
Level Crossings Removal for CRL	16	Intelligent Transport Systems	7
Stations and Wayfinding for CRL	12	Projects for Rodney Transport Targeted Rate	7
Rosedale Bus Station and Corridor	12	Community cycling and micromobility	5
Public Transport Safety and Amenity	11	Parking programme	4
Great North Road Improvements	11	Community footpaths programme	4
Northwest Bus Improvements	10	Network Operations (ATOC) Programme	2
Downtown Crossover Bus East Stage 1	10	Room to Move Programme	2
Midtown Bus Improvements for CRL	9	Time-of-use programme	1
EMU Stabling and Depots for CRL	8	Marae and Papakāinga (Turnouts) safety	1
Bus Access and Optimisation	7	Other	3
Karangahape Roadside for CRL	6	Subtotal: Network and Safety	149
Bus Routes for Climate Action	5		
Other	22	Customer and Business Systems	37
Subtotal: Public Transport	451	Core Technology and Renewals	10
		National Ticketing System (AT assets)	8
		Subtotal: Technology and Change	56
TOTAL			1482

2025/26 – 27/28 LTP Budget by portfolio and project group

Portfolio	Group	2025/26 (\$m)	2026/27 (\$m)	2027/28 (\$m)
1.Renewals & Resilience	Asset renewals	157.5	173.3	210.0
	Pavement renewals	236.5	277.7	331.2
	Resilience/adaptation	43.0	19.7	28.7
2.Public Transport	Bus city centre	26.3	29.4	50.5
	Bus projects	31.8	21.1	73.8
	Ferry projects	70.0	60.5	100.9
	Rail projects	285.4	173.5	46.0
	Rapid transit access	37.4	51.4	93.8
3.Urban Development	Cycleway projects	63.3	41.4	61.7
	Eastern Busway	244.2	129.4	107.5
	Priority growth areas	46.6	68.5	86.5
	Property for growth	35.9	29.1	28.3
4.Network & Safety	Community response	36.3	40.4	53.7
	Local Board priority	28.3	25.2	37.4
	Network optimisation	37.8	50.2	94.3
	Parking and demand	6.9	36.6	59.0
	Road safety	39.2	45.2	69.0
5.Technology & Change	Customer Systems	55.8	51.4	59.4
		1,482.1	1,324.0	1,591.8

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.

Notes for the statements below:

1. The 2023/24 actuals and 2024/25 budget figures have been adjusted to show enforcement revenues disclosed as part of "Other direct revenue" (rather than "Fees and user charges") to ensure consistency with the future years where it has been moved at council's request.
2. The financial data for 2025/26 was sourced from the recently completed 2025/26 budget (Annual Plan)
3. The financial data for 2026/27 was sourced from year 3 of the 2024/25 modified SOI. Some adjustments have been made to the capex programme to reflect the bringing forward of level crossings removal programme and other adjustments to offset adjustments made in the FY26 budget.
4. The financial data for 2027/28 was sourced from the currently approved LTP.

Operating budgets - \$m	2024/25 Revised Budget	2025/26 Budget	2026/27 Modified SOI	2027/28 LTP
Net direct expenditure/ (income)	480	530	547	579
Direct revenue	920	971	1,037	1,088
Fees and user charges	274	279	328	357
Operating grants and subsidies (external)	494	537	546	562
Other direct revenue	151	155	163	168
Direct expenditure	1,400	1,502	1,583	1,667
Employee benefits	198	202	209	215
Grants, contributions and sponsorship	3	3	0	0
Other operating expenses	1,199	1,297	1,374	1,452
Other key operating lines				
AC operating funding	512	562	579	612
Vested assets	275	275	275	275
Non-direct revenue				
Non-direct expenditure				
Depreciation and amortisation	550	604	591	615
Finance expense	23	21	22	21
Principal repayments	10	11	11	12
Tax expense				

Operating budgets by activity - \$m	2024/25 Revised Budget	2025/26 Budget	2026/27 Modified SOI	2027/28 LTP
Net direct expenditure/ (income)	480	529	547	579
Roads and footpaths	139	122	142	148
PT	340	407	405	431

Operating budgets by AT activity - \$m	2024/25 Revised Budget	2025/26 Budget	2026/27 Modified SOI	2027/28 LTP
Net direct expenditure/ (income)	480	529	547	579
Roads & footpaths	114	97	113	117
Parking and Enforcement	-79	-61	-96	-105
Public Transport - Bus	173	182	227	250
Public Transport - Rail	91	120	104	100
Public Transport - Ferry	25	30	24	25
Public Transport - Other	28	34	30	36
Business Support	128	127	146	155

Capital expenditure budgets - \$m	2024/25 Revised Budget	2025/26 Budget	2026/27 Modified SOI	2027/28 LTP
Capital expenditure	1,352	1,482	1,324	1,592
- to meet additional demand	428	369	303	404
- to improve the level of service	483	629	494	552
- to replace existing assets	441	484	528	636
Capital funding sources	1,352	1,482	1,324	1,592
Capital grant revenue - NZTA	556	604	525	796
Capital grant revenue - Other	20	48		
Capital grant revenue - CIP	58			
Capital grant revenue - CERF	2			
Capital grant revenue - NZUP	93			
Capital grant revenue - IAF	6			
AC capital funding	617	830	799	796
Asset sales				

Years	Proceeds from sale of assets	Assets and Shares	As at 31 December 2024
2023/24 Actual		Current value of assets	\$29.375m
2023/24 Actual (31 December 2024 YTD)		Shareholders equity ratio	97.3%

Prospective statement of comprehensive income

\$000	2024/25 Revised Budget	2025/26 Budget	2026/27 Modified SOI	2027/28 LTP
Financial year ending 30 June				
Revenue				
Operating funding from Auckland Council	512,444	561,555	579,262	611,779
Capital funding from Auckland Council	617,000	830,017	799,000	795,893
Fees and user charges	274,402	278,818	327,573	357,377
Subsidies and grants - capex	677,000	603,674	525,000	795,894
Subsidies and grants other - capex	58,000	48,373	0	0
Subsidies and grants - opex	494,462	537,475	546,316	562,237
Subsidies and grants other - opex	0	0	0	0
Subsidies and grants	1,229,462	1,189,522	1,071,316	1,358,131
Development and financial contributions				
Vested assets (non-Crown)	275,000	275,000	275,000	275,000
Other revenue	151,475	155,192	162,764	168,138
Total revenue	3,059,783	3,290,104	3,214,914	3,566,317
Expenditure				
Employee benefits	197,788	201,532	208,776	215,091
Depreciation and amortisation	549,785	603,697	591,000	614,837
Grants, contributions and sponsorship	3,250	3,250	0	0
Other operating expenses	1,198,828	1,296,738	1,374,398	1,451,698
Total expenses	1,949,651	2,105,217	2,174,174	2,281,626
Finance revenue				
Finance costs	22,858	20,946	21,625	21,115
Net operating income	1,087,274	1,163,940	1,019,115	1,263,576
Net other gains/(losses)				
Share of surplus/(deficit) in associates and jointly controlled entities				
Surplus/(deficit) before income tax	1,087,274	1,163,940	1,019,115	1,263,576
Income tax expense	0	0	0	0
Surplus/(deficit) after income tax	1,087,274	1,163,940	1,019,115	1,263,576
Surplus/(Deficit) after income tax is attributable to:				
Auckland Transport	1,087,274	1,163,940	1,019,115	1,263,576
Non controlling interest				
	1,087,274	1,163,940	1,019,115	1,263,576
Other comprehensive income				
Net gain on revaluation of property, plant and equipment	0	0	0	0
Income tax on revaluation of property, plant and equipment				
Revaluation of cash flow hedges				
Income tax on revaluation of cash flow hedges				
Share of equity accounted investments' reserves				
Gain on revaluation of financial assets classified as held for sale				
Total other comprehensive income	0	0	0	0
Total comprehensive income	1,087,274	1,163,940	1,019,115	1,263,576
Total comprehensive income is attributable to:				
Auckland Transport	1,087,274	1,163,940	1,019,115	1,263,576
Non controlling interest	0	0	0	0
	1,087,274	1,163,940	1,019,115	1,263,576

Prospective statement of changes in equity

\$000	2024/25 Revised Budget	2025/26 Budget	2026/27 Modified SOI	2027/28 LTP
Financial year ending 30 June				
Equity at 1 July	27,858,784	28,946,058	32,586,664	33,605,778
Total comprehensive income	1,087,274	1,163,940	1,019,115	1,263,576
Movements in non-controlling interest	0	0	0	0
Total comprehensive income	1,087,274	1,163,940	1,019,115	1,263,576
Investment by Auckland Council	0	2,476,665	0	0
Equity at 30 June	28,946,058	32,586,664	33,605,778	34,869,354
Total comprehensive income is attributable to:				
Auckland Transport	1,087,274	1,163,940	1,019,115	1,263,576
Non controlling interest	0	0	0	0
	1,087,274	1,163,940	1,019,115	1,263,576

Prospective statement of financial position

\$000	2024/25 Revised Budget	2025/26 Budget	2026/27 Modified SOI	2027/28 LTP
Financial year ending 30 June				
ASSETS				
Current assets				
Cash and cash equivalents	23,228	23,228	23,228	23,228
Receivables	726,239	726,239	726,239	726,239
Inventories	12,925	12,925	12,925	12,925
Other assets	11,676	11,676	11,676	11,676
Non-current assets held for sale	123,335	0	0	0
Derivative financial instruments	3	3	3	3
Total current assets	897,406	774,071	774,071	774,071
Non-current assets				
Receivables	0	0	0	0
Property, plant and equipment	28,786,813	32,540,179	33,548,179	34,800,130
Intangible assets	145,463	145,463	145,463	145,463
Derivative financial instruments	0	0	0	0
Total non-current assets	28,932,276	32,685,642	33,693,642	34,945,593
TOTAL ASSETS	29,829,682	33,459,713	34,467,713	35,719,664
LIABILITIES				
Current liabilities				
Payables and accruals	406,522	406,522	406,522	406,522
Employee entitlements	19,185	19,185	19,185	19,185
Derivative financial instruments	4,890	4,890	4,890	4,890
Borrowings	12,148	12,148	12,148	12,148
Provisions	269	269	269	269
Total current liabilities	443,014	443,014	443,014	443,014
Non-current liabilities				
Payables and accruals	0	0	0	0
Employee entitlements	282	282	282	282
Derivative financial instruments	569	569	569	569
Borrowings	439,758	429,184	418,070	406,445
Provisions				
Other non-current liabilities				
Total non-current liabilities	440,609	430,035	418,921	407,296
TOTAL LIABILITIES	883,623	873,049	861,935	850,310
NET ASSETS	28,946,059	32,586,664	33,605,779	34,869,354
EQUITY				
Contributed capital	13,282,546	15,759,211	15,759,211	15,759,211
Accumulated funds	7,516,119	8,680,060	9,699,174	10,962,750
Reserves	8,147,393	8,147,393	8,147,393	8,147,393
Total ratepayers equity	28,946,058	32,586,664	33,605,778	34,869,354
Non-controlling interest				
TOTAL EQUITY	28,946,058	32,586,664	33,605,778	34,869,354

Prospective statement of cashflows

\$000	2024/25 Revised Budget	2025/26 Budget	2026/27 Modified SOI	2027/28 LTP
Financial year ending 30 June				
Cashflow from operating activities				
Cash provided from:				
Income from activities	425,877	434,010	490,337	525,515
Operating funding from Auckland Council	512,444	561,555	579,262	611,779
Capital funding from Auckland Council	617,000	830,017	799,000	795,893
Operating subsidies and grants - Waka Kotahi	494,462	537,475	546,316	562,237
Capital funding from Waka Kotahi	677,000	603,674	525,000	795,894
Capital grant revenue - CIP	58,000	48,373	0	0
Interest received	0	0	0	0
Net GST received/(paid)				
Total cash provided	2,784,783	3,015,104	2,939,914	3,291,317
Cash applied to:				
Payments to suppliers and employees	1,399,866	1,501,521	1,583,174	1,666,790
Payments to statutory entities for levies				
Interest paid	22,858	20,946	21,625	21,115
Net GST received/(paid)				
Total cash applied	1,422,724	1,522,467	1,604,800	1,687,904
Net cash from operating activities	1,362,059	1,492,637	1,335,115	1,603,412
Cashflow from investing activities				
Cash provided from:				
Proceeds from asset sales	0	0	0	0
Total cash provided	0	0	0	0
Cash applied to:				
Capital expenditure projects	1,352,000	1,482,064	1,324,000	1,591,787
Total cash applied	1,352,000	1,482,064	1,324,000	1,591,787
Net cash from investing activities	(1,352,000)	(1,482,064)	(1,324,000)	(1,591,787)
Cashflow from financial activities				
Cash provided from:				
Loan from Auckland Council	0	0	0	0
Borrowings				
Other				
Total cash provided	0	0	0	0
Cash applied to:				
Principal repayments	10,059	10,574	11,115	11,625
Payment of finance leases				
Total cash applied	10,059	10,574	11,115	11,625
Net cash from financing activities	(10,059)	(10,574)	(11,115)	(11,625)
Net (decrease)/increase in cash and cash equivalents	0	0	0	(0)
Opening cash balance	23,228	23,228	23,228	23,228
Closing cash balance	23,228	23,228	23,228	23,228

Prospective funding impact statement
Auckland Transport

\$000	2024/25 Revised Budget	2025/26 Budget	2026/27 Modified SOI	2027/28 LTP
Financial year ending 30 June				
OPERATING EXPENDITURE				
Total operating expenditure	1,972,509	2,126,163	2,195,800	2,302,741
Tax expense	0	0	0	0
<i>Less depreciation and amortisation</i>	<i>(549,785)</i>	<i>(603,697)</i>	<i>(591,000)</i>	<i>(614,837)</i>
<i>Less non-cash items in operating expenses</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Operating expenditure to be funded	1,422,724	1,522,467	1,604,800	1,687,904
Sources of operating funding:				
Operating funding from Auckland Council	512,444	561,555	579,262	611,779
Fees and user charges	274,402	278,818	327,573	357,377
Subsidies and grants	494,462	537,475	546,316	562,237
Other revenue	151,475	155,192	162,764	168,138
Borrowing to fund operating expenditure	0	0	0	0
Asset sales	0	0	0	0
Total operating funding	1,432,783	1,533,040	1,615,914	1,699,530
Operating funding surplus / (deficit)	10,059	10,574	11,115	11,625
Principal repayments	10,059	10,574	11,115	11,625
Net Surplus	0	0	0	0
CAPITAL EXPENDITURE				
Total capital expenditure	1,352,000	1,482,064	1,324,000	1,591,787
Comprised of:				
Growth	427,900	368,516	302,500	404,425
Improve level of service	483,100	629,386	493,500	551,699
Renewals	441,000	484,162	528,000	635,663
Total application of capital funding	1,352,000	1,482,064	1,324,000	1,591,787
Sources of capital funding:				
Operating funding surplus	0	0	0	0
Capital funding from Auckland Council	617,000	830,017	799,000	795,893
Loans from Auckland Council	0	0	0	0
Investment by Auckland Council	0	0	0	0
Capital grant revenue - Others	58,000	48,373	0	0
Subsidies and grants	677,000	603,674	525,000	795,894
Asset sales	0	0	0	0
Total capital funding funding	1,352,000	1,482,064	1,324,000	1,591,787
Capital funding surplus / (deficit)	0	0	0	0
MOVEMENT IN BORROWING				
Opening borrowing	461,965	451,906	441,332	430,218
Borrowing to fund operating expenditure	0	0	0	0
Borrowing to fund capital expenditure	0	0	0	0
Other movements	0	0	0	0
Capital funding surplus used to repay borrowing	0	0	0	0
Finance leases				
Principal repayments	(10,059)	(10,574)	(11,115)	(11,625)
Closing borrowing	451,906	441,332	430,218	418,593

Appendix 1: Legislative requirements

Auckland Transport Climate Transition Plan

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 requires Climate Reporting Entities (CRE) to make climate related disclosures in line with New Zealand Climate Standards 1 (CS 1). As a listed issuer of debt on the New Zealand Stock Exchange, the Auckland Council Group (ACG) is a CRE and must prepare an annual climate statement in line with these legislative and regulatory obligations.

As part of the ACG, Auckland Transport must provide information for climate statements which comply with CS 1. This includes the provision of a Climate Transition Plan that is “... ***an aspect of an entity’s overall strategy that describes an entity’s targets, including any interim targets, and actions for its transition towards a low-emissions, climate-resilient future***”.

Auckland Transport’s Climate Transition Plan will be incorporated into the Auckland Council Group Climate Transition Plan led by Auckland Council.

Auckland Transport’s Climate Transition Plan will be presented to the Board in 2025/26 and focusses on how AT will respond to climate-related risks and opportunities; and achieve its purpose of a low-emissions, climate-resilient transport network. The plan includes discussion on:

- Auckland Transport’s governance and decision-making processes for overseeing climate-related risks and opportunities,
- How climate change is currently impacting Auckland Transport and how it may do in the future, including:
 - Analysis of the climate-related physical and transition risks and opportunities faced by Auckland Transport over the short, medium and long term
 - The impacts of those risks and opportunities
 - How Auckland Transport identifies, assesses and manages climate-related risks, and how those are integrated into Auckland Transport’s overall risk management process.

About us – Our board’s approach to governance

Auckland Transport 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.

Auckland Transport’s purpose is to contribute to an effective and efficient land transport system in the public interest.

Our 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 Auckland Transport Board consists of between six and eight voting members and one non-voting member appointed from New Zealand Transport Agency Waka Kotahi (NZTA). In 2025, the Board consists of eight voting members including two appointed councillors.

The board's core responsibilities are to:

- negotiate statements of intent with Auckland 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 Auckland Transport;
- 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
- Transport Safety Committee
- 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 Auckland Transport'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 Auckland Transport website. There are also between 20 and 25 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 (NZ\$), 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, NZTA 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 LTP and Auckland Transport's annual Statement of Intent.

Based on the funding set out in the Auckland Council Annual Plan, and for subsequent years, the approved LTP and NZTA's National Land Transport Programme, Auckland Transport 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.

Property, plant and equipment

Property, plant and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. After initial recognition, certain classes of property, plant and equipment are revalued.

Land, road formation and properties held for roading purposes are not depreciated. All other property, plant and equipment is depreciated on a straight line basis.

Auckland Transport accounts for revaluation on an asset class basis. Operational land and buildings, land – finance lease, rolling stock, wharves, bus stations and shelters, train stations and roads and formations are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years. All other assets are carried at depreciated historical cost.

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, 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 represent amounts payable within 12 months of balance date and 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 represent amounts payable more than 12 months from balance date and are measured at the present value of the estimated future cash outflows.

Borrowings

Borrowings are initially recognised at face value plus transaction costs and are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities where they are expected to be repaid within 12 months of the reporting date. Non-current borrowings refer to debts not due for repayment within 12 months.

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.

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

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Market evidence is available and used for the non-specialised land and buildings, which include commercial and general purpose buildings for which there is a secondary market. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The depreciated replacement cost is used to revalue specialised buildings (designed for a specific limited purpose), roading and public transport assets for the delivery of Auckland Transport's services.

Depreciated replacement cost for these types of assets is based on the 'optimised replacement cost'. Optimised replacement cost is the minimum cost, in the normal course of business, to replace the existing asset with a technologically modern equivalent asset with the same economic benefits, adjusting for any overdesign, overcapacity and redundant components. Optimisation is limited to the extent that optimisation can occur in the normal course of business using commercially available technology.

The provision for impairment of receivables is determined based on an expected credit loss model. In assessing credit losses for receivables, Auckland Transport applies the simplified approach and record lifetime expected credit loss (ECL) on receivables. Lifetime ECL results from all possible default events over the expected life of a receivable.

ECL for short term infringement receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Receivables are written off when there is no reasonable expectation of recovery.

Appendix 2: Responses to Council’s strategic objectives

As a CCO, Auckland Transport must respond to Auckland 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:

Auckland Plan Outcomes	How Auckland Transport contributes
Belonging and participation	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Guided by Kia Ora Tāmaki Makaurau, Auckland Council’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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Contributing to the development of the Integrated Transport Plan. - 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, while meeting performance criteria. - Minimising the impact of disruptions on the network.

Environment and cultural heritage	<ul style="list-style-type: none"> - 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. - Contributing to lowering transport-related emissions by investing in customer-focused public transport and active modes to provide transport alternatives with lower emissions. - Ensuring AT activities support a climate resilient transport network, such as embedding the landslides framework into asset management systems. - Installing flood warning systems in locations prone to surface flooding. - Ensuring the use of low-carbon materials where practicable to reduce embodied emissions.
Opportunity and prosperity	<ul style="list-style-type: none"> - Connecting Aucklanders to where they want to go. - Improving access to work and leisure opportunities, enabling Aucklanders to thrive. - Ensuring freight connections and goods and services networks are maintained for better economic outcomes. - Developing and implementing procurement practices to create economic opportunities for Māori. - Enabling greater public-private partnerships leveraging commercial opportunities and integrating these into the transport system to reduce costs.

Appendix 3: How we will be held accountable and additional reporting requirements

We will provide regular reports to Auckland Council's Transport, Resilience 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.

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.

DIA and LTP Measures

Source	Measure	2025/26 target	2026/27 target	2027-2034 target
DIA measures	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	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.*	7.0%	7.5%	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%
	Operational greenhouse gas emissions, including public transport (baseline 2021/22)	0%	5%	20%

**Also included as an SOI measure.*

Appendix 4: Letter of Expectation



20 February 2025

Richard Leggat
Chair
Auckland Transport

By email - [REDACTED]

Tēnā koe Richard

Letter of Expectation for Statement of Intent for 2025 - 2028

This letter of expectation sets out the council's priorities and expectations to inform the development of the draft Statement of Intent (SOI) 2025-2028 of Auckland Transport.

It sets out common expectations across all council-controlled organisations (CCOs) in Part 1, and expectations specific to Auckland Transport in Part 2. It also reflects decisions made by Governing Body in December 2024 regarding CCOs (GB/2024/179), and my expectation that you will work with council to implement the government's transport reforms in Auckland.

The content of this letter was approved by the Transport, Resilience and Infrastructure Committee on 13 February 2025, with delegation to the Mayor and Chair, Transport, Resilience and Infrastructure Committee to finalise and issue this letter of expectation.

The Transport, Resilience and Infrastructure Committee 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 2025
- date for final submission of SOIs is on or before 31 July 2025.

Council looks forward to receiving a draft of the Auckland Transport SOI no later than 1 April 2025. We invite you to attend the April 2025 meeting of the Transport, Resilience and Infrastructure Committee to present your draft SOI and discuss how you have responded to the expectations set out in this letter. A calendar invitation will follow. The same invitation has been extended to the other CCO Chairs at the CCO Direction and Oversight Committee. Shareholder feedback on your draft SOI will be considered at the May 2025 Transport, Resilience and Infrastructure Committee.

Please liaise with CCO Governance staff about ensuring these dates can be met. Council will likely consider its shareholder feedback on your draft SOI at the Transport, Resilience and Infrastructure Committee meeting of 8 May 2025.

Part 1. Expectations of all CCOs

i. Focussing CCOs on delivery

The CCO reform package approved by the Governing Body on 12 December 2024 seeks to realign and reinvigorate the CCO model, strengthen council's ability to support elected members to make integrated decisions, and ensure the Auckland Council Group is set up in the best way to deliver on its long-term plan and broader vision for Auckland.

In line with structural change decisions on CCO reform and pending transport legislative reform led by the Government, council will be assuming a greater role in setting strategy, planning and policy and CCOs will be refocussed on service delivery.

Council will also be pursuing a range of non-structural changes (such as reforming the existing CCO board appointment and performance review process) to support the reset of the CCO model as it applies to all substantive CCOs. Advice on these non-legislative change options has been requested in early 2025 and any additional requirements or changes arising from this will be communicated to CCOs.

CCOs are expected to work positively and collaboratively with council to effectively implement the structural and non-legislative change decisions on CCO reform. CCOs are also expected to support and actively engage in any section 17A, value for money and other reviews council may commission.

Auckland Council has established an investment area office to deliver to assist it in delivering outcomes for Aucklanders in priority investment areas in the Long-term Plan. Transport is a key investment area for Auckland Council. I expect Auckland Transport to work constructively with the transport investment area office, as well as supporting integrated development decision-making, delivered by departments in council

Attribution and branding

CCOs deliver services on behalf of council. However, it is not always clear to Aucklanders the correlation between activities and functions of the CCO and the council parent to which they pay their rates. In line with the overall desire to refocus CCOs on service delivery, CCOs are expected to provide greater attribution to the council in your public facing services, assets, amenities, communications and branding.

ii. Accelerate implementation of group shared services

As part of decisions on the 2024-2034 Long-term Plan (LTP), the Group Shared Services (GSS) board agreed the high-level scope of the functions including: technology services, people services, procurement services, corporate support services, data services, customer experience and digital services.

Auckland Transport should be active participants in Group Shared Services.

I also expect advice on integrating the back-office functions of marketing, legal and financial services with council's functions. We expect priority to be given to assessing legal services.

CCOs are expected to actively support the GSS board with accelerating the transition of functions to the GSS model. The GSS Board has been tasked with assessing the benefits (through business cases) for all eligible functions within Auckland Council and CCOs, with as many as possible to be completed by 1 July 2025. Thereafter, where business cases are favourable, the expectation is that all functions are shifted to GSS as soon as possible. Demonstrable progress must be evidenced through the movement of functions to GSS through 2025, noting that, as part of the business case approval process, the operating model for these functions is agreed at the GSS Board.

In some cases where there is a good reason for part of a function to stay within a CCO, it is still expected that CCOs will utilise common technology platforms or systems and be supported by GSS wherever possible. The expectation is that no new technology platforms or arrangements will be introduced or entered in to by Council or any CCO without the appropriate oversight and approval within GSS.

Council's chief executive has been asked to provide advice to the Governing Body about its options if insufficient progress has been made on GSS.

iii. *Delivering Auckland Council's commitment in Year 2 of the Long-term Plan and alignment to final Annual Budget 2025/2026*

CCOs are expected to focus on delivering year two of the LTP 2024-2034. This includes \$47 million of savings, on top of other savings targets agreed through previous plans and decisions. For Auckland Transport, this includes delivering a revised capital programme, updated following the Governing Body's decision on 24 October 2024 [GB/2024/150]. The revised programme focuses on funding essential and high priority projects and reflects a balanced approach to increases to renewals and smaller projects.

Council will commence public consultation on the draft Annual Budget 2025/2026 in late February 2025. Following consultation and deliberations, the final Annual Budget will be adopted in June 2025. Once this occurs, final SOIs (including financial information and performance measures) should be aligned with the final Annual Budget and the strategic priorities contained within.

iv. *Planning, delivery and paying for growth*

As outlined in the Mayor's Proposal for the draft Annual Budget 2025/2026, council continues to face issues around planning, delivery and paying for growth. The council has an adopted long-term growth plan – the Future Development Strategy. Based on this, the council will be developing a framework to support decision-making on growth related issues which takes an integrated group approach. This framework will help to identify necessary trade-offs and prioritisation. We are also increasing oversight over CCO planning and delivery to regional growth plans. All CCOs are expected to actively support and contribute to the development of this framework and its associated implementation.

v. *Procurement and effective spending*

Improving how council group procures and effectively spends ratepayers' money (particularly on capital projects) is an area of focus in 2025/2026. Effective delivery of capital works requires right sized and cost-effective solutions that will deliver outcomes for Aucklanders who will ultimately benefit from the investment. Suppliers find it hard to work with council and CCOs and the processes are too lengthy. To support improvements, CCOs are expected to align closely with a group approach to procurement where there are clear efficiencies and benefits to be gained, noting the existence of the group procurement function in GSS as an enabler for this.

Council's chief executive has established a team to drive improvements and will report back to the Revenue and Expenditure Committee by March 2025. CCOs are expected to actively contribute to and implement these improvements once agreed.

vi. *Continue upholding Auckland Council Group's Te Tiriti o Waitangi-derived obligations*

Auckland Council Group is committed to upholding its obligations derived from Te Tiriti o Waitangi and to achieving better outcomes for Māori. CCOs are expected to share this commitment and contribute to its delivery, including through (but not limited to):

- reporting on the delivery of the Auckland Transport Achieving Māori Outcomes (AMO) Plan as part of the Quarterly Performance Report. The reporting should include Key Performance Indicators (KPIs) to track progress over time.
- working with Ngā Mātārae regarding the review of the Māori Outcomes Fund and to implement the refreshed Kia Ora Tāmaki Makaurau framework and strategy. This includes contributing to the design of measures and preparing to align with the rest of the Auckland Council Group on AMO Plan development, monitoring and reporting for FY27 onwards.
- building strong partnerships with mana whenua and mataawaka. This includes aligning with Council's Mana ki te Mana approach to Māori engagement, where relationships take precedence over issues or projects. This approach respects the unique mana motuhake of each iwi and mataawaka entity by prioritising their needs and aspirations.

- working collaboratively with Auckland Council (Ngā Mātārae) and other Māori Outcomes specialists across the Council Group to take a whole-of-Council-Group approach to delivering outcomes for Māori. This includes participating in Auckland Council-led activities and hui such as the Kia Ora Tāmaki Makaurau Programme Delivery Board.

vii. *Quality, timely advice to Local Boards*

CCOs should provide timely, delivery focused, quality, concise advice to local boards and ensure local boards are engaged early on projects and decisions directly impacting their local area. Ensuring that local boards are provided with options where decision-making is required is also expected. This supports the More Empowered Local Boards proposal.

Legislative and CCO Reform will mean there are changes to the roles and responsibilities of local boards. We expect CCOs to work positively to implement forthcoming changes.

viii. *Climate change*

CCOs should continue to be guided by Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan by incorporating climate change considerations (whole of life greenhouse gas emissions and resilience) into work programmes and decisions.

ix. *Compliance with Statement of Expectations of substantive CCOs*

CCOs should adhere to the Statement of Expectations of substantive CCOs (<https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/council-controlled-organisations/stakeholderupdates/cco-statement-expectations.pdf>), 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). This document will be reviewed and updated in 2025 to reflect decisions on CCO reform.

As such, CCOs should work with the 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 or legislative reform. These engagements should be summarised in your quarterly reporting.

In responding to council's requests or initiating new programmes, CCOs should consider their role in the group and not just activities that benefit their purpose. CCOs are part of the Auckland Council group and are expected to operate in ways which contribute to the success of the group as a whole and do not create risks for the council group. This extends to the open sharing of information where that is required to achieve outcomes or for legal purposes.

x. *Asset Management Planning in preparation for the LTP 2027-2037*

CCOs are expected to deliver a draft asset management plan (AMP) covering existing and planned assets to inform the development of the LTP 2027-2037. The draft AMP should be available in February 2026 to contribute to the development of the LTP 2027-2037.

Key expectations for the draft AMP are:

- planning covers at least 30 years and is based on whole-of life costings.
- group alignment on population assumptions.
- delivery of your risk appetite is a base assumption of planning
- demonstration of a sustainable approach to renewals and maintenance
- cost forecasts are linked directly to existing levels of service
- spatial presentation of asset condition data (key asset groupings and asset criticality), and growth capex need (identifying location of investment and/or catchment of benefit) is included
- strategic alignment is demonstrated as set out in the Strategic Investment Framework for Infrastructure 2024
- participation in the Investment Impact Assessment for each Annual Budget and the 2027 LTP.

AMP prioritisation aligns with the Investment Hierarchy (as set out in the Long-term Plan 2024-2034), where investments with lower long-term costs are preferred.

Further detail and guidance on the AMP expectations above will be provided in early 2025. CCOs are expected to work with Auckland Council's Infrastructure Strategy and Asset Management System teams on the development of AMPs.

Part 2. Key expectations of Auckland Transport

In summary, the council's key expectations of Auckland Transport are as follows:

xi. Work with council on government transport reform for Auckland

I expect you to work with council to prepare for and enable the proposed legislative reform announced on the 3 December 2024. Legislation change will enable:

- strategy, policy and planning functions to return to Auckland Council
- establishment of a new Auckland Regional Transport Committee with a focus on long-term, integrated transport planning
- Auckland Council to assume the role of Road Controlling Authority
- greater local decision-making over certain transport decisions for local streets and neighbourhoods
- Auckland Transport to be retained as a CCO focused on delivering transport projects and services (as decided by Auckland Council).

I would appreciate it if all communications regarding these reforms could be directed through Auckland Council. I do not expect separate engagement with the government on this matter. For transparency, all engagement should be recorded and noted in your quarterly performance reports to council.

These changes are substantial and will necessitate a thorough, joint process for effective implementation. To provide staff with clarity and assurance, Auckland Council may consider pursuing a more accelerated timeline with the government. I expect Auckland Transport to accommodate any necessary adjustments to the timeline, where feasible.

Similar to the non-legislative reform options noted below, I expect complete, open and timely process around the transfer of information.

The Minister has signalled the intention for local boards to be given greater transport responsibilities. We will need to work closely to understand the implications of and plan for this.

xii. Non-legislative reform changes

As part of the future operating model arising from CCO reform decisions, I have asked for advice from council's chief executive on the:

- principles to guide council's approach to transport reform that reflect the overall intention of this CCO reform package and legislative change
- detailed analysis about how transport functions could be delivered in the future state
- a proposed phased approach to implementation prior to legislation being enacted

This advice is to be prepared in parallel to the government's legislative process (discussed above).

Auckland Council has appointed a transition director, David Rankin to execute the broader CCO Reform programme, including transport reform. Megan Tyler will be the sponsor of this workstream. They will need to work closely with Auckland Transport staff and I expect positive and proactive engagement with them.

I expect Auckland Transport to actively support and provide full cooperation with council in the development of this advice and its associated implementation, pending Governing Body decisions. This includes the provision of timely information when requested by council. I also expect a complete and open process around the transfer of information as and when it is requested.

xiii. Continue to progress the council's priorities for Auckland Transport

The last two letters of expectations have outlined council's expectation for you to:

- continue work to change how they interact with Aucklanders and listen to Aucklanders
- get the most out of the existing transport network, e.g. implement dynamic lanes, network optimisation, time of use charging, signal improvements
- 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 the Auckland Integrated Transport Plan
- reduce delays incurred by utilities & developers when working with Auckland Transport
- implement low-cost opportunities to complete the cycling network, and continuing to focus on completing existing links with minimal disruption
- reduce AT's cost to Council
- seek cheaper and more flexible alternatives for road safety furniture

I expect you to continue to focus on these priorities and indicate in your statement of intent how you will be delivering on these.

xiv. Seek regional and local elected member input on matters of high public interest

I expect Auckland Transport to seek input from elected members on matters of high public interest, like the setting of private share. I am aware that the government will be introducing new requirements for the farebox recovery ratio.

In all matters of high public interest or affecting large numbers of Aucklanders, I expect you to keep the council informed on any consequences, and for this to be initiated at the start of your considerations and not just at the end. Examples of this would include matters such as the Victoria and Federal St intersection changes, and ways to traverse the CBD east to west by car.

xv. Further work is needed to improve communication to customers

Auckland Transport must continue to improve communication to customers about the transport system, particularly in the coming year due to rail disruptions. This is a critical factor that impacts the experiences of transport users, and it is essential that information provided is reliable and up-to-date across all communication channels. Given the forecasted disruptions on the rail network and changes to the rail and bus system to support the City Rail Link, clear communications will be vital.

To be clear, I want you to refocus communications and marketing activities on basic customer communications (especially for public transport) and away from promotion of Auckland Transport's brand and successes.

xvi. Implementation of mega projects like the City Rail Link (CRL) and Eastern Busway

As the CRL construction work winds down, the role of Auckland Transport within the project will increase and day-1 readiness will become a stronger focus. This includes removing level crossings required for day-1, asset testing, acceptance, station and precinct readiness, driver training, way finding and passenger transport operations. I expect to see a clear programme through to day-1, with regular reporting to the Transport, Resilience and Infrastructure Committee.

As part of delivering to day-1 and to ensure we get the most efficient use out of our investment we expect you to work with Auckland One Rail and KiwiRail to decrease planned dwell times at stations and report on progress as part of your quarterly performance reporting.

Ensuring that we accurately assess and capture the benefits of these initiatives will both require Auckland Transport to input into the benefit realisation methodology and in some instances be responsible and owner of some of the benefits.

xvii. *More detail is required on the methodology for your statement of intent measures and targets*

As Auckland Transport transitions to being more of a delivery agency, I expect you to provide council and the public with your methodology, how your measures are calculated and the assumptions that underpins them.

Auckland Transport has undertaken to provide council with improved capital expenditure and value for money measures. I expect this to be included in your statement of intent. Merely reporting the percentage spent is not an informing statistic.

I also expect a measure that sets out the “Percentage of critical assets in poor or very poor condition (by asset count)”. A breakdown of this data by traffic signals, PT, structures and road pavements is also expected.

xviii. *Planning and paying for growth*

My Mayoral Proposal notes that by bringing the policy and planning for infrastructure, economic development, land use regulation and urban regeneration into council, will help to bring a more integrated, coordinated and properly prioritised investment. While we transition, I expect any growth-related decisions made by Auckland Transport are canvassed with Auckland Council staff and elected members.

xix. *Auckland Transport's commitment to the Water Strategy and stormwater plans*

The roading network is Council's biggest stormwater asset. Auckland Transport has an important role in managing and reducing the environmental impacts of stormwater quality. I expect you to align with the outcomes sought the Council's Water Strategy and ensure that water quality outcomes are included in your delivery programme.

The Local Government (Water Services Preliminary Arrangements) Act requires Auckland Council to have a Water Service Delivery Plan for stormwater. The new water reform bill proposes that territorial authorities must prepare stormwater network risk management plans to identify any hazards and assess risk relating to the network in the district. I expect Auckland Transport to provide any necessary input, in a timely manner, into the development and implementation of these plans.

I also expect Auckland Transport to enter into Service Level Agreements with Auckland Council in relation to stormwater and to keep these Agreements current with changes coming from water reform. This will help ensure that the community has clarity of roles and responsibilities for the variety of stormwater services and asset in Auckland.

I would expect to see Auckland Transport comply with any new standards that might be applied to stormwater because of regulation implemented in the new water reform bill. If consultation is required on draft standards, Auckland Council will take the lead on this, seeking your specialist advice and input.

xx. *Auckland Transport's subcommittee agendas should be published*

With Auckland Transport's board meeting six times a year, and Auckland Transport's subcommittees playing an important governance role, I expect the agenda items for each subcommittee to be published online, and reports to be included in an open agenda (unless there are valid Local Government Official Information and Meetings Act 1987 reasons for exclusion).

Council looks forward to receiving a draft of the Auckland Transport SOI no later than 1 April 2025. AT's SOI 2025-2028 needs to set out in more detail its initiatives, including milestones for which we can assess performance.

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

Copy to:

Councillor Andrew Baker
Dean Kimpton
Alastair Cameron

Chair, Transport and Infrastructure Committee
Chief Executive, Auckland Transport
Manager, CCO Governance and External Partnerships