



Statement of Intent

2024 DRAFT



**E ngā iwi whānui ki ngā topito o Tāmaki Mākaaurau
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
Tamaki the meeting place of all canoes
Life essence to the world, to the world of light

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Chair's Foreword

Auckland Transport plays a pivotal role in the region's success. We are accountable to both the council and the government through the NZ Transport Agency, and implement the priorities of both, including the Council's Auckland Plan and Government's policy statement on transport.

Our role is reflected in our purpose: *to tiaki all who use transport in Tāmaki Makaurau*. For us, to *tiaki* is to care for, enable and deliver a safe and effective transport system that contributes to a more thriving Auckland. The region will always be growing, which places continued pressure on our infrastructure and services. Many of our key challenges are driven by a desire to see continued improvement for transport against a backdrop of ever-rising demand. Aucklanders want people and goods moving around the city with better reliability and accessibility, and with lower emissions. There's also an expectation to take a 'better, faster, cheaper' approach to how we operate, and get the most out of our existing network.

Last year we signalled the need to make fundamental changes to how we work. We acknowledged we needed to be far better at listening to and understanding the communities we serve. More work was needed to improve our reputation with Aucklanders and for us to win their trust and confidence.

Significant progress has been made.

We have redesigned our operating model which will enable us to be more responsive to the customers and communities we work with. We are clear on our purpose and we have developed a new strategy that articulates an ambitious and credible long-term vision. The strategy outlines how we intend to improve our performance and do a better job in shaping our city for the future.

Our longer-term ambitions are translated into an action plan through our three-year corporate strategy. Over the next three years, we will focus on five 'accelerators' which are areas where we know that we need to move quickly to deliver the required outcomes. These are:

1. Taking public transport from good to great
2. Improving network productivity
3. Making every interaction count
4. Growing external revenues
5. Effective governance and advocacy for transport outcomes

This statement of intent is structured around these accelerators or outcomes we are working towards.

As we implement our strategy, how we work will be guided by our principles around listening and responding to the needs of our customers and communities; leading and partnering by bringing all players together to take a whole of system view; putting people and places at the heart of how we design and deliver our transport system; and partnering with Māori to deliver a transport system that improves outcomes for all.

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

Ngā mihi,

Richard Leggat

Chair – Auckland Transport

Introduction

Every decision we make that impacts Aucklanders must consider how those Aucklanders live their lives and navigate their way around our region.

This Statement of Intent (SOI) outlines how we will listen to and deliver services and solutions that respond to the needs of those Aucklanders, and addresses the expectations the Mayor and Auckland Council (the Council) have set out for us in the Letter of Expectation for Statement of Intent 2024-2027 (attached as Appendix 4).

In Part 1 of the SOI we provide an overview of the strategic direction, and how it links with the objectives, priorities and outcomes set by Council and Government. This section includes the challenges and constraints in our operating environment that we will work to overcome.

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

1. Taking public transport from good to great
2. Improving network productivity
3. Making every interaction count
4. Growing external revenues
5. Effective governance and advocacy for transport outcomes

Assumptions for Draft SOI

This SOI supports and aligns with Auckland Council's draft Long-term Plan (LTP). The draft GPS was released in early March 2024, reorienting government priorities for transport to focus on economic growth and productivity. Reprioritisation of our activities is still underway, including through development of the Regional Land Transport Plan (RLTP).

Deliverables and targets in this draft SOI should be taken as provisional until funding has been confirmed. Many targets are subject to change and review based on funding eventuating.

Funding will be determined by:

- Local policy documents - Council's LTP and annual budget
- Government policy documents - GPS, National Land Transport Plan (NLTP)

Part 1 Strategic Overview

1.1 Roles and responsibilities

We enable, protect, conserve and support our communities in all forms of transport. We are here to deliver an integrated system that helps Tāmaki Makaurau unlock its full potential, become more resilient, and thrive.

Our key activities that directly impact Aucklanders are:

- Operation and maintenance of the roading network, including traffic lights, lighting, communications, and other management systems
- Parking management and enforcement
- Investing in the renewal of the transport system, particularly the roading network
- Provision and maintenance of footpaths and cycleways
- Planning and contracting of public transport services with associated support – such as communications
- Investing in improvements to the transport network, including safety improvements
- Planning for the future transport system for Auckland and coordinating system development

We also undertake other activities, including:

- Providing advice and advocacy to Government, Council and other decision makers
- Developing plans and strategies that align with our political direction and embed equity in our operations
- Funding allocation and project delivery
- Communications and engagement
- Managing the interaction with other land uses, including consenting and approvals and other contractors working on the network
- Harbourmaster functions
- Running two airports on Aotea Great Barrier

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

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

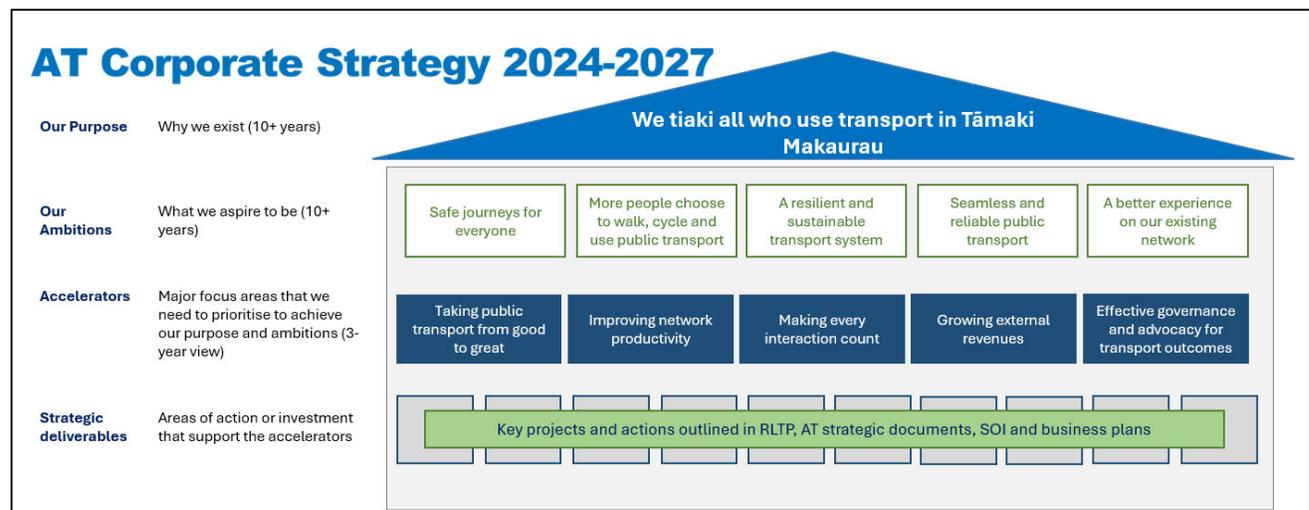
1.2 Strategic Priorities

Looking ahead, we will continue to build on our foundations while also addressing the strategic challenges we face.

At a foundational layer, it is about getting the basics right. For capital expenditure, the approach will be to make the most of what we currently have with a fix, finish and optimise approach. We will continue our programmes to deliver better outcomes for Māori. Safety remains an important aspect of our business, guided by an aspiration of Vision Zero.

Ensuring AT is contributing to the development and implementation of Auckland’s transport strategy remains an ongoing priority. This includes aligning to council’s Future Development Strategy to ensure our growth programme is consistent with council’s strategic direction, and progressing the Integrated Transport Plan with government and council.

At a strategic level for the organisation, our new corporate strategy provides clarity on what we will focus on for the next three years. Five accelerators are designed to drive pace to deliver our ambitions or long-term goals, and ultimately better outcomes for Aucklanders.



The accelerators are:

- **Taking public transport from good to great.** Aucklanders expect greater choice and accessibility as they move around our region. We will look to explore innovative approaches to grow public transport use and deliver a better experience for our customers on public transport.
- **Improving network productivity.** This accelerator will leverage technology and smart optimisation approaches to improve the flow of traffic and people in our existing network. We will minimise the impact of disruptions to ensure customers can travel with more certainty.
- **Making every interaction count.** We acknowledge the need to continue to rebuild trust with Aucklanders. We are beginning a comprehensive programme to embed a culture of service, performance and accountability. Connected to this will be a series of targeted initiatives in customer service and innovating community engagement.
- **Growing external revenues.** To deliver improved value for money, we will look at revenue streams that generate additional income for AT and offset some of the operating expense pressures.

- **Effective governance and advocacy for transport outcomes.** Aucklanders expect AT to take the lead on discussions about the more complex transport needs of Auckland. We have a role to play in influencing and advocating across the transport ecosystem to deliver better transport outcomes for Auckland. This includes more effective relationships and governance structures to support a long-term approach to securing funding certainty and advocacy for the legislative and policy changes needed for a more sustainable funding model.

To operationalise this statement of intent and our new corporate strategy, AT has set clear performance objectives for the next three years which are supported by targeted deliverables and initiatives. Progress on these will be reported on a regular basis to key stakeholders.

1.3 Strategic alignment and key policies

This Statement of Intent responds specifically to the Letter of Expectation set by the Mayor and Auckland Council. It also sets out below how Auckland Transport aligns with wider strategic priorities, including the Auckland Plan 2050 and the emerging Joint Transport Plan for Auckland.

Working with Auckland Council

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

This Statement of Intent has been drafted with the Long-term Plan in mind, understanding the importance of aligning with the final LTP to be adopted in June 2024. With the direction signalled by Council, particularly on financial strategy and budgetary levers, our accelerator to grow external revenue will include a focus on value for money and cost/benefit analysis, cost savings and efficiencies, and a new target to grow third-party revenues year-on-year throughout this LTP and SOI period.

The delivery of our capital programme will be determined by the LTP, RLTP, and the Integrated Transport Plan. Our focus will be on the 'fix, finish, optimise' principle. In contributing to the draft LTP and developing the RLTP, we are conducting a review of ongoing projects to prioritise completing existing initiatives and repairing critical infrastructure. A cautious approach towards new capital projects ensures that any growth-related investments are in full alignment with guiding strategies, such as the Future Development Strategy, and the ongoing Integrated Transport Plan.

AT will engage with both Central Government and Auckland Council with Auckland's best interests at heart. This will be conducted with transparency and communication with Council will be ensured throughout. Efforts will be directed towards supporting development of the Integrated Transport Plan to ensure alignment between both Central and Local Government priorities in Auckland. Key projects will be progressed to deliver the best transport outcomes, such as Time of Use Charging. AT's continued role and engagement on projects such as Waitemata Harbour Connections will support Council direction. Work that has been completed to date on large projects such as Light Rail will be retained so that the lessons and information can best be used in the future where appropriate.

Māori Outcomes

Auckland Transport is committed to partnering with Māori to meet its statutory obligations under the Treaty of Waitangi / Te Tiriti o Waitangi. AT is obligated to:

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

AT is currently drafting a revised Māori Outcomes Plan, with a final draft intended to be approved in June 2024. The implementation of the plan will guide further direction in the SOI period.

We will continue to engage meaningfully and regularly with Mana Whenua. The Māori Policy and Engagement team will continue to facilitate AT-resourced engagement forums with mana whenua on operational matters, projects, programmes, strategies, and plans. AT will continue to engage with Mana Whenua governance at the Tāmaki Makaurau Mana Whenua forum and with individual iwi.

AT seeks to better understand the needs of Māori across Tāmaki Makaurau and will establish and improve opportunities for Mataawaka Māori to contribute to our decision-making processes. We will develop a Mataawaka engagement plan, and seek out working relationships with Mataawaka organisations, marae, wānanga, kura, whānau, and individuals.

AT is committed to working alongside Auckland Council Group and the Independent Māori Statutory Board to meet the requirements of the tri-annual Treaty of Waitangi Audit. The Independent Māori Statutory Board’s Schedule of Issue of Significance recognise access to infrastructure as an Issue of Significance to Māori in Tāmaki Makaurau and seeks to ensure that Māori receive ongoing access to safe, operational, and reasonably priced infrastructure services and are enabled to contribute to the decision-making process of future infrastructure projects actively and meaningfully.

AT is committed to responding to the Board’s Issues of Significance and will continue to proactively work with our Māori partners across the 2024-2027 term.

We are an active member of the Council’s Māori Outcomes Steering Group and are guided by Kia Ora Tāmaki Makaurau - the Council’s Māori Outcomes Performance Measurement Framework.

In accordance with Kia Ora Tāmaki Makaurau, and to support a thriving Māori identity, we will:

Kia ora te reo	implement te reo Māori on signage and public transport announcements
Kia ora te rangatahi and Kia ora te whanau	deliver Te Ara Haepapa Māori road safety programmes
Kia ora te hononga (ahurea and taio)	integrate Te Aranga Māori urban design principles in AT projects. They are used as a guide in discussion and engagement with mana whenua
Kia ora te whanau	support Māori wardens in providing a safe environment for our customers across the AT network
Kia ora te Umanga	improve our procurement practices to create economic opportunities for Māori
Kia ora te marae	improve safety and access around Marae and Papakainga
Kia ora Hāngai te Kaunihera	increase staff knowledge and capability in te reo me ona tikanga Māori, and understanding of Tiriti o Waitangi
Kia ora Hāngai te Kaunihera	improve the representation and wellbeing of kaimahi and rangatahi Māori at AT
Kia ora Hāngai te Kaunihera	better understand how to measure and support Māori wellbeing outcomes and develop better ways to report on these

Sustainability and environment

Auckland Transport is committed to a low emissions and sustainable transport system that is resilient to the impacts of climate change, minimising our impact on the natural environment and human wellbeing by protecting our waterways and the air that we breathe, improving social and economic equity and restoring biodiversity as part of how we deliver infrastructure and services.

Extreme weather events across New Zealand and globally have highlighted the physical, financial, and other impacts of climate change. They have also highlighted opportunities such as efficiencies and improvements, or new partnerships, products and services. AT will continue to 'build back better' by ensuring recovery and renewals programmes adapt to predicted future conditions, ensure the transport network is resilient to the changing climate and opportunities are identified and applied. We are working closely with Auckland Council as we continue to progress adaptation work, increasing the resilience of our network. We will work collaboratively with the Ministry for the Environment and other central government agencies to ensure a common understanding of central government's approach to current and future infrastructure investment, ranging from reinforce to managed retreat.

We will continue to invest in customer-focused public transport projects and services, along with walking and cycling projects, to provide Aucklanders with reasonable alternatives to driving. We will also consider how we can support motorists to transition towards greater electric vehicle use efficiently and effectively, including through partnerships with others where appropriate.

We will work towards greater energy and resource efficiency at new facilities to ensure future costs and environmental impacts are reduced over the full lifespan of those facilities. And we will seek to improve the energy and resource efficiency of existing facilities when they are renewed or upgraded.

While AT have made substantial reductions in the emissions that are under our control, what we can realistically deliver across the transport network is dependent on the context of our operating and economic environment; funding parameters; and practical constraints such as the availability of technology or extreme weather events.

Auckland Council set a target to reduce emissions by 64% by 2030 in the Transport Emissions Reduction Pathway (TERP). This is more ambitious than Central Government's Emissions Reduction Plan, and although we acknowledge these targets and are working towards them, there is insufficient funding to deliver on these outcomes. To the extent that is possible within approved funding, we will continue to work collaboratively with Council and key partners to progress the transformation areas outlined in TERP.

The draft GPS has signalled a shift in what the Government expects in transport outcomes, towards economic growth and productivity and less focus on the climate and environment. The GPS instead nominates the Emissions Trading Scheme as the most appropriate tool to tackle emission reduction.

Ensuring a transport network that is resilient to the impacts of climate change is a whole-of-Council and whole-of-Government responsibility. We will continue to advocate for greater action by our partners who hold other levers that can support us to transition to a low emission transport network in Auckland. We are working closely with Auckland Council as we continue to progress adaptation work, increasing the resilience of our network. We will interact collaboratively with the Ministry for the Environment and other central government agencies, to ensure a common understanding of central government's approach to current and future infrastructure investment, ranging from reinforce to managed retreat.

Safe journeys for everyone

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

Auckland Transport acknowledges our role in responding to Aucklanders' expectations. We support the aspirational Auckland Plan vision through a multi-agency, partnership-based strategy, Vision Zero for Tāmaki Makaurau. This partnership includes Auckland Council, NZ Police, Ministry of Transport, NZ Transport Agency, Health New Zealand / Te Whatu Ora, and the Accident Compensation Corporation.

Since this strategy was adopted, progress has been made in the delivery of several key safety interventions. This includes improving safety near schools and at high-risk locations by installing safety infrastructure and through setting safe and appropriate speed limits while partnering with communities on road safety initiatives.

The draft GPS has shifted the direction on safety from a safe-systems approach based on infrastructure and speed management to an approach more based on police-led enforcement and road user education.

We work in partnership through the Tāmaki Makaurau Transport Safety Governance Group, such as raising awareness of recent achievements by NZ Police on random breath testing targets which are at the highest levels for 10 years.

Where we have delivered safety interventions, Aucklanders have been safer on our roads. Safety data shows:

- rural safety improvements leading to a 29% reduction in deaths and serious injuries in Rodney and a 10% reduction in deaths and serious injuries in Franklin (comparing 2016 to 2018 with 2021 to 2023),
- the 2023 evaluation of the Mass Action Pedestrian Improvement Programme (2018/19) showed at locations where zebra crossings had been raised, the annual serious and fatal crash rates reduced from 2.4 to 0.4 crashes per year, with zero serious or fatal crashes for people walking at the treated site.

However, there is more that needs to be done. New Zealand has one of the highest rates of road deaths in the developed world. The provisional numbers for the 2023 calendar year are 43 deaths and 590 reported serious injuries on Auckland roads. We continue to see the largest amount of trauma occurring on urban roads across Auckland. After adjusting for under-reporting, around two-thirds of deaths and serious injuries are estimated to involve people walking, cycling or motorcycling.

With a social cost of over \$2b per annum expected from road crash trauma in Auckland, reducing road harm is a key part of lifting Auckland's productivity and economic growth to increase opportunities and prosperity for all.

Our previous targets for safety outcomes were aligned with Vision Zero and the Road to Zero safety strategy. Under the previous GPS, almost half of the safety benefits were expected to be achieved through speed and infrastructure improvements. With a significant reduction in anticipated funding levels, and the change in approach, our safety targets for a reduction in deaths and serious injuries on all Auckland roads have been amended to reflect a nominal reduction attributed to targeted speed reduction around schools and local communities, and a continued mode shift to public transport. Further analysis will be conducted for the final SOI to determine revised targets.

1.4 Challenges and constraints

We recognise that Auckland Transport continues to operate in a challenging environment. We have summarised the key challenges and constraints we face below:

Funding constraints

One of our most significant challenges relates to funding availability and certainty. The recent announcement around withdrawal of the Regional Fuel Tax (RFT) by the new government has compounded what was already a constrained environment. Removing RFT results in a reduction of future funding of about \$1.2 billion (once co-funding is included). Funds previously raised from RFT will be directed to priority projects including the continuation of Eastern Busway, purchase of electric trains and stabling infrastructure for City Rail Link (CRL) and other projects already underway.

The AT Board requested staff pause at the earliest possible point on the balance on other RFT funded projects. In parallel, AT commenced a review of the capital programme in its entirety, considering not only investment priorities but also projects that should be de-scoped, deferred or stopped.

The January 2023 flood and the effects of Cyclone Gabrielle left us with significant repairs to make at substantial cost and we were already facing into an asset maintenance backlog. Inflationary pressures have also led to rapid cost increases in our projects meaning less can be done with the funding available. There is also pressure on the Council Group's budget, particularly its operating budget, which is reducing funding available for services, maintenance, and our staff. Uncertainty also continues in the national land transport funding system, which reduces certainty of investment for multi-year programmes. Funding constraints mean that to maintain our assets to an acceptable standard we may need to reallocate funding from other currently proposed projects. If this is not possible, or we are unable to secure additional funding, current funding for asset maintenance and renewals will see a decline in the condition of critical assets in this period. This will likely have an impact on network capability and a resulting decline in public trust.

Condition of the rail network

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

Climate change, social equity and safety

We are aware of the need to rapidly reduce transport greenhouse gas emissions, and Government and Council have set some very high targets. We also know we must improve equitable access to transport across Auckland and address longstanding safety concerns. However, many of the interventions required to achieve national and regional outcomes will require some trade-offs. They will also require people to change the way they travel, many of whom are struggling with day- to- day living. Balancing policy and legislative objectives with political willingness to implement change is increasingly challenging with available funding.

Changing travel patterns

Public transport patronage continues to recover after the challenges associated with Covid. However, Aucklanders have changed the way they travel, with many continuing to work from home more frequently, and choosing to drive more often when they do travel, especially for shorter trips. The challenges to public transport reliability as a result of Covid and rail network rebuild have caused a distrust in our services and many Aucklanders have been reluctant to return to public transport.

Complex operating environment

Our proposed activities reflect the 2024/25 budget, and the LTP for years 2025/26 and 2026/27. If the actual level of funding provided is less than budgeted, then less transport investment and services can be delivered. This will result in reduced transport service levels, worse climate impacts, and increased risks to public safety. If more funding is made available, further investment in assets and services could be made and improve the associated outcomes. We will need to continue to focus our attention on the basics and delivering value for money to ratepayers.

Part 2 Statement of performance expectations

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

1. Improving network productivity
2. Making every interaction count
3. Taking public transport from good to great
4. Growing external revenues
5. Effective governance and advocacy for transport outcomes

2.1 Improving network productivity

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

Trying to build our way out of congestion is not an option. Making the better and smarter use of our existing roads, rail, footpaths, cycle-ways and ferries has to be part of the solution. Our approach will focus on increased investment into network optimisation initiatives that deliver significant improvements through small-scale interventions, technology upgrades, and developing demand-based solutions to manage congestion.

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

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

To improve network productivity, we will:

<p>Make smarter use of our existing road spaces and improve traffic flow by optimising the transport network including the use of physical and technology solutions to use road space dynamically, including:</p> <ul style="list-style-type: none"> - Bus prioritisation on key corridors - Special vehicle lanes - Dynamic streets - Intelligent transport systems 	FY25-27
<p>Minimise the impact of disruption on the road corridor and reduce road cones, improving productivity of the road network, by working with the industry to reduce cost and helping them to deliver their temporary traffic management on a smaller footprint.</p>	FY25
<p>Progress implementation of Room to Move by delivering comprehensive parking management plans in collaboration with local boards, starting with the City Centre, and beginning Park and Ride initiatives.</p>	FY25
<p>Lower the delivery cost of cycling and walking infrastructure by reviewing design standards and delivering projects together with other infrastructure.</p>	TBC
<p>Develop a strategic walking programme for active mode investment.</p>	TBC
<p>Develop a transition plan to implement Time of Use Charging.</p>	FY25

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Average travel time across the arterial network	24 minutes	24 minutes	24 minutes	24 minutes

Safety Deaths and Serious Injuries on the road network in Tāmaki Makaurau	No more than 640	No more than 616 631	No more than 591 621	No more than 611
Arterial productivity Average number of people moving per hour during the morning peak	28,000	30,000 28,000	32,000 30,000	32,000
Freight performance Percentage of the freight network moving without congestion in the interpeak	85%	85%	85%	85%
Cycle counts The number of people using defined cycle network count sites <i>Note: targets will be reviewed from FY24 end of year results for the final SOI</i>	3.12m	3.20m 3.45m	3.28m 3.53m	3.62m
Emission reduction Reduction in operational emissions (from 2018/19 baseline)	15% reduction from 2018	19%	23%	27%

2.2 Making every interaction count

We understand the importance of continuing to listen and respond to needs of our customers and communities. We are committed to putting people and places at the heart of how we design and deliver our transport system. And to do that, we need to improve the way we engage and interact with Aucklanders.

We also need to improve how we work with each other and our partners to respond to customers with clarity, consistency and transparency so that we positively change the perception and experience customers, communities and our people have with AT. Auckland Transport is committed to deeply understanding the needs of customers and communities, and taking this into account when we design and deliver services and projects.

To make every interaction count, we will:

Work with Local Boards to produce a Transport Plan for each Local Board, providing a more community focused and place-based approach to how AT designs, engages on, and delivers its programmes of work.	FY25-26
Embed the use of market research and insights into how AT designs and delivers services, products, projects and programmes, to ensure that we do so with the needs of communities in mind.	TBC
Develop and implement a customer service programme to improve the way we interact with Aucklanders and with each other to positively change the perception and experience customers, communities and our people have with AT.	TBC
Progress the Better Faster Consents work programme alongside Council and Watercare to simplify and improve the resource consenting process.	FY25
Expand on capital works programmes that respond to customer requests, delivering network improvements that matter to our customers.	FY25-27

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Customer perceptions AT listens and responds to Aucklanders' needs	30%	33%	36%	39%
Formal complaints Percentage of total AT case volume resulting in a formal complaint	<0.65%	<0.65%	<0.65%	<0.65%
Complaint resolution Percentage of formal complaints that are resolved within 20 working days	85%	90%	90%	90%
Resource consent timeframes Adherence to the service level agreement to provide specialist input into the resource consents	70%	90% 75%	90% 80%	90%
Local Board satisfaction with engagement	Develop and implement surveys	40%	43%	46%

2.3 Taking public transport from good to great

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

Our public transport network needs ongoing investment to keep up with the growing demands of our people. Auckland Council, along with Government, are currently investing billions of dollars in new assets like the City Rail link and new busways, and services that will enable faster, more reliable and safer journeys. In addition to these large projects, AT is investing across the network in many small improvements that collectively will improve public transport accessibility for all communities.

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

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

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

Continue implementation of the PT growth programme, and PT service network optimisation.	FY25
Finish existing public transport infrastructure projects, such as City Rail Link, Level Crossing Removal, and Eastern Busway.	TBC
Progress work on affordable Rapid Transit projects, and large-scale projects identified in the Integrated Transport Plan.	FY25-27
Investigate low-cost cycle connectivity options on the public transport network.	TBC
Progress implementation of Open Loop and contribute to support National Ticketing functionality so that customers can use contactless payment options to pay for their public transport fares and to provide increased access to the PT network.	FY25-26
Implement a weekly fare cap for public transport users (subject to LTP approval).	FY25
Implement Fare Share – working with businesses to support their employees using public transport.	FY25

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
PT Boardings Annual number of PT trips <i>Note: targets will be reviewed for final SOI</i>	83.4m	94.1m	105.7m	114.8m
PT reliability Percentage of services that start according to schedule	95%	98%	98%	98%
PT punctuality Percentage of services that start and end according to schedule	87%	88%	89%	89.5%

PT utilisation for frequent routes during peak <i>Note: measure and targets to be developed for final SOI</i>	New measure	TBC	TBC	TBC
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2.4 Growing external revenues

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

Council has provided operating cost saving targets, which we will work to deliver through initiatives such as driving commercial revenue growth, effective capital delivery and operational efficiencies realised through collaboration with wider Council group.

Alternative funding sources are being sought, including identifying opportunities for enduring partnerships with the development sector.

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

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

To grow external revenues, we will:

Grow non-rates revenue and deliver cost saving and efficiency targets as identified in the LTP2024. This will include leading the creation of new and improved third party revenue opportunities, growing farebox and parking charges, and reducing costs from our activities.	FY25
Deliver capital programmes more efficiently through the entire design and construction process.	FY25-27
Work constructively with Council to investigate and implement arrangements for shared services, including technology functions where appropriate. Leverage existing technology frameworks across CCOs, while ensuring risks are appropriately managed and delivery of customer outcomes are not compromised, subject to business case approval with a positive BCR.	FY25-27
Work to increase revenues from parking and enforcement, supported by rolling-out an additional 50 officers to enforce parking and temporary traffic management rules.	FY25

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Grow third-party revenues*	New measure	\$114m*	\$28m	\$24m
Farebox Recovery Ratio The percentage of the total PT operating cost recovered through fares	25%	30%	35% 30%	32.5%
Percentage of capital budget invested	90%	90%	90%	90%
Percentage of procurement spend with Māori owned businesses	2.0%	2.0% 3%	2.0% 4%	5%

*Drafting note on third-party revenues: This is calculated as the change in budgeted third-party operating revenue from the prior years' budget. Target for FY25 includes public transport fare revenue previously paid by the central government for passengers aged 24 years and under the community connect concessions until 30 April 2024

2.5 Effective governance and advocacy for transport outcomes

AT has a significant role to play in influencing and advocating across the transport ecosystem. We will work to strengthen and develop better strategic relationships and governance structures with Council and partner agencies. Our goal is to support a better long-term approach that provides funding certainty.

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

To improve Governance outcomes in transport, we will:

Work with Council and central government and on a funding model that provides simplicity and certainty and explores alternative funding models.	TBC
Work with Government, Council, and community partners to develop a framework for governance that supports Auckland’s transport network in the future.	TBC
Identify and advocate policy, legislative and regulatory changes necessary to address both project funding issues and more general revenue barriers, and review annually.	TBC
Maintain our assets to a safe standard within funding limits and seek opportunities to improve funding towards our approved Asset Management Plan in a way that minimises the whole of life cost and considers the unique needs of different areas across the region such as rural areas.	FY25-27

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Asset condition – critical assets Proportion of critical assets in poor condition*	5.8%	6.7% 5%	7.6% TBC	TBC
Asset condition – all assets Proportion of all assets in poor condition*	New measure	25%	TBC	TBC
Road maintenance Percentage of the sealed local road network that is resurfaced or rehabilitated	6.0%	6.5%	7.0%	7.5%

*Note on asset condition measures:

Measure methodology is being reviewed to ensure an accurate account of asset condition is being reported. An additional measure has been recommended to tell a more complete asset management story as concise as possible for both critical and all assets. Targets will be confirmed based on FY24 performance and funding.

2.6 Deliver our capital programme

Summary of 2024/25 Capital Programme

This section will be included for the Final SOI in alignment with LTP and RLTP, including a summary, outlining priorities, and our approaches to Fix, Finish, Optimise, and Better Faster Cheaper.

2.7 How we will be held accountable – summary of SOI measures

The performance measures will be reported to Council’s Transport and Infrastructure Committee on a quarterly basis.

These targets have been drafted in alignment with the draft LTP, and should be treated as provisional until funding levels have been confirmed.

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.

Summary of SOI measures

Strategic accelerator	Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Improving network productivity	Average travel time across the arterial network	24 minutes	24 minutes	24 minutes	24 minutes
	Safety Deaths and Serious Injuries on the road network in Tāmaki Makaurau	No more than 640	No more than 646 631	No more than 594 621	No more than 611
	Arterial productivity Average number of people moving per hour during the morning peak	28,000	30,000 28,000	32,000 30,000	32,000
	Freight performance Percentage of the freight network moving without congestion in the interpeak	85%	85%	85%	85%
	Cycle counts The number of people using defined cycle network count sites	3.12m	3.20m 3.45m	3.28m 3.53m	3.62m
	Emission reduction Reduction in operational emissions	15% reduction from 2018	19%	23%	27%
Making every interaction count	Customer perceptions AT listens and responds to Aucklanders' needs	30%	33%	36%	39%

Strategic accelerator	Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
	Formal complaints Percentage of total AT case volume resulting in a formal complaint	<0.65%	<0.65%	<0.65%	<0.65%
	Complaint resolution Percentage of formal complaints that are resolved within 20 working days	85%	90%	90%	90%
	Resource consent timeframes Adherence to the service level agreement to provide specialist input into the resource consents	70%	90% 75%	90% 80%	90%
	Local Board satisfaction with engagement	Develop and implement surveys	40%	43%	46%
Taking public transport from good to great	PT Boardings Annual number of PT trips	83.4m	94.1m	105.7m	114.8m
	PT reliability Percentage of services that start according to schedule	95%	98%	98%	98%
	PT punctuality Percentage of services that start and end according to schedule	87%	88%	89%	89.5%
	PT utilisation for frequent routes during peak	New measure	TBC	TBC	TBC
Growing external revenues	Grow third-party revenues	New measure	\$114m	\$28m	\$24m
	Farebox Recovery Ratio The percentage of the total PT operating cost recovered through fares	25%	30%	35% 30%	32.5%
	Percentage of capital budget invested	90%	90%	90%	90%
	Percentage of procurement spend with Māori owned businesses	2.0%	2.0% 3%	2.0% 4%	5%
Effective governance and advocacy for transport outcomes	Asset condition – critical assets Proportion of critical assets in poor condition	5.8%	6.7% 5%	7.6% TBC	TBC
	Asset condition – all assets Proportion of all assets in poor condition	New measure	25%	TBC	TBC
	Road maintenance Percentage of the sealed local road network that is resurfaced or rehabilitated	6.0%	6.5%	7.0%	7.5%

2.8 Financial statements

Financial statements will be included in the Final SOI.

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.

Operating budgets - \$m	2022/23 Actual	2023/24 Budget	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Net direct expenditure/ (income)					
Direct revenue					
Fees & user charges Operating grants and subsidies (external) Other direct revenue					
Direct expenditure					
Employee benefits Grants, contributions & sponsorship Other direct expenditure					
Other key operating lines					
AC operating funding Vested assets Non-direct revenue Non-direct expenditure Depreciation and amortisation Net finance expense Principal repayments Tax expense					

Operating budgets by AC Group activity - \$m	2022/23 Actual	2023/24 Budget	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Net direct expenditure/ (income)					
Roads and footpaths PT					

Operating budgets by AT activity - \$m	2022/23 Actual	2023/24 Budget	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Net direct expenditure/ (income)					
Roads and footpaths Parking and Enforcement Public Transport - Bus Public Transport - Rail Public Transport - Ferry Public Transport - Other Internal Support					

Specific notes for Operating budgets by AT activity:

1. The Parking and Enforcement activity generates a surplus.
2. The Joint Transport Plan for Auckland was done at group activity level and as such does not have the AT activity level of detail.

Capital expenditure budgets - \$m	2022/23 Actual	2023/24 Budget	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Capital expenditure					
- to meet additional demand - to improve the level of service - to replace existing assets					
Capital funding sources					
Capital grant revenue - external Capital grant revenue - CIP Capital grant revenue - EECA Capital grant revenue - NZUP Capital grant revenue - IAF AC capital funding Asset sales					

Other financial information

Years	Proceeds from sale of assets
2022/23 Actual	
2023/24 Actual (31 December 2023 YTD)	

Assets and Shares	As at 31 December 2023
Current value of assets	
Shareholders equity ratio	

Prospective statement of comprehensive income

\$000 Financial year ending 30 June	2023/24 Actual	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Revenue				
Operating funding from Auckland Council				
Capital funding from Auckland Council				
Fees and user charges				
Subsidies and grants				
Development and financial contributions				
Vested assets (non-Crown)				
Other revenue				
Total revenue				
Expenditure				
Employee benefits				
Depreciation and amortisation				
Grants, contributions and sponsorship				
Other operating expenses				
Total expenses				
Finance revenue				
Finance costs				
Net operating income				
Net other gains/(losses)				
Share of surplus/(deficit) in associates and jointly controlled entities				
Surplus/(deficit) before income tax				
Income tax expense				
Surplus/(deficit) after income tax				
Surplus/(Deficit) after income tax is attributable to:				
Auckland Transport				
Non controlling interest				
Other comprehensive income				
Net gain on revaluation of property, plant and equipment				
Total other comprehensive income				
Total comprehensive income				
Total comprehensive income is attributable to:				
Auckland Transport				
Non controlling interest				

Prospective statement of changes in equity

\$000 Financial year ending 30 June	2023/24 Actual	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Equity at 1 July				
Total comprehensive income				
Movements in non-controlling interest				
Total comprehensive income				
Investment by Auckland Council				
Equity at 30 June				
Total comprehensive income is attributable to:				
Auckland Transport				
Non controlling interest				

Prospective statement of financial position

\$000 Financial year ending 30 June	2023/24 Actual	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
ASSETS				
Current assets				
Cash and cash equivalents				
Receivables				
Inventories				
Other assets				
Non-current assets held for sale				
Derivative financial instruments				
Total current assets				
Non-current assets				
Receivables				
Property, plant and equipment				
Intangible assets				
Derivative financial instruments				
Total non-current assets				
TOTAL ASSETS				
LIABILITIES				
Current liabilities				
Payables and accruals				
Employee entitlements				
Derivative financial instruments				
Borrowings				
Provisions				
Total current liabilities				
Non-current liabilities				
Payables and accruals				
Employee entitlements				
Derivative financial instruments				
Borrowings				
Provisions				
Other non-current liabilities				
Total non-current liabilities				
TOTAL LIABILITIES				
NET ASSETS				
EQUITY				
Contributed capital				
Accumulated funds				
Reserves				
Total ratepayers equity				
Non-controlling interest				
TOTAL EQUITY				

Prospective statement of cashflows

\$000 Financial year ending 30 June	2023/24 Actual	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Cashflow from operating activities				
Cash provided from:				
Income from activities				
Operating funding from Auckland Council				
Capital funding from Auckland Council				
Operating subsidies and grants - Waka Kotahi				
Capital funding from Waka Kotahi				
Capital grant revenue - CIP				
Interest received				
Net GST received/(paid)				
Total cash provided				
Cash applied to:				
Payments to suppliers and employees				
Payments to statutory entities for levies				
Interest paid				
Net GST received/(paid)				
Total cash applied				
Net cash from operating activities				
Cashflow from investing activities				
Cash provided from:				
Proceeds from asset sales				
Total cash provided				
Cash applied to:				
Capital expenditure projects				
Total cash applied				
Net cash from investing activities				
Cashflow from financial activities				
Cash provided from:				
Loan from Auckland Council				
Borrowings				
Other				
Total cash provided				
Cash applied to:				
Principal repayments				
Payment of finance leases				
Total cash applied				
Net cash from financing activities				
Net (decrease)/increase in cash and cash equivalents				
Opening cash balance				
Closing cash balance				

Appendix 1: Legislative requirements

Board's approach to governance

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

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

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

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

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

Board composition and responsibilities

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

The Board's core responsibilities are to:

- negotiate Statements of Intent with Council;
- act consistently within the guidelines provided in the Shareholder Expectation Guide for CCOs;
- actively review and direct the overall strategy, policies and delegations of AT;
- obtain full and timely information necessary to discharge its obligations;
- identify, evaluate and mitigate controllable risk factors;
- manage and monitor the Chief Executive's performance;
- establish remuneration policies and practices, and set and review remuneration for the Chief Executive; and
- provide leadership in relationships with key stakeholders.

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

- Design and Delivery Committee;
- Finance and Assurance Committee;
- Safety Committee;
- People and Culture Committee; and
- Climate Change and Sustainability working group

Board meetings

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

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

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

Acquisition of shares

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

Accounting Policies

Basis of reporting

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

Auckland Transport's primary objective is to provide services and facilities for the community as a social benefit rather than to make a financial return, accordingly Auckland Transport has designated itself as a public benefit entity (PBE) for financial reporting purposes. The forecast financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

Measurement basis

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

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

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

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

Going concern

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

Auckland Council continue to provide financial support for Auckland Transport as laid out in Auckland Council's Long Term Plan and Auckland Transport's annual Statement of Intent. Central government also provides additional funding to support public transport recovery and adverse weather events. Based on the funding set out in the recently approved Auckland Council Annual Plan, and for subsequent years, the approved Long Term Plan (LTP) and New Zealand Transport Agency Waka Kotahi's National Land Transport Programme (NLTP), AT receives sufficient revenue to meet operating and capital costs. Accordingly, the forecast financial statements have been prepared on a going concern basis.

Significant accounting policies

Revenue

Auckland Transport receives its revenue from exchange and non-exchange transactions:

Exchange transaction revenue arises when an entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Exchange revenue includes parking fees.

- Non-exchange transaction revenue arises from transactions without an exchange of approximately equal value. Non-exchange revenue includes grants, vested assets and fares partially funded by rates.
- Auckland Transport measures revenue at the fair value of the amounts received or receivable, net of discounts, duties and taxes paid. Revenue is recognised when billed or earned on an accrual basis.

Receivables

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost less any provision for impairment. They are due for settlement no more than 30 days from the date of recognition.

The provision for impairment of receivables is determined based on an expected credit loss model. Auckland Transport apply the simplified approach and record lifetime expected credit losses ("ECLs") on receivables.

Property, plant and equipment

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

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

Auckland Transport's property, plant and equipment are held at fair value or depreciated historical cost on a class of assets basis. Revaluations for asset classes held at fair value are performed with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years. All other assets are carried at depreciated historical cost.

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using either a depreciated replacement cost approach based on either a depreciation replacement cost approach, restoration cost approach, or a service unit approach. The most appropriate approach to measure value in use depends on the nature of the impairment and availability of information.

Payables and accruals

Current payables and accruals are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore, the carrying value approximates fair value. Non-current payables and accruals are measured at the present value of the estimated future cash outflows.

Borrowings

Borrowings are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities where they are due to be settled within twelve months after the reporting date. All other borrowings are classified as non-current liabilities.

Change in accounting policies

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

Use of estimates and judgements

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

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

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

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

Appendix 2: Responses to Council’s strategic objectives

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

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

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

<p>Environment and cultural heritage</p>	<p>Developing a Transition Plan setting out AT's plan to contribute to and prepare for a rapid global transition towards a low GHG-emissions economy. Ensuring AT activities support a climate resilient transport network.</p>
<p>Opportunity and prosperity</p>	<p>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</p>

Appendix 3: Notes on measures and targets

Notes on measures and targets will be completed for the Final SOI.

A note on mandatory reporting requirements will be included in the final SOI to ensure all necessary reporting is captured, including Department of Internal Affairs (DIA) mandatory measures, and Council LTP measures that are outside the SOI.

Appendix 4: Letter of Expectation



20 December 2023

Via email: mark@darrow.co.nz

Mark Darrow
Acting Chair
Auckland Transport

Tēnā koe Mark

Letter of Expectation for Statement of Intent 2024-2027

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

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

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

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

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

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

Part 1. Expectations of all CCOs

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

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

ii) Financial strategy and budget levers

Group budget responsibility and transparency rules

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

Capital expenditure

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

Operating savings

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

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

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

iv) Compliance with Statement of Expectations of substantive CCOs

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

v) Engagement with government

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

vi) Climate change (mitigation and resilience)

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

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

vii) Local Boards

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

viii) Māori Outcomes

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

Part 2. Key expectations of Auckland Transport

The Council's key expectations of Auckland Transport are:

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

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

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

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

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

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

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

Ensure group alignment with Future Development Strategy

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

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

Provide timely support and information to council when requested

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

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

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

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

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

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

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

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

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

Ngā mihi



Wayne Brown
MAYOR OF AUCKLAND

cc:

Desley Simpson, Deputy Mayor

Cr John Watson, Chair Transport and Infrastructure Committee

Dean Kimpton, Chief Executive, Auckland Transport

Alastair Cameron, Manager CCO Governance and External Partnerships