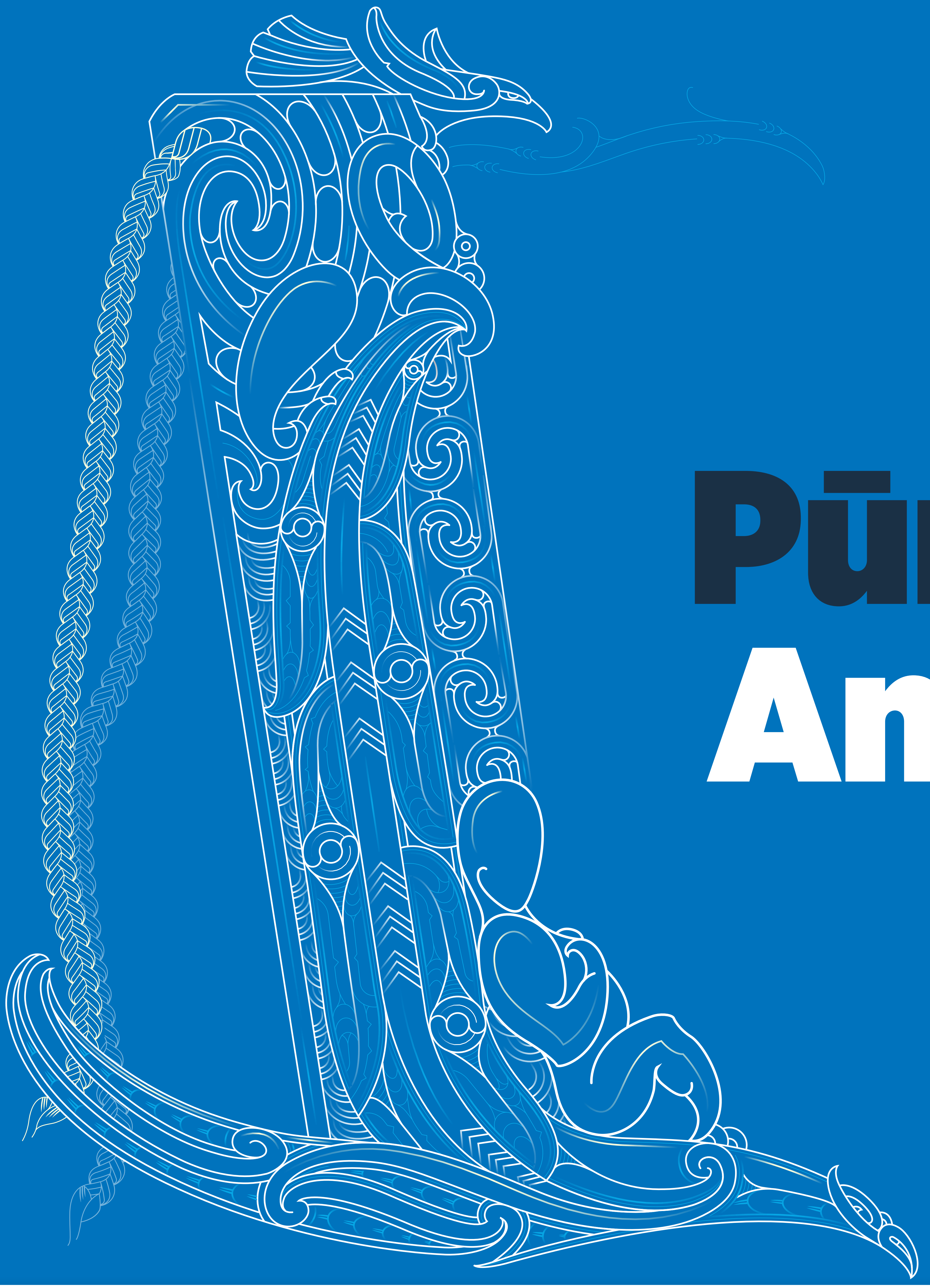


Auckland Transport

Pūrongo ā-tau
Annual report 2026

E ngā iwi whānui ki ngā tōpito o Tāmaki Makaurau, 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.

Ngā upoko kōrero
Contents

Tirohanga whānui
Overview

Foreword • Snapshot 2025/26 • Who we are and what we do • Financials at a glance

Foreword

Tēnā koutou katoa, We are pleased to present Auckland Transport's 2025/26 Annual Report.

2025/26 has been a year of significant delivery through change for the organisation, meeting or exceeding 20 of our 24 Statement of Intent targets and 40 of our 42 deliverables agreed with Auckland Council.

Again, we have set a record for our capital delivery, investing $1.4 billion across the region to upgrade assets and provide new infrastructure and delivering over 503 kilometres of roading renewals.

The organisation has rallied around key infrastructure that will deliver great public transport services. This includes getting ready to open City Rail Link in September, which will entirely transform how Aucklanders move around the region. We've planned new bus timetables and city centre bus infrastructure to connect with new train services and continue to optimise our road network to keep people and goods moving.

Delivering outcomes for Aucklanders is at the heart of what we do. Over the past three years we have focussed on listening and responding to our customers and communities. Working closely with elected members of Auckland Council is an important way we do this.

Each year we complete a local board satisfaction survey. This year 82% of respondents state they are satisfied or very satisfied with the way AT has engaged with their local board over the past six months. This is double the figure recorded in November 2023.

Our change in approach has also resulted in a significant improvement in the annual Verian Public Sector Reputation Index result. AT has jumped from an overall reputation Index score of 52 last year to 64 this year, the biggest single year increase for a participating organisation in over a decade. Our commitment to safety continues. We are very proud to have completed the rollout of new bus driver safety screens in 80% of our bus fleet. The safety of our drivers and our customers is extremely important, and we'd like to acknowledge Auckland Council for the funding to deliver this crucial project.

The transition to a low emission public transport fleet now includes more modes. At 30 June, 427 buses are low emission, and the first electric-hybrid ferry entered service on the Devonport to Downtown route more low emissions ferries will be joining the fleet soon. Auckland currently has the largest number of low emission buses of any city in Australasia.

AT has also completed a three year flood recovery programme to repair assets damaged during Cyclone Gabriel's and others extreme weather events in early 2023.

AT's employees continue to deliver with passion and dedication, as they tiaki for all who use transport in Auckland. This is commendable as the organisation goes through significant structural change, and we are proud of the results we have achieved as we navigate reform following legislative change.

At the time of writing, a numberof AT's functions are being prepared to move to Auckland Council. As we support our people to move, we are also focussed on AT becoming a public transport services organisation and setting it up for success.

We are very proud of the transport network AT has delivered since its inception in 2010, and look forward to both the public transport council controlled organisation, and Auckland Council and its elected members continuing to build on this into the future. Ngā mihi.

Stacey van der Putten
Chief Executive (Interim)

Andrew Ritchie
Chair (Interim)

Snapshot 2025/26

Jul

Out of home media portfolios awarded to MediaWorks

Aug

Release of the new network map for City Rail Link

Manukau Heads Road flood repairs completed

Level crossing construction begins in Takaanini and Glen Innes

Kake Mai supplier diversity programme established

Sep

Transport reform legislative change announced

Britomart Station renamed to Waitematā Station

Oct

Beresford Square opened

Rā Hihi flyover opened

Nov

New bus services go live in South Auckland

Albert Street reopens for bus services

Dec

40% tertiary discount launched for public transport

Snapshot 2025/26

Jan

Great North Road improvements complete

New cycleway connecting Māngere town centre and Māngere Bridge opens

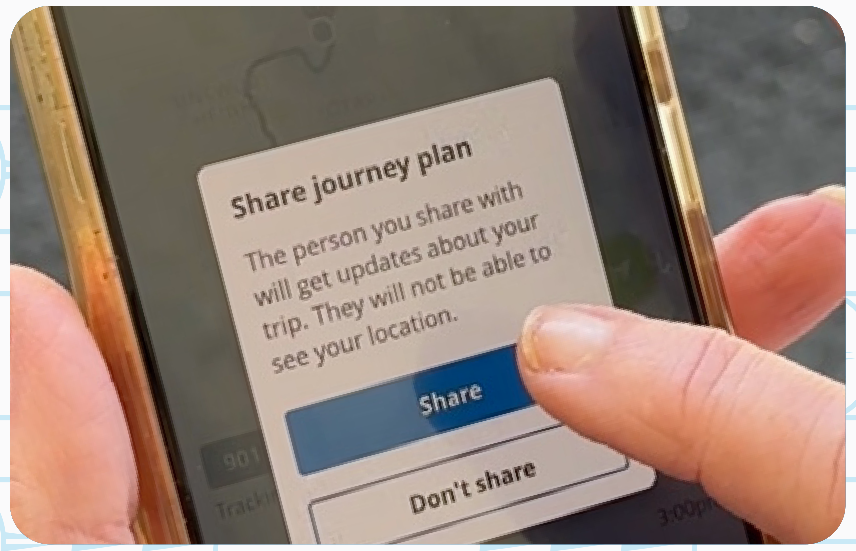
Feb

Karanga-a-Hape precinct improvements complete

Mar

Tranche 3 Central and East Auckland bus contracts awarded

Share my Journey function launched on the AT Mobile app



Apr

Airport to Botany busway route designation protected

May

Royal assent for legislative change

Evacuation testing for CRL stations

Carrington Road sod turning, official start of project

Jun

AT sets new road reno record

First electric-hybrid ferry begins operating

1080 bus driver safety screens installed across our bus fleet

Hui Pass launched

Western ferry contract awarded

CRL achieved practical completion and AT received CRL assets

Who we are and what we do

Auckland Transport is a council-controlled organisation (CCO) of Auckland Council

Our purpose is to tiaki all those who use transport in Tāmaki Makaurau. This means to care for, enable and deliver a transport system that contributes to a more thriving and sustainable city. AT is the regional guardian of $37.3 billion of publicly owned assets.

AT is going through legislative change following the government passing the (Auckland Council) (Transport Governance) Amendment Act 2026.

This is reshaping Auckland's transport governance and refocusing AT's purpose on delivering high-quality public transport services.

As our role changes, many of our responsibilities, including being Auckland's Road Controlling Authority, strategic planning for transport, and delivering and maintaining infrastructure, are transferring to Auckland Council.

The legislation created a six-month period, which began when legislation took effect on 7 May 2026, and ending after six months, for the transition to take place.

An interim board was established to continue to ensure AT continues to perform its existing functions at the direction of Auckland Council until the transition period is complete.

Preparing for transport reform

Auckland's transport system governance is complex, involving multiple organisations working together to deliver shared outcomes. AT's role is changing to focus on public transport services while providing high quality advice, and advocating for high quality outcomes, across the transport ecosystem that delivers for Auckland. Auckland Council is taking the lead as the Road Controlling Authority in setting transport policy, strategy and planning.

Through the transition period, we are supporting our employees following change consultation. Many employees will continue to deliver their work at Auckland Council, enabling Auckland councillors and local boards to make more transport decisions, closer to their communities.

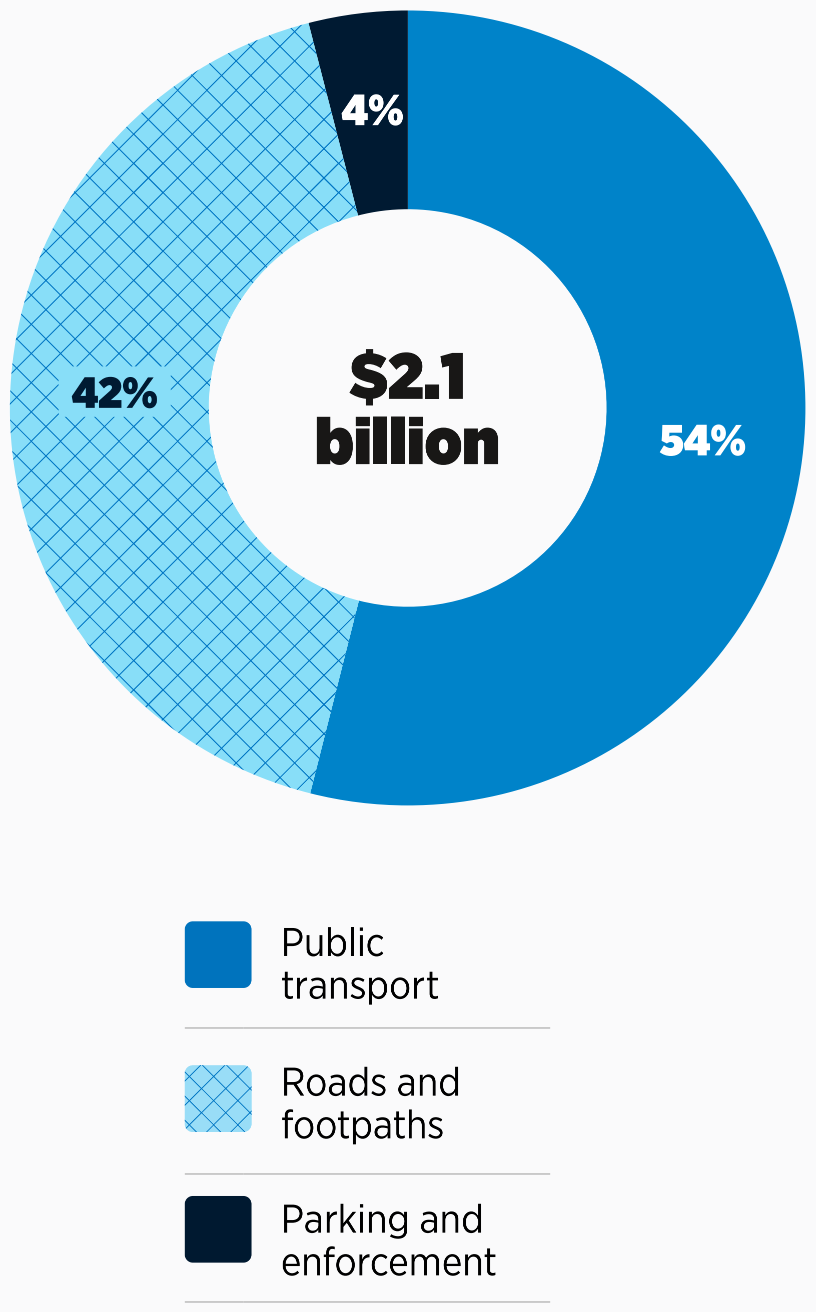
The new Auckland Regional Transport Committee is being established by Auckland Council to make regional decisions about our transport system, supported by AT.

A number of AT employees will remain with the CCO, to continue, and build upon, a high-performing public transport organisation delivering reliable services and excellent customer experience.

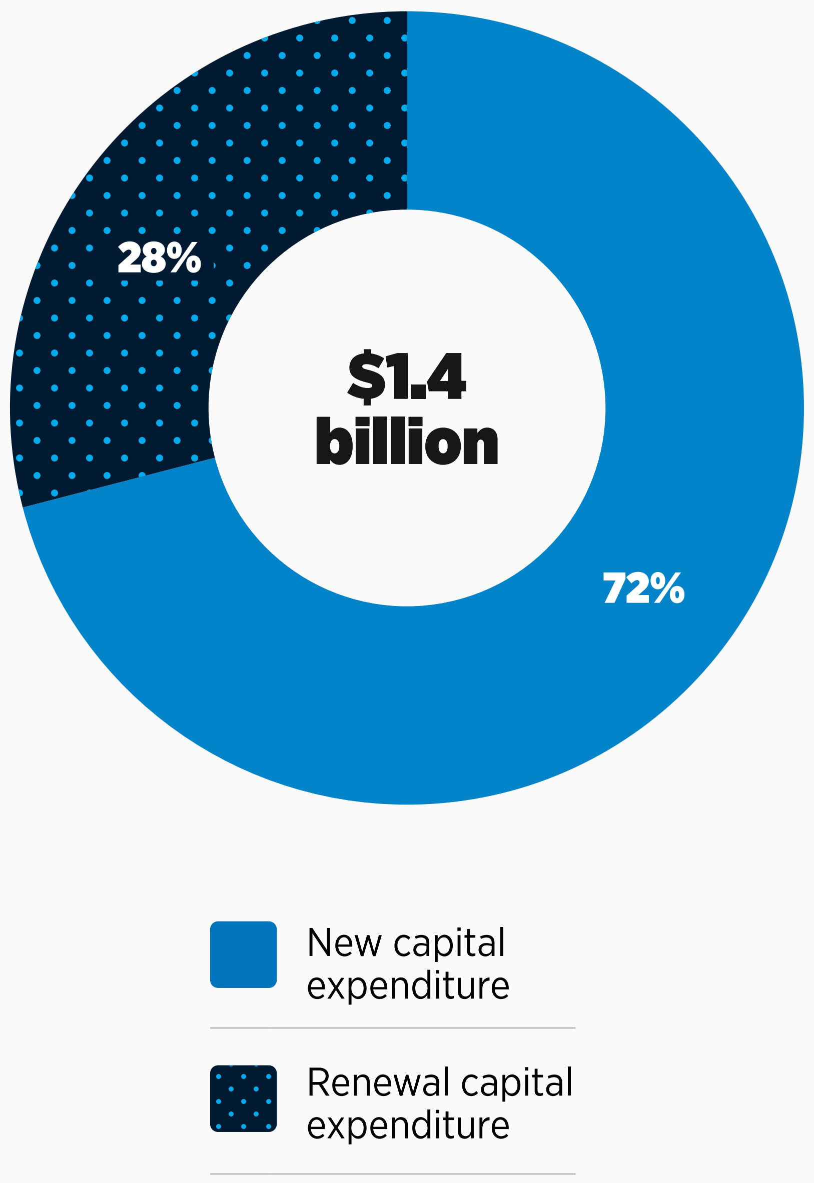
Financials at a glance

A summary of Auckland Transport's financial performance for the year ended 30 June 2026

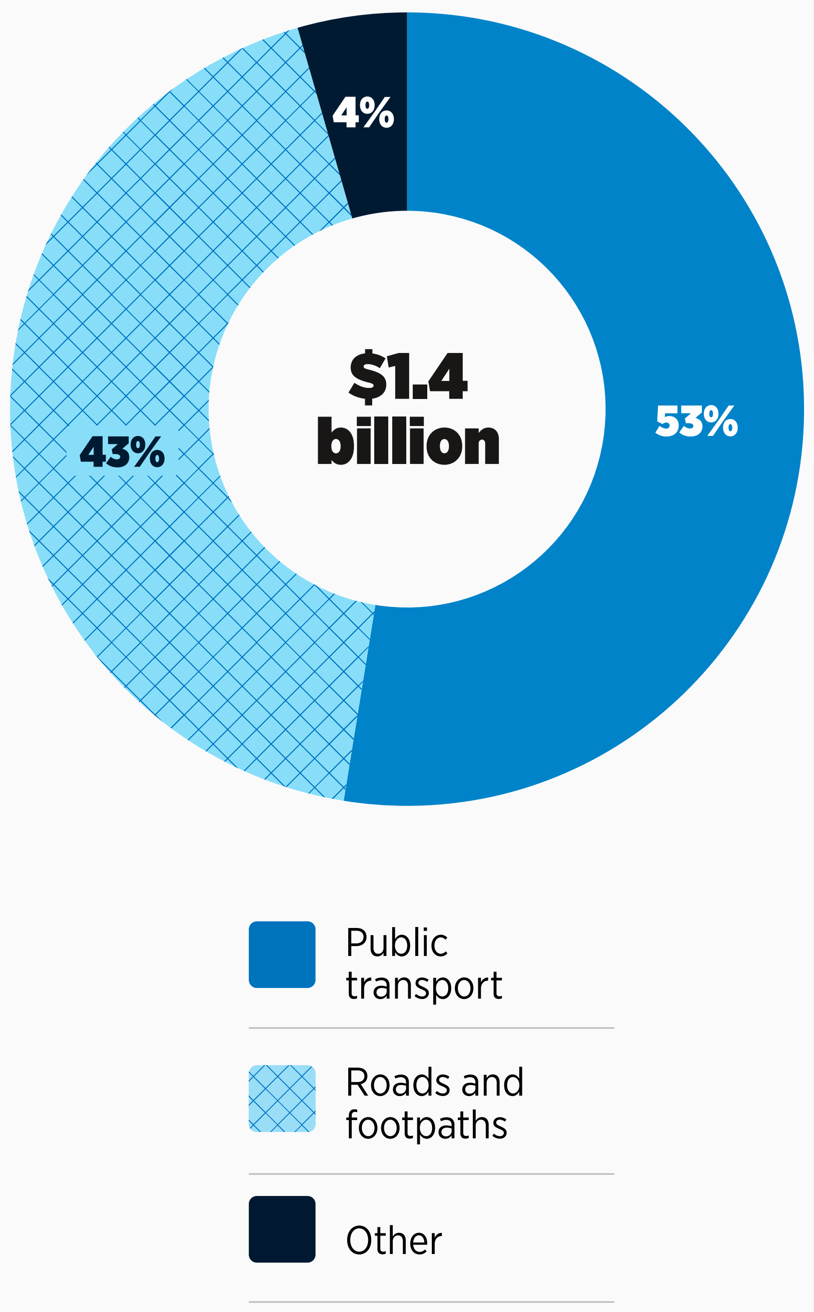
Operational expenditure by activity



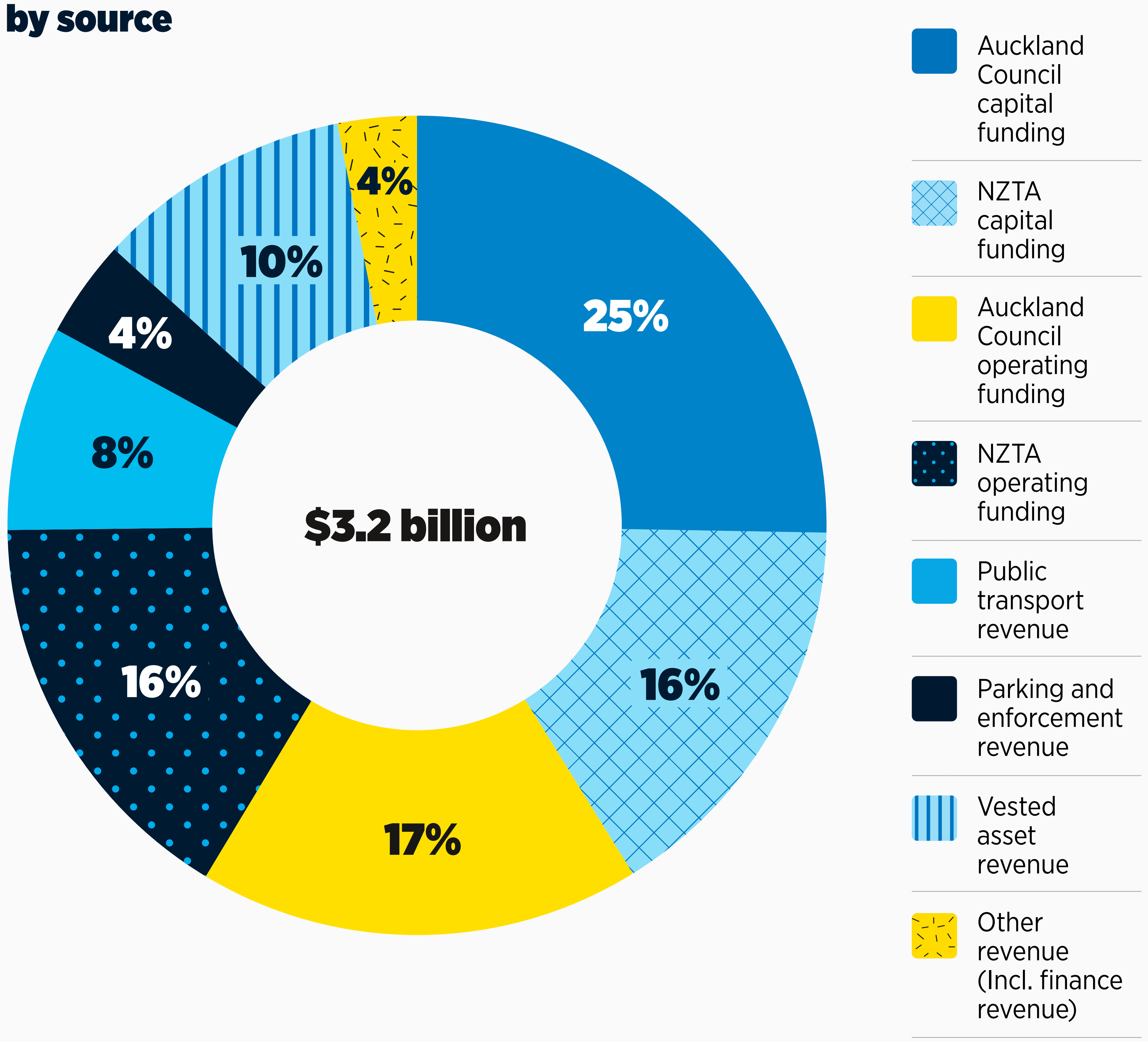
Capital expenditure by investment type



Capital expenditure by activity



Revenue by source



Financial summary
for the year ended 30 June 2026

$000s	Actual 2026	Budget 2026	Actual 2025
Statement of Comprehensive Revenue and Expense			
Capital funding	1,372,426	1,482,063	1,257,329
Operating funding	1,082,814	1,099,032	1,000,259
Other revenue (including finance revenue)	761,781	710,509	909,615
Total revenue	**3,217,021**	**3,291,604**	**3,167,203**
Personnel costs	197,310	201,533	186,433
Depreciation and amortisation	614,412	603,697	564,111
Other expenses	1,329,590	1,322,433	1,261,261
Total expenditure	**2,141,313**	**2,127,663**	**2,011,805**
Surplus	**1,075,708**	**1,163,941**	**1,155,398**
Statement of Financial Position			
Current	853,134	774,071	760,521
Non-current	37,316,777	32,685,642	30,564,585
Total assets	**38,169,911**	**33,459,713**	**31,325,106**
Current	485,674	443,014	415,830
Non-current	433,677	430,035	441,634
Total liabilities	**919,352**	**873,049**	**857,464**

Continuing operations
(Public Transport)

$000s	Actual 2026
Statement of Comprehensive Revenue and Expense	
Capital funding	227,518
Operating funding	894,068
Other revenue (including finance revenue)	265,528
Total revenue	**1,387,114**
Personnel costs	90,373
Depreciation and amortisation	94,435
Other expenses	1,018,695
Total expenditure	**1,203,504**
Surplus	**183,610**
Statement of Financial Position	
Current*	383,224
Non-current	5,375,522
Total assets	**5,758,746**
Current*	222,793
Non-current	428,972
Total liabilities	**651,766**

* Excludes assets and liabilities held for distribution to owners. Refer to financial statements for more details.

Discontinued operations
(Roading, parking and enforcement activities transferring to Auckland Council)

$000s	Actual 2026
Statement of Comprehensive Revenue and Expense	
Capital funding	1,144,908
Operating funding	188,746
Other revenue	496,253
Total revenue	**1,829,907**
Personnel costs	106,937
Depreciation and amortisation	519,977
Other expenses	310,895
Total expenditure	**937,809**
Surplus	**892,098**
Statement of Financial Position	
Current	469,910
Non-current	31,941,255
Total assets	**32,411,165**
Current	262,881
Non-current	4,705
Total liabilities	**267,586**

Performance overview

Auckland Transport (AT) delivered a sound financial result in a year shaped by major change related to transport reform and ongoing external uncertainty. While public transport patronage was lower than planned for much of the year, mainly due to rail network disruption and continued changes in travel patterns, patronage improved toward year-end. Throughout the year, AT continued to keep Auckland moving, deliver essential transport services, prepare for the opening of the City Rail Link, and support the transition to a new transport governance model.

AT delivered its largest-ever capital programme for the third year in a row, investing $1.4 billion in Auckland's transport network. This was 9% higher than the previous year and represented 93% of budget, exceeding the Statement of Intent target. Investment focused on the areas that matter most to Aucklanders, including road resurfacing and renewals, flood recovery works, level crossing removals, progress on the Eastern Busway, low-emission ferries and supporting infrastructure, and wider improvements to make journeys safer and more reliable.

AT reported a surplus of $1.1 billion, which includes funding and accounting items that are not part of day-to-day operations, such as capital funding, vested assets, asset disposals, impairment and write-offs. After allowing for these items, depreciation and amortisation, AT's underlying operating result was a surplus of $34 million, $24 million better than budget.

Reflecting the accounting requirements associated with transport reform, AT's financial statements present its continuing public transport operations separately from activities transferring to Auckland Council. Continuing public transport operations delivered a surplus of $184 million, in line with budget.

Activities transferring to Auckland Council generated a surplus of $892 million, with revenue of $1.8 billion and expenditure of $938 million. As part of the transition to the new transport governance model, $32.4 billion of AT's $38.2 billion of assets and $274 million of its $919 million of liabilities were classified as held for distribution to Auckland Council.

Asset Valuation and Net Asset Position

AT's net asset position increased to $37.3 billion, up $6.8 billion from the previous year. This reflects continued investment in Auckland's transport network, the transfer of major City Rail Link (CRL) assets to AT, and an increase in the value of roading infrastructure.

The largest movements were the transfer of $2.6 billion of CRL station and urban realm assets, a $3.1 billion increase in the value of roading infrastructure, and $1.4 billion of capital investment across the transport network. Together, these movements show the scale of investment being made to maintain, renew and improve the transport system for Aucklanders.

The CRL assets transferred to AT included the Karanga-a-Hape, Te Waihorotiu and Maungawhau stations. These assets will play an important role in supporting the future operation of Auckland's rail network and improving access to the city centre and surrounding areas.

AT's operating result was a surplus of $34 million, $24 million better than budget.

AT delivered its largest-ever capital programme, investing $1.4 billion in Auckland's transport network.

Whakatu-tukitanga
Performance

Performance measures and case studies • Making every interaction count • Improving network productivity • Taking public transport from good to great • Value for money • Core business and other activities • **Statement of Intent performance measures and results**

Performance measures and case studies

Auckland Transport (AT) is required to prepare a Statement of Intent (SOI) for its shareholder, Auckland Council. This is in response to an annual Letter of Expectation from Auckland Council.

The SOI enables Auckland Council to set AT's direction, and it publicly states the activities and intentions of AT and the objectives these activities contribute to. The SOI also provides the basis for Auckland Council to hold AT directors accountable for the performance of the organisation.

The SOI outlines how AT is held accountable, using 24 performance measures and establishing targets to track progress. The performance measures are reported to Auckland Council on a quarterly basis and are included in this annual report to show progress over the full financial year 2025/26.

On the following pages we highlight our performance according to the 24 measures agreed to with Auckland Council, as well as case study examples of everyday projects delivering progress in key outcome areas.

AT SOI performance expectations are structured into five areas:

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

For a full, in-depth commentary on the 24 key performance measures and additional 10 mandatory Department of Internal Affairs measures, please see page 19.

Making every interaction count

Trust and confidence

AT has made significant progress in strengthening engagement with local boards, recording an 82% satisfaction rate this year. This is the highest result recorded and double the level seen in late 2023.

In 2026, AT recorded the largest improvement in the Verian Public Sector Reputation Index in 10 years of tracking, increasing its overall reputation score from 52 to 64, with strong gains across all four pillars: Trust, Leadership, Fairness and Social Responsibility.

A key driver of this improvement has been a deliberate focus on how we show up for customers, communities and stakeholders. Over the past year, we focused on listening to feedback, improving the timeliness and consistency of updates, enhancing how transport plans reflect local board priorities, involving elected members in decision-making, and supporting communication within their local communities.

At the same time, AT has strengthened its ability to respond directly to community needs through faster, more visible delivery of 638 community-initiated projects including community network improvements, cycling and mobility, footpaths and crossing improvements. Plus, the introduction of a dedicated physical works contract in July 2025 has enabled faster, more streamlined delivery of these projects, improving our ability to respond directly to local board and community priorities.

Improving network productivity

Smart technology and active network management

Over the past financial year, AT has invested in smarter traffic management and utilised emerging technology.

Emerging technology
AT is trialling emerging technology, such as AI, to improve how the network operates in real time. The optimisation system integrates multiple data sources including traffic flows, camera feeds, weather conditions and time-of-day patterns to provide a dynamic view of network performance. AT is also making it easier for people to choose how they travel by prioritising special vehicle lanes, including bus and transit lanes. This year, 10.5 kilometres of new lanes were delivered along key arterials such as Great North Road, Mt Smart Road, Albert Street, Pitt Street, Vincent Street, Mayoral Drive and Wellesley Street, Mt Wellington Highway, as well as a dynamic bus lane on Maioro Street.

These special vehicle lanes and dynamic lanes give priority to buses, carpools and other eligible vehicles, helping them move more reliably through congestion and supporting more consistent travel choices.

The Maioro Street dynamic bus lane, which adapts to changing traffic demand throughout the day, improves journey reliability without requiring major road widening or new infrastructure. During peak periods, the lane carries approximately 1,600 vehicles.

Buses save up to 4.1 minutes per trip, while general traffic average travel time drops around 40 seconds.

Intelligent traffic management
This year, AT delivered 100 smart technology projects, including 50 advanced detection sites and 50 bus boosters. Advanced detection uses sensors to identify where queues are forming and automatically adjusts signal timing to prioritise the busiest movements to reduce delays and eliminate unnecessary red-light time. Bus boosters use onboard bus GPS to communicate with traffic signals, giving late-running buses a "virtual fast-pass" by extending green lights or shortening red phases to keep them on schedule. Together, these technologies improve traffic flow, support reliable public transport, and maximise the efficiency of existing road space.

Every week, people take more than 1.5 million bus trips on our network, A regular traffic lane can move about 1,000 people per hour if they're in cars, or up to 5,000 people if they're on buses.

Taking public transport from good to great

City Rail Link readiness

The City Rail Link (CRL) project has shifted from building tunnels and stations to getting Auckland's transport system ready for the biggest change to the rail network in decades.

A new network taking shape
CRL does more than add three new stations; it reshapes how Auckland's rail network works, improving access to the city centre and strengthening connections across the region. This year saw significant progress in testing the new network configuration, including service patterns, timetables and customer information.

A new rail network map was launched in August 2025, reflecting how services will operate once CRL opens and marking an important milestone on the journey to opening. Extensive operational testing helped build confidence in real world performance and informed Day 1 planning. This reinforced the need – consistent with international experience – for a staged approach to introducing higher service frequencies that prioritises reliability as the network beds in.

The level crossings programme also continued to support CRL readiness, removing ten level crossings which will unlock more frequent rail services while improving safety, connectivity and traffic flow for Aucklanders.

AT also worked closely with KiwiRail to plan and coordinate rail closures and network upgrades

as we prepared for CRL opening. We used integrated operational planning, customer communications, and alternative transport services to minimise disruption and maintain reliable journeys for customers during times when trains couldn't run.

New trains, new stations, new capability
Fleet readiness advanced with the arrival of the final 23 new trains in February 2026, increasing the fleet to 95. Existing trains were also upgraded for the CRL environment, including improvements to safety and passenger systems.

Preparing the people who will operate the railway has been just as important. AT worked closely with Auckland One Rail and Downer NZ to prepare train controllers, drivers, station teams and maintenance staff. Emergency operations testing in May 2026 simulated station and tunnel scenarios, with volunteer passengers and real-time emergency service responses, to support safe and effective operations underground.

Bus and rail integration also continued to improve, including the reopening of Albert Street and the delivery of the Wellesley Street Bus Corridor, which connects directly with Te Waihorotiu Station.

Ready for customers
Customer readiness has remained a major focus. Engagement through media, social channels and community events is helping Aucklanders understand what is changing and what it takes to open a complex transport project of this scale.

Accessibility has also been central to readiness. AT worked with accessibility advocates through planning meetings and station visits, using their feedback to help test stations, services and information for people with different needs.

The past year marked a clear transition from construction to operational readiness. While more work remains, AT's focus is clear: opening CRL safely and reliably, and ensuring Aucklanders understand the benefits this city-shaping investment will bring.

Cheaper fares for tertiary students

In December 2025, AT doubled the public transport concession for full time tertiary students, increasing the discount from 20% to 40%.

Before the change student trips were sitting at around 50% of pre COVID levels, despite on campus attendance rebounding to almost 90%.

Since its introduction patronage has increased by an estimated 10% above baseline growth. There are currently 68,363 registered tertiary concession holders (a record number), including 20,670 new sign ups between 1 December 2025 and 31 March 2026, with tertiary patronage up 18% year-on-year over the same period.

Overall we hope to stimulate up to 3.6 million additional trips each year, helping restore tertiary patronage to around 80% of pre pandemic levels.

Taking public transport from good to great

Improving public transport safety

2025/26 marked significant strides in enhancing public transport safety in Tāmaki Makaurau, as AT rolled out key initiatives from its Public Transport Safety Action Plan to enhance safety for customers and staff across the network.

Eight focus areas defined within the plan range from community engagement to technology and infrastructure improvements and cover a breadth of issues affecting public transport safety. Every safety initiative in 2025 was aligned to at least one focus area, and collectively are designed to take a systems approach to safety, boost public confidence and build a foundation for communities, customers, our workforce, agencies and iwi partners to work together to support people moving around Auckland.

Safety highlights

- Real-time CCTV trials introduced to the network in collaboration with bus operators
- AT Mobile app safety update resulted in a 200% increase in reported incidents
- Crime Stoppers re-launch reached 345,000 Aucklanders
- New public transport safety went live
- 300 bus shelters receive solar lighting and anti-theft upgrades
- Share my Journey Plan launched on the AT Mobile app
- Driver safety screens rolled out across 80% of the bus fleet

Value for money

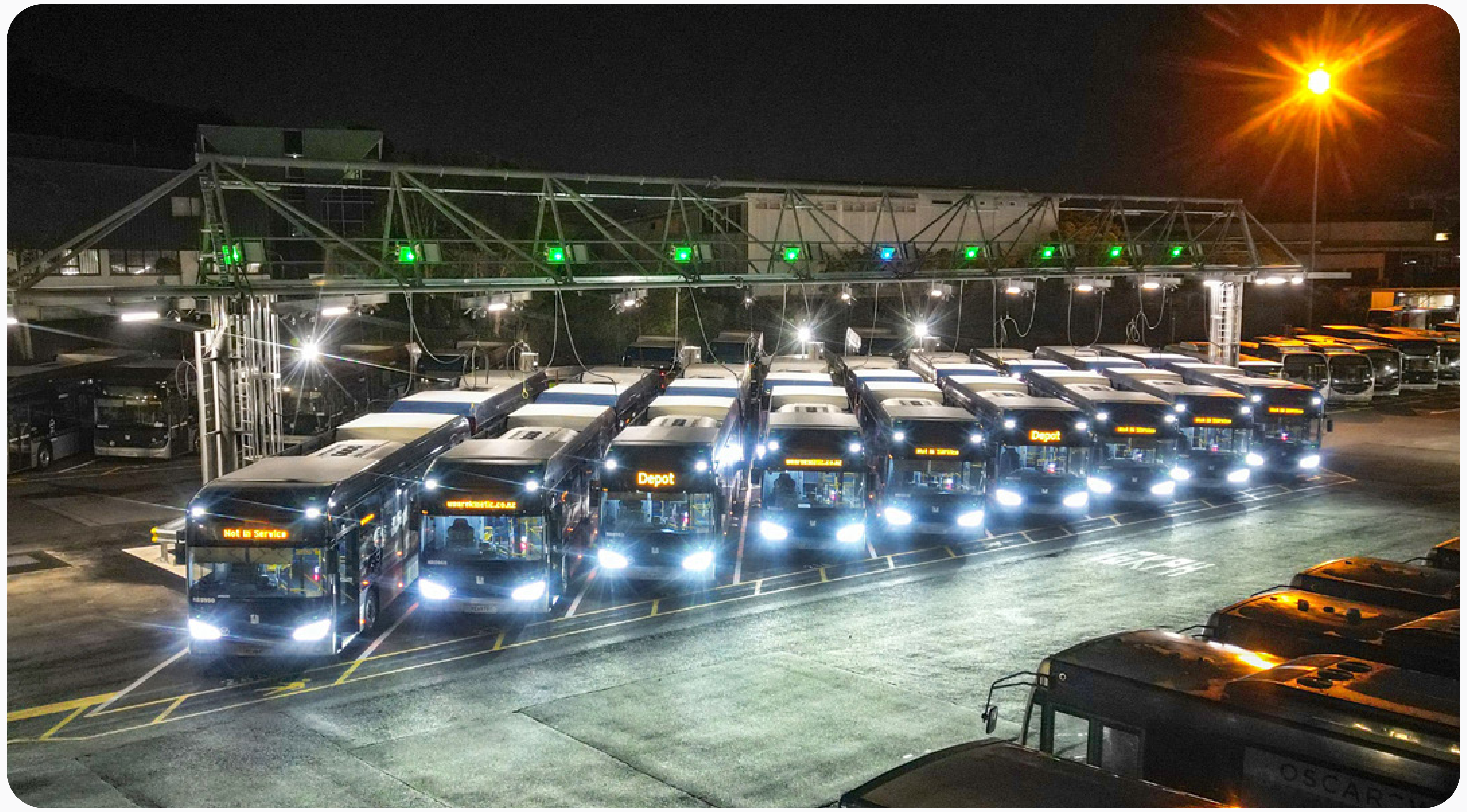
Bus procurement programme

In March 2026, AT completed the third round of its progressive bus services procurement programme, awarding a $755 million contract to Kinetic to operate four bus units (groups of bus routes) across Central and East Auckland.

The contract will see Kinetic introducing a fully-electric fleet in mid-2027 to serve 23 different bus routes across the Auckland isthmus, including some of AT's most popular frequent routes.

It consolidates 10 smaller existing contract units into a more efficient operating model, and we expect savings of approximately $30 million per annum, and long-term certainty for customers, operators and the workforce.

The contract supports more reliable and sustainable public transport services across central and east Auckland, including connections to the Eastern Busway and some of Auckland's busiest frequent bus routes.



Value for money

Social return on investment

In 2025/26, AT undertook its first Social Return on Investment (SRoI) assessment to better understand and measure the wider social, cultural and economic value created through its investments, and to build evidence for sustainable procurement approaches across the organisation and New Zealand. The assessment focused on the Te Kia Ora Marae carpark project, which was delivered by Lite Civil, a 100% Māori owned civil construction company.

AT commissioned Te Ara Hiranga, a Māori owned strategic consultancy, to undertake an independent SRoI analysis examining outcomes for workers, whānau, businesses and the wider community, looking beyond the asset itself to understand the full value created by how the project was delivered.

The analysis showed that for every $1 invested, the project generated $3.53 in social, cultural, environmental and economic value over and above the direct benefit of the carpark itself, including:

- Jobs created for local workers, including mana whenua, who faced significant barriers to employment
- Training, mentoring and formal qualifications that supported long term career pathways
- Strengthened Māori business capability and growth.

This resulted in economic value being retained within the local community, with profits reinvested locally, amplifying the economic benefit of public spending.

By measuring what matters, AT is better equipped to make informed investment decisions, strengthen accountability, and demonstrate how public infrastructure spending can contribute to more equitable, resilient and connected communities across Tāmaki Makaurau.

Core business and other activities

Delivering Auckland's largest ever road renewal programme

AT has delivered the largest road renewal programme in its history, resurfacing and rehabilitating 503 kilometres of Auckland's road network this financial year. The programme reflects increased investment from Auckland Council and NZTA to improve road quality, safety, and resilience across the region.

Roading upgrades included 123kilometres of asphalt resurfacing, 370kilometres of chipseal, and 10kilometres of pavement rehabilitation. Key roads improved include parts of Tāmaki Drive, Dominion Road, Queen Street, Albany Highway, Lincoln Road, Great South Road in Takaanini, Pakuranga Highway, and Whitford Maraetai Road.

To minimise disruption, much of the work was undertaken overnight, allowing crews to maximise productivity while keeping the city moving. The programme was delivered through a collaborative effort involving AT teams, contractors, and suppliers.

The investment is necessary to preserve Auckland's 7,000kilometres sealed road network by restoring skid resistance, improving surface quality, and preventing water penetration that can lead to potholes and more costly pavement failures. With around 8 to 9% of the network requiring resurfacing annually, the programme represents a significant step in improving the long-term condition and reliability of Auckland's roads while supporting safer and more efficient journeys for all road users.

During 2025/26, the Local Government (Auckland Council) (Transport Governance) Amendment Act 2026 was enacted, commencing the implementation of Auckland's transport governance reform.

While the reform will result in changes to AT's future roles and responsibilities, AT's service delivery responsibilities, objectives, and Statement of Intent performance measures remained substantially unchanged during 2025/26, results have been reported on that basis.

As implementation progresses, future service performance reporting, including AT's objectives and performance measures, may change to reflect its evolving functions and responsibilities.

Statement of Intent performance measures and results

The AT SOI outlines how AT is held accountable, using 24 performance measures and targets to track progress. These performance measures are reported to Auckland Council on a quarterly basis and are included in this annual report to show our progress over the full financial year.

The following guidelines are used to report on performance against the targets:

- **Within +/- 2.5% of a target**, the target will be considered to be '**Met**'
- **Above a target by more than 2.5%**, the target will be considered to be '**Exceeded**'
- **Below a target by more than 2.5%**, the target will be considered to be '**Not met**'

Making every interaction count

Measure	2025/26 target	2025/26 result	2024/25 result	Result
Customer perceptions AT listens and responds to Aucklanders' needs[1]	36%	38%	32%	Exceeded
Formal complaints Percentage of total AT case volume resulting in a formal complaint	<0.4%	0.46%	0.5%	Not met
Complaint resolution Percentage of formal complaints that are resolved within 20 working days	90%	93%	94%	Exceeded
Local board satisfaction with engagement	75%	82%[2]	75%	Exceeded

Improving network productivity

Measure	2025/26 target	2025/26 result	2024/25 result	Result
Average travel time Across the arterial network (10 km journey)[3]	23 minutes	22.7 minutes	23 minutes	Met
Arterial productivity Average number of people moving per hour during the morning peak[4]	30,000	30,214	29,131	Met
Freight performance Percentage of the freight network without congestion in the interpeak[5]	85%	85%	86%	Met
Bus Priority Kilometres of bus priority (including special vehicle lanes and dynamic lanes) delivered	10km	10.5km	7.1km	Exceeded

1 The AT reputation tracker, which is used for this SOI measure, is an online survey with a demographically representative sample of 3,000 Aucklanders per year. It has a margin of error of +/-1.8% at 95% confidence level.

2 A total of 144 Local Board members were surveyed in May 2026 with a response rate of 51%.

3 This measure calculates the average travel speed of people in cars and buses in the morning peak hour and uses the average trip in Auckland (10 km journey).

4 Productivity is measured as the average speed multiplied by number of people per lane in one hour on the congested parts of 32 monitored arterial routes, irrespective of what vehicle people are travelling in.

5 Proportion of the freight network operating at level of service C or better during the interpeak. The monitored freight network is the Future Connect Strategic Freight Network. Level of service is measured by median speed as a percentage of the posted speed limit.

Taking public transport from good to great

Measure	2025/26 target	2025/26 result	2024/25 result	Result
Public transport boardings Annual number of public transport trips	94m Bus: 75m Rail: 14m Ferry: 5m	92m Bus: 73m Rail: 14m Ferry: 5m	88.8m	Met
Public transport reliability Percentage of services that start according to schedule[6]	98%	97%	Bus: 96% Ferry: 97% Rail: 96%	Met
Public transport punctuality Percentage of services that start and end according to schedule[7]	89%	92%	90.4%	Exceeded
Public transport utilisation for frequent routes during peak	50%	47%	46%	Not met
Farebox recovery ratio The percentage of the total public transport operation cost recovered through fares	34%	34%	34%	Met

6 Scheduled services that operate, and that depart the first stop within -0:59 min and +9:59 min of scheduled start time. Calculated as a 12-month rolling average, weighted by mode (bus, train and ferry). The 2025/26 target is for total public transport reliability, whereas the prior year target was separated by mode.

7 Scheduled service that both depart the first stop within -0:59 min and +4:59 min of the scheduled start time and arrive at the last stop no later than +4:59 min of the scheduled arrival time.

8 Assets considered as critical include pavement assets, structures (bridges, major culverts, sea walls, car park buildings, airfields), and PT assets (train stations, bus stations, ferry terminals).

9 The low emission bus fleet increased largely through the introduction of electric buses under new bus operator contracts and deployment on key bus routes, supporting AT's public transport decarbonisation objectives.

10 Service levels have been agreed with Auckland Council as part of the Better, Faster Consents project as providing specialist input into 90% of required resource consents within 10 working days or an otherwise agreed timeframe.

Core business and other activities

Measure	2025/26 target	2025/26 result	2024/25 result	Result
Safety Deaths and serious injuries on the road network in Tāmaki Makaurau Auckland	No more than 576	618	611	Not met
Asset condition Proportion of key assets in in poor or very poor condition[8]	No more than 17%	15.83%	16%	Exceeded
Low emission buses Number of buses in the Auckland bus fleet classified as low emission	350	427[9]	New measure	Exceeded
Road maintenance Percentage of the sealed local road network that is resurfaced or rehabilitated	7.0%	7.8%	6.8%	Exceeded
Cycle counts The number of people cycling past defined count sites	3.52m	3.62m	3.5m	Exceeded
Percentage of **capital programme** delivery on time	90%	95%	Reporting commenced	Exceeded
Percentage of **procurement spend** with Māori-owned businesses	3% ($70.5m)	2.18%	3%	Not met
Number of marae improved by AT programmes	1	2	1	Exceeded
Resource consent timeframes Adherence to the service level agreement to provide specialist input into resource consents[10]	90%	96%	93%	Exceeded
Percentage of **capital budget** invested	90%	93%	93%	Exceeded

Core business and other activities

Measure	2025/26 target	2025/26 result	2024/25 result	Result
Emission reduction Reduction in operational emissions, including AT contracted public transport activities[11]	No increase from 2024/25*	92,514 (8% reduction)	100,511 tCO2e (Revised measure)*	Exceeded

* The target and 2024/25 result has been revised up from 100,400 tCO2e to 100,511 tCO2e due to changes in emissions factors.

11 We measure our GHG emissions using ISO 14064 1:2018 and consider the GHG Protocol Corporate Standard, the GHG Protocol Scope 2 Guidance, and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard where necessary. GHG information is retrieved from our emission inventory reports which are verified by Toitū Envirocare. Our inventory uses an operational control consolidation approach and the latest emissions factors available from the Ministry for the Environment (MfE). Our current inventory uses MfE factors published in June 2026 and June 2025 (electricity use for 2026: quarter 3 and 4).

Emissions included in this SOI measure:

- Emissions from corporate activities including electricity, natural gas and refrigerants used in offices, staff travel, fuel for AT's use of council's corporate fleet, work-from-home, water, wastewater, harbourmaster boats and office waste.
- Asset-related emissions including electricity and energy used in public transport facilities and electric trains, streetlights and traffic lights, diesel, on-demand services, hydrogen buses and landfill waste.
- Bus and ferry service emissions under contract with AT.
- Media related electricity emissions, included as a new emissions source from October.

Diesel:
Diesel use by buses and ferries is the single largest source of operational emissions, accounting for 88.8% of operational emissions. Bus services accounted for 83.6% of diesel emissions and ferries 16.3% of diesel emissions. The total diesel use in 2025/2026 decreased by 8% compared to 2024/2025 due to increased electrification of the bus fleet. As of 30 June 2026, there were 427 low emissions buses providing public transport on Auckland roads, up from 225 in 2025 (approximately 32% of the bus fleet).

In 2025/26, overall bus service kilometres increased by 9% compared with 2024/25, reflecting continued growth in public transport service delivery. Despite this increase, diesel bus service kilometres decreased by 6.5%, demonstrating ongoing progress in the transition to a lower-emissions fleet.

Electricity:
Electricity accounts for 9.2% of our operational emissions and is second largest emissions source after diesel. Total electricity consumption increased by 22.7% to 105.6 GWh. However, due to a reduction in the MfE electricity emissions factors for 3 of the 4 quarters used for emissions reporting, electricity emissions were 2.6% lower than last year.

AT continued to increase the proportion of services delivered by its electric fleet, with electric service kilometres rising from 19% of total fleet service kilometres in 2024/25 to 31% in 2025/26.

This increase was the result of higher public transport demand, improved availability of electric rail services (as CRL-related closures reduced), growth in the electric bus fleet, and operational measures that prioritised electric buses during the fuel supply disruption. Consequently, electric bus service kilometres represented 28% of all bus service kilometres in 2025/26, compared with 16% in the previous year.

Electricity-related emissions are calculated by applying quarterly electricity emission factors released by the MfE. These fluctuate depending on the carbon intensity of New Zealand's electricity mix at any time (if more coal-fired power is used, electricity emission factors increase; if more hydropower is used, they decrease). MfE have yet to release an emission factor for the quarters ending 31 March 2026 and 30 June 2026 therefore we have assumed an emission factor for these two quarters based on previous year's respective quarters emissions factors available on MfE June 2025 guide.

Emissions excluded from this SOI measure:

- Embodied emissions associated with infrastructure construction, maintenance and renewals. We have an embodied emissions reduction target in our AT Sustainability Strategy, however there is no relevant SOI measure.
- Upstream emissions associated with fuel and electricity that we, or our operators, use to provide operational or public transport services
- Embodied emissions associated with the manufacture of public transport assets such as buses, ferries and trains.
- Emissions from employees commuting to the office via private vehicles.
- Emissions from non-AT contracted commercial bus and ferry services provided by operators, as these are not within our supply chain.
- Purchased goods and services not included above.

Estimation uncertainty in GHG measurement:
The quantification of GHG emissions is subject to inherent uncertainty, as estimation and calculation methodologies, emission factors, and reporting and assurance standards continue to evolve.

Emissions for bus and ferry services possess a higher level of uncertainty as the estimates rely on multiple sources of information, assumptions and secondary inputs built into calculation models (including ferry-load factors, service kilometres, maximum continuous rating, average installed power, specific fuel consumption).

The calculation of public transport emissions is reliant on fuel and energy data provided by third party operators.

Key assumptions for bus and ferry services emissions

Bus services:

- Emissions are calculated using operator-reported fuel and energy use and applying the relevant MfE 2026 and MfE 2025 (for quarter 3 and 4 electricity only) emission factors. DEFRA emission factors are used for lubricants.
- Bus operators report on monthly actual or estimated fuel and energy use for the delivery of AT-contracted services. Estimated fuel and energy use reports are only used when the operator cannot specifically discern fuel and energy used for AT-contracted services from the operator's other services.
- For the second year in a row, 100% of bus operators reported fuel and energy use for the financial year.
- Should there be any gaps in operator reporting, an estimate is used. This is based on the latest average fuel and energy use factors (l/km and kWh/km) and operator service distance (km) data recorded in the Command Centre (our Real Time Information system).

- Operator-specific estimated factors are prioritised, otherwise, weighted average factors are used.
- If a bus trip is sighted in command centre, the associated route length is the operated service length. The total service kms is the sum of route lengths for all operated bus trips. An extra 20.34% allocation for repositioning and dead running is applied to the total service kilometres.
- Lubricant use for bus services is calculated using an average consumption of 23 litres per 25,000 service kilometres.
- 55 kWh of electricity from the New Zealand grid is required to produce 1 kg of hydrogen.

Ferry services:

- Emissions are calculated using operator-reported fuel-use and applying the relevant MfE 2026 and MfE 2025 (for quarter 3 and 4 electricity only) emission factor.
- Ferry operators report on monthly actual or estimated fuel use for the delivery of AT-contracted services. Estimated fuel reports are only used when the operator cannot specifically discern fuel used for AT-contracted services from that used to provide other services.
- Any gaps in operator reporting are filled using the latest average fuel-use factors (l/kW.hr). Operator-specific estimated factors are prioritised, otherwise, weighted average factors are used.
- For the second year in a row, 100% of ferry operators reported fuel-use for the financial year.
- Operator-specific vessel fleet lists, the average power of vessels used by operators, and the average engine load factors (calculated from route analyses) are used as secondary information to estimate the average power (kW) used by an average vessel during service.
- We report ferry service kms kilometres and service hours based on the number of delivered trips reported by operators.
- Over the years we have refined this process by shifting from simple to weighted average load factors, removing commercial services from AT-specific services, and eliminating a 20% buffer for repositioning and non-service movements to avoid double counting. These improvements have improved the accuracy and consistency, and reduced the uncertainty, of ferry fuel-use and emissions estimation.

Additional mandatory Department of Internal Affairs measures:

Measure	2025/26 target	2025/26 result	2024/25 result	Result
The change from the previous financial year in the number of deaths and serious injury crashes on the local road network, expressed as a number.	Reduce by 9	502	503 (restated)[12]	Not met
The average quality of ride on a sealed local road network, measured by Smooth Travel Exposure (STE).[13]	83%	86%	82%	Exceeded
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%	97.37%	96%	Met
Percentage of the sealed road network that is resurfaced.	7.0%	7.8%	6.8%	Exceeded
Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames*	85%	94%	91%	Exceeded

* Specified time frames: one hour for emergencies, two days for high priority incident investigations, and three days for normal priority incident investigations. A response commences from the time that the contractor is notified and stopped when the fault is made safe and/or repaired. Customer service request volumes reflect all individual submissions, including multiple entries associated with a single fault. Ongoing improvements to customer service processes, digital self-service channels, and case management systems, improved the timeliness of responses to customer requests relating to roads and footpaths.

Additional Auckland Council Long-term Plan 2024-2034 measures:

Measure	2025/26 target	2025/26 result	2024/25 result	Result
Road maintenance standards (ride quality) as measured by STE for all sealed rural roads[13]	92%	91%	91%	Met
Road maintenance standards (ride quality) as measured by STE for all sealed urban roads[13]	81%	85%	81%	Exceeded
Percentage of road assets in acceptable condition (as defined by AT's AMP)	95%	76%	76%	Not met
Percentage of passengers satisfied with public transport services[14]	85%	92%	92%	Exceeded
Operational greenhouse gas emissions, including public transport (baseline 2021/22)[11]	0%	-0.6%	8% increase	Exceeded

[12] NZ Police update crash data in the NZTA Crash Analysis System(CAS). 2024/25 result has been restated to 503 to reflect updated CAS data.

[13] A higher percentage means more roads offer a smooth ride, calculated using standard industry methods.

[14] Demographically represented in-person physical survey with a collective margin of error of +/-0.9%. Sample size is 7,478 buses, 2,787 ferries and 2,182 trains, totalling 12,447. Strong overall satisfaction continues to be supported by improvements in perceived reliability which has increased significantly since 2023. Over time, we have also seen improved satisfaction with the public transport system as a whole.

Mahi whakahaere
Governance

Auckland Council and Auckland Transport (AT) have an agreed strategic approach with partner agencies NZTA and the Ministry of Transport to meet the challenges facing Auckland's transport system. AT is accountable to its shareholder Auckland Council through its Statement of Intent, and this Annual Report.

Board of Directors

The Auckland Transport Board of Directors (The Board) has the overall responsibility for delivering transport in Auckland and monitoring AT's performance. This includes managing and controlling public transport and local roads, as well as approving the Auckland Regional Land Transport Plan (RLTP).

The legislation giving authority to the Board is the Local Government (Tāmaki Makaurau Reorganisation) Amendment Act 2009; the Local Government (Auckland Council) Amendment Act 2010, and the Local Government (Auckland Transitional Provisions) Act 2010.

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

The Board:

- Provides leadership to AT by setting strategic direction, ensuring alignment with its statutory purpose and Auckland Council requirements.
- Act consistently within the guidelines provided in the Shareholder Expectation Guide for CCOs
- Actively reviews and directs the overall strategy, policies and delegations of AT
- Identifies, evaluates and mitigates controllable risk factors
- Manages and monitors the chief executive's performance
- Establishes remuneration policies and practices, and sets and reviews remuneration for the chief executive
- Provides leadership in relationships with key stakeholders.

The following people served as AT Directors from July 2025 to March 2026

- Richard Leggat (Chair)
- Julie Hardaker (Deputy Chair)
- Raveen Jaduram
- Henare Clarke
- Andrew Ritchie
- Dale Dillicar
- Councillor Maurice Williamson (to April 2026)
- Councillor Chris Darby (to November 2025)
- Steven Mutton (NZTA nominated non-voting Director to February 2026)
- Reuben Levermore (NZTA nominated non-voting Director from February to May 2026)
- Councillor Shane Henderson (November 2025 to April 2026)

On 7 May 2026 the Local Government (Auckland Council) (Transport Governance) Amendment Act 2026 was adopted by parliament.

An Interim Board was appointed to support the transition of transport functions to Auckland Council, and the establishment and performance of a transport council-controlled organisation (CCO).

The following were interim AT Board members from March/April 2026

Chair: Andrew Ritchie

Board members: Rob Clarke

Dale Dillicar

Miriam Dean

Adrienne Young-Cooper

Observer: Cllr Maurice Williamson

Cllr Chris Darby

Directors' profiles

Andrew Ritchie

Chair

Andrew has over 30 years' experience as a leader across the transport and tourism industries. He still has ownership of various businesses across New Zealand, Australia and the USA. He has a notable focus on public transport as former Director of Operations and CEO for Ritchies Transport Holdings and President of the Bus and Coach Association of NZ. He was appointed as a Director of AT in 2024.

Rob Clarke

Rob is a seasoned international business leader and managing director with a proven track record of launching, scaling, and transforming organisations. As the founder of Chengeta Trust, Rob successfully developed a diverse portfolio spanning traffic management, training and education, and international AgriTech.

Complementing his entrepreneurial background is his extensive experience in corporate governance and board membership. Rob now dedicates his expertise to coaching and mentoring CEOs and senior executives, helping them elevate their leadership capabilities and build high-performaning environments where teams thrive.

Dale Dillicar

Dale Dillicar is a senior finance and business leader with more than 25 years' experience leading performance, transformation, governance and strategic decision-making across complex organisations. As General Manager, Financial Planning & Analysis for Core Operations at Fonterra, she plays a key role in business planning, performance management and enterprise decision support.

Miriam Dean

Miriam Dean has extensive legal and governance experience. She has led a number of public enquiries and reviews, including Auckland Council's 2019 review of CCOs. She was a member of the Auckland Transition Agency and the transition from Canterbury Earthquake Recovery Agency to (now) Crown Infrastructure Delivery Ltd. Miriam is currently a board member of Chorus Limited and the Real Estate Institute of New Zealand. She recently retired as chair of the Banking Ombudsman Scheme.

Adrienne Young-Cooper

Adrienne is a highly respected governor with over 30 years of public sector experience. She has an in-depth knowledge of Auckland's challenges regarding transport and urban development and infrastructure. Her previous roles include chairing the boards of Eke Panuku, Housing New Zealand, Hobsonville Land Company and serving on the board of NZTA. She served as Chair of AT from 2020 to 2022. Adrienne also chairs Haumaru Housing and Waiti Waters Limited.

Committees

Design and Delivery Committee
(to 31 March 2026)

The Design and Delivery Committee (DDC) monitors the performance of and provides governance over the design of the integrated transport system, reviews and monitors customer experience, service delivery and technology programmes, provides oversight and direction to strategy, and monitors change programmes across the organisation. The DDC reviews and recommend AT's position on all regional and national transport system programmes, and projects by the NZTA (or any other delivery agency) that affect Auckland's integrated transport system.

Finance and Assurance Committee

The Finance and Assurance Committee (FAC) assists the AT Board to fulfil its responsibilities for financial reporting, audit and risk management. It provides assurance regarding compliance with internal controls, accounting policy and practice, has oversight of AT's financial strategy and performance, and monitors financial risks and opportunities.

People and Culture Committee
(to 31 March 2026)

The People and Culture Committee (PCC) assists the AT Board to conduct its governance function as it relates to the safe delivery of AT activities. The PCC also ensures the safety and wellbeing of AT people and partners, and oversees employee development, inclusion and diversity, employee engagement, and culture. It also advises on remuneration, policy, leadership, capability and succession planning. It supports and mentors the chief executive, supports the board to ensure AT's legal obligations in relation to its people are met, and ensures AT fulfils its Te Tiriti o Waitangi responsibilities.

Transport Safety Committee
(to 31 March 2026)

The Transport Safety Committee (TSC) assists the AT Board in discharging its responsibility to exercise due care, diligence, and skill in relation to all safety matters including on the transport network, in public transport services, in construction and other AT activities.

Board meetings

The AT Board holds open meetings according to its principle of transparent decision-making. Closed sessions respect the need for commercially sensitive information to be protected.

Board of Directors meeting attendance

Board members	DDC	FAC	TSC	PCC	AT Board
Richard Leggat	3	4	2	3	7
Julie Hardaker	4	4	1	3	6
Raveen Jaduram	4	4	1	0	7
Henare Clarke	3	1	2	3	7
Andrew Ritchie	4	3	0	0	10
Cllr Chris Darby	2	1	0	0	3
Cllr Maurice Williamson	4	4	1	1	9
Steve Mutton	4	3	0	0	6
Dale Dillicar	4	4	2	3	11
Cllr Shane Henderson	2	2	1	0	5
Reuben Levermore	0	0	0	0	4
Rob Clarke	0	2	0	0	3
Adrienne Young-Cooper	0	2	0	0	3
Miriam Dean	0	2	0	0	3

Interim Board members	FAC (interim)	AT Board (interim)
Andrew Ritchie	2	2
Dale Dillicar	2	2
Rob Clarke*	2	2
Adrienne Young-Cooper*	2	2
Miriam Dean*	2	2

*Appointed April 2026 – to the AT board. The AT board became the Interim board on 7 May.

Open agendas, minutes, meeting dates and reports submitted are all available on at.govt.nz/about-us/our-role-organisation/meetings-and-minutes

Executive Leadership Team

Our Executive Leadership Team (ELT) deliver on activities as directed and guided at a strategic level by the Auckland Transport (AT) Board of Directors.

ELT members contribute to the development of AT's long-term vision and strategic priorities and ensure enterprise objectives within the AT Statement of Intent and business plans are delivered.

AT acknowledges Dean Kimpton, Chief Executive, who served from April 2023 to May 2026.

The ELT members at the end of June 2026 are:

Stacey van der Putten Chief Executive (Interim)

Mark Laing Chief Financial Officer & Director Corporate Services

Karen Duffy Director People & Performance

Kirstine Jones Executive Officer

Andrew Downie Director Strategy & Governance (Acting)

Our employees

We are committed to having an inclusive and diverse workforce that reflects the community we serve in Auckland. We aim to create a thriving, inclusive and high performing culture where everyone can be themselves.

As of June 2026 we have
1,999 employees

Our values

Auahatanga
Better, bolder, together

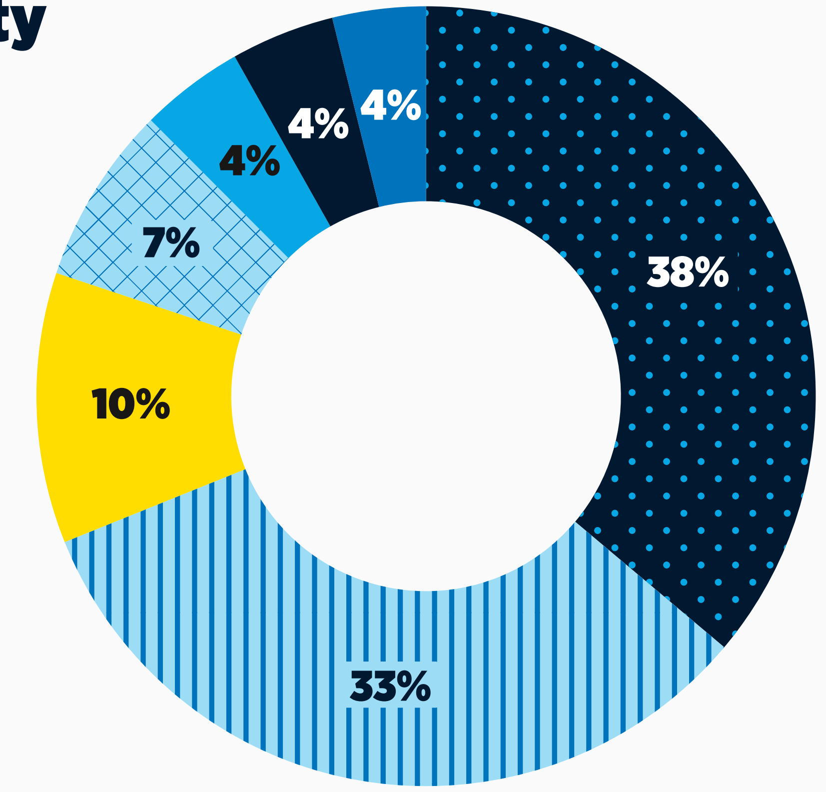
Whanaungatanga
We connect

Manaakitanga
We care

Tiakitanga
Safe with us

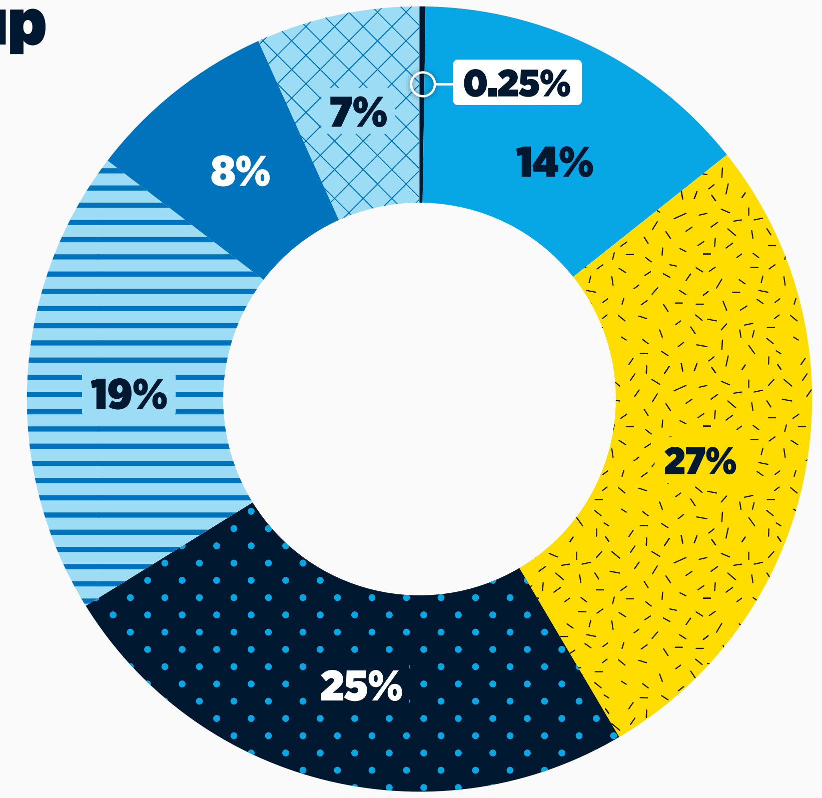
Employees by ethnicity

- European
- Asian
- Not disclosed
- Pasifika
- Māori
- MELAA
- Other



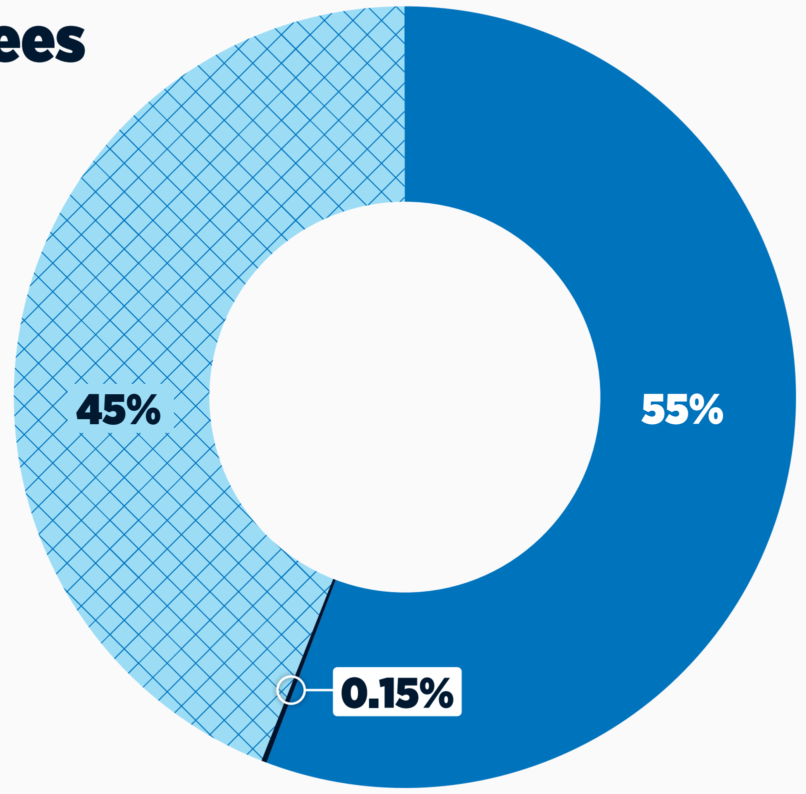
Employees by age group

- 20 – 29
- 30 – 39
- 40 – 49
- 50 – 59
- 60 – 65
- 65+
- Under 20



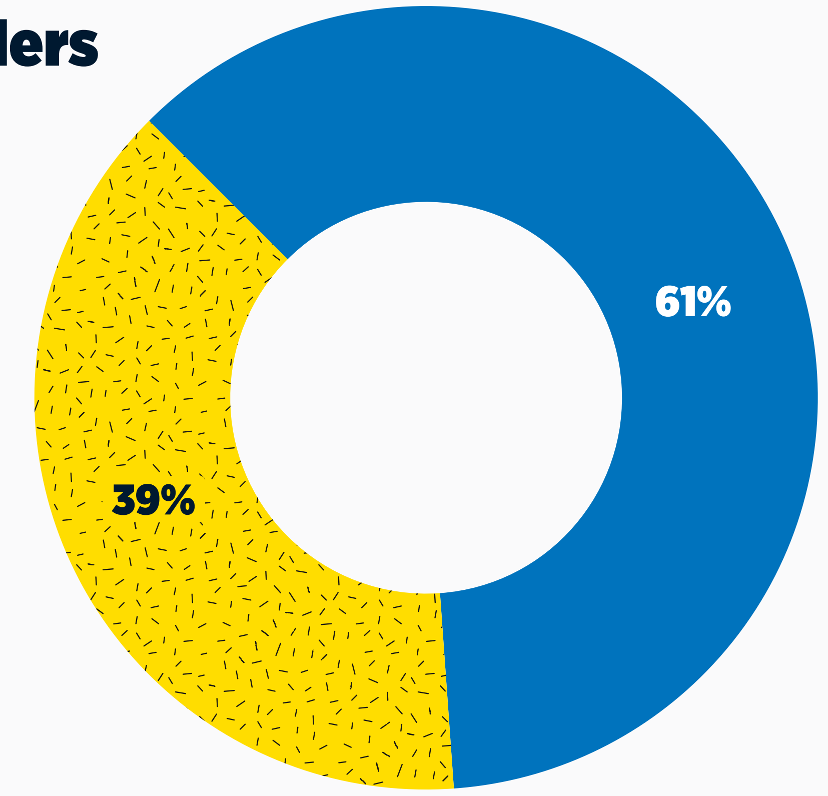
Gender: All employees

- Male
- Female
- Other



Gender: People leaders

- Male
- Female



Gender pay gap

7.89% AT employees

2.39% People leaders

Our gender pay gap is largely driven by vertical segregation—where women are well represented in lower and mid-level roles; and underrepresented in senior, higher-paid roles. This imbalance is shaped by a variety of external factors including career breaks and availability of part-time roles impacting progression into more senior roles.

We are committed to reducing the gender pay gap to within 5%, with data published on our website and the Mindthegap NZ Pay Gap Registry. Our transparent remuneration framework supports this goal, with pay bands aligned to skills and competencies, and job evaluations conducted in partnership with Strategic Pay and Job Evaluation Committees to ensure fairness and consistency.

To address the underlying drivers, our Diversity, Equity and Inclusion Strategy includes a refreshed Women in Leadership Programme, gender-balanced succession planning, and a new Allyship Programme targeting 80% leader participation.

We have additional initiatives in place and progress is regularly reviewed to ensure continuous improvement and accountability.

Tiakina te āhua o ngā rangi
Climate disclosure

Climate related financial disclosure • Governance • Strategy • Risk management • Metrics and targets

Climate-related Financial Disclosure

Auckland Transport (AT) voluntary climate-related disclosure outlines how climate-related risks and opportunities are incorporated into our governance, strategy, risk management and performance measures.

As a member of the Auckland Council Group, AT also provides climate-related information in accordance with the Aotearoa New Zealand Climate Standards to support the Group's annual climate statement and meet its obligations as a Climate Reporting Entity under New Zealand legislation.

Governance

Disclosure aim: To understand the role the governance body plays in overseeing climate-related risks and opportunities, and the role management plays in assessing and managing them.

The AT Board of Directors is responsible for identifying potential risks to AT and creates a framework for managing and monitoring these. The Board charter includes that the Board must: 'Ensure that AT meets its climate-related responsibilities.' The Board receives a monthly dashboard report on all AT risks, including climate risk, and a six-monthly report on climate and environment matters linked to the Sustainability Strategy.

AT's Executive Leadership Team (ELT) and Board have a joint responsibility to provide a clear vision for transport sustainability in Auckland. A resilient and sustainable transport system is one of AT's five ambitions.

For further information on the Board and ELT, refer to the Governance section of this Annual Report.

Strategy

Disclosure aim: To understand how climate change is currently impacting the entity and how it may do so in future.

AT's Sustainability Strategy 2024-2031 sets out what AT will do to fulfil our sustainability vision and make Auckland's transport system resilient, sustainable and equitable. It is structured around three key pillars: climate change, the environment, and social and economic outcomes.

Scenario-narrative planning

To support climate-related risk assessment and planning, we contributed to the development of three integrated climate-nature narratives that informed Auckland Council Group's climate scenarios. Aligned with New Zealand's emissions reduction commitments, national climate policies and Auckland's Climate Plan, the narratives outline three plausible future pathways (Orderly, Disorderly and Hot House World) and consider the potential impacts of key external drivers, including policy settings, economic conditions, technological advancement and evolving social expectations, on AT operating environment and long-term decision-making.

Climate-related impacts

AT flood recovery programme is substantially complete, addressing significant damage to the Auckland road network caused by the 2023 North Island weather events. More than 2,000 slips were recorded across the network, with reinstatement works completed at 789 sites (212 major sites and 577 minor sites).

AT invested $372 million in recovery works, helping to restore network resilience and support safe and reliable transport connections for Aucklanders.

Responding to climate hazards

To strengthen climate resilience, AT installed nine early flood warning systems on flood-prone roads. The systems enable real-time monitoring and rapid road closures, improving public safety and emergency response during severe weather events.

Early flood warning systems are expected to become standard practice for suitable roads from the 2027 financial year.

AT developed a landslide susceptibility framework that uses geospatial data and machine learning to identify high-risk areas, supporting proactive asset management, targeted interventions and long-term climate resilience.

Risk management

Disclosure aim: To understand how an entity's climate-related risks are identified, assessed and managed, and how those processes are integrated in existing risk management processes.

Climate change is recognised as a distinct organisational risk category within AT, separate from environmental risks. The AT Board has approved a climate risk appetite that reflects a cautious approach to risks arising from a failure to adequately respond to or prepare for the impacts of climate change'.

It has also approved risk appetites for the three subcategories of climate risk: mitigation – averse; adaptation – cautious; and transition – neutral.

Risk identification and assessment
AT's climate-related physical risks were assessed in 2021, and transition risks in 2022 identified 170 physical risks and over 40 transition risks. These risks were reviewed in 2026 and informed the 2025/26 climate risk assessment.

AT's assets have been assessed for climate risk and work is advancing to understand signals, triggers and thresholds. This work informs AT's transport asset management plans and subsequent funding decision-making processes.

Our climate-related risks fall into two categories:

1. Physical risks related to the impacts of a changing climate such as risk to infrastructure and/or levels of service from higher temperatures, extreme weather events, landslides or sea level rise.
2. Transition risks (non-physical) that include challenges related to governance, planning and decision-making, funding availability, supply chain readiness, public support for change, and ensuring infrastructure investments adequately account for future climate hazards.

These risks may pose substantial challenges to core functions and ability to support Auckland's climate goals.

Metrics and targets

Disclosure aim: To understand how an entity measures and manages its climate-related risks and opportunities.

AT's metrics and targets focus on two categories of greenhouse gas (GHG) emissions:

- Operational emissions: 92,514 tCO2e (40.6% of AT's total emissions)
- Embodied emissions 135,383 tCO2e (59.4% of AT's total emissions).

Emissions targets
AT's emissions targets align with science-based requirements limiting warming to 1.5C and are validated by Toitū Envirocare. AT's targets do not rely on offsets.

Sustainability Strategy 2024-2031 operational emissions target
AT's operational emissions reduction target is a 50% reduction against the 2021/22 baseline (93,117 tCO2e), by 2030/31.

In 2025/26 operational emissions decreased by 0.65% to 92,514 tCO2e compared to 2021/22 baseline and 8% against 2024/25, largely driven by reductions in diesel use as a result of the decarbonisation of bus services. In 2025/2026 public transport accounted for 94.9% of AT operational emissions. We are on track to meet AT's 50% operational emissions reduction target by 2031/32.

Electric bus services grew more than fivefold from 4.2 million kilometres in the base year to 23.7 million kilometres in 2025/26, reflecting the continued electrification and expansion of Auckland's bus services. While this growth increased electricity-related bus emissions, the impact remained small representing just 2.0% of total operational emissions compared with the base year and 0.7% compared with 2024/25. This demonstrates that electric buses can support substantial service growth while keeping emissions impacts low.

AT's progress against SOI targets can be found in the section above "Statement of intent performance measures and results".

Sustainability Strategy 2024-2031 embodied emissions target
AT's embodied emissions reduction target is a 50% reduction against the 2021/22 baseline (156,000 tCO2e), by 2031.

The target covers emissions from infrastructure construction, maintenance, renewals and materials. Emissions reductions will be largely achieved through materials substitution and supply chain decarbonisation. Our baseline was modelled relative to dollar-spend value using the NZTA project emissions estimation tool (PEET) developed specifically for New Zealand road and rail infrastructure.

Embodied emissions accounted for 135,383 tCO2e, a decrease of 13.5% from last year (156,572 tCO2e), and a decrease of 13.2% from the baseline (156.000 tCO2e).

Of the embodied emissions reported this year, 45% were based on supplier-specific data and 55% on emissions intensity factors applied to capital expenditure. Despite a 67% increase in capital investment from the baseline year, embodied emissions decreased by 13%, reflecting AT's delivery of more infrastructure with lower carbon emissions per dollar invested. This improvement was driven by low-carbon design initiatives and increased use of low-carbon concrete on major projects. Embodied emissions remain AT's largest emissions source, representing 59.4% of the total inventory, and continue to be challenging to reduce as transport infrastructure is expanded and renewed to support Auckland's growing population.

Āhua o te pūtea Financials

Financial statements • Note to the financial statements • Independent auditor's report

Financial statements

Statement of comprehensive revenue and expenditure
for the year ended 30 June 2026

$000s	Note	Actual 2026	Budget 2026 restated	Actual 2025 restated
Continuing operations				
Revenue				
Auckland Council operating funding	1	461,572	458,104	412,204
Auckland Council capital funding	1	161,028	176,403	168,016
NZ Transport Agency Waka Kotahi operating funding	1	432,496	446,836	409,949
NZ Transport Agency Waka Kotahi capital funding	1	65,353	65,342	101,227
Other capital grants	1	1,137	1,138	798
Other revenue	1	264,119	274,036	235,286
Finance revenue	2	1,409	1,500	13,416
Total revenue		**1,387,114**	**1,423,359**	**1,340,896**
Expenditure				
Personnel costs	3	90,373	99,988	86,714
Depreciation and amortisation	5,6	94,435	69,932	77,177
Finance costs	2	22,862	22,443	21,966
Other expenses	4	995,833	1,043,712	938,317
Total expenditure		**1,203,504**	**1,236,074**	**1,124,174**
Surplus before tax		**183,610**	**187,285**	**216,722**
Income tax benefit/(expense)		-	-	-
Surplus after tax from continuing operations		**183,610**	**187,285**	**216,722**
Other comprehensive revenue and expenditure		-	-	-
Total comprehensive revenue and expenditure – continuing operations		**183,610**	**187,285**	**216,722**
Discontinued operations				
Surplus after tax from discontinued operation	**27**	**892,098**	**976,656**	**938,676**
Other comprehensive revenue and expenditure				
Net gains on revaluation of property, plant and equipment		3,123,316	-	1,468,966
Total comprehensive revenue and expenditure – discontinued operations		**4,015,414**	**976,656**	**2,407,642**
Total comprehensive revenue and expenditure		**4,199,024**	**1,163,941**	**2,624,364**

Andrew Ritchie
Chair
4 September 2026

Dale Dillicar
Finance and Assurance Committee Chair
4 September 2026

The accompanying notes on pages 38 to 64 form part of these financial statements.

Financial statements

Statement of financial position

as at 30 June 2026

$000s	Note	Actual 2026	Budget 2026	Actual 2025
Assets				
Current assets				
Cash and cash equivalents	9	7,578	23,228	15,644
Receivables	10	355,918	726,239	713,438
Inventories	11	16,693	12,925	15,055
Other assets		2,011	11,676	12,924
Derivative financial instruments	7	1,024	3	3,460
Assets held for distribution to owner	27	32,411,165	-	-
Total current assets		**32,794,389**	**774,071**	**760,521**
Non-current assets				
Receivables	10	-	-	500
Property, plant and equipment	5	5,278,646	32,540,179	30,398,906
Intangible assets	6	96,876	145,463	165,179
Derivative financial instruments	7	-	-	-
Total non-current assets		**5,375,522**	**32,685,642**	**30,564,585**
Total assets		**38,169,911**	**33,459,713**	**31,325,106**

$000s	Note	Actual 2026	Budget 2026	Actual 2025
Liabilities				
Current liabilities				
Payables and accruals	12	201,282	406,522	380,284
Employee entitlements	13	8,249	19,185	22,038
Derivative financial instruments	7	5	4,890	-
Provisions		-	269	277
Borrowings	8	13,258	12,148	13,231
Liabilities held for distribution to owner	27	267,586	-	-
Total current liabilities		**490,380**	**443,014**	**415,830**
Non-current liabilities				
Payables and accruals	12	-	-	-
Employee entitlements	13	87	282	288
Derivative financial instruments	7	-	569	-
Borrowings	8	428,886	429,184	441,346
Total non-current liabilities		**428,972**	**430,035**	**441,634**
Total liabilities		**919,352**	**873,049**	**857,464**
Equity				
Contributed capital		15,850,583	15,759,211	13,267,040
Accumulated funds		8,707,185	8,680,060	7,625,582
Other reserves		12,692,791	8,147,393	9,575,020
Total equity	14	**37,250,559**	**32,586,664**	**30,467,642**
Total liabilities and equity		**38,169,911**	**33,459,713**	**31,325,106**

The accompanying notes on pages 38 to 64 form part of these financial statements.

Financial statements

Statement of changes in equity
for the year ended 30 June 2026

$000s	Note	Contributed capital	Accumulated funds	Other reserves	Total equity	Budget
Balance as at 1 July 2025		**13,267,040**	**7,625,582**	**9,575,020**	**30,467,642**	**28,946,058**
Surplus after tax		-	1,075,708	-	1,075,708	1,163,941
Other comprehensive revenue and expenditure		-	-	3,123,316	3,123,316	-
Total comprehensive revenue and expenditure		**-**	**1,075,708**	**3,123,316**	**4,199,024**	**1,163,941**
Transfers to/(from) other reserves*		2,583,543	5,895	(5,545)	2,583,893	2,476,665
Balance as at 30 June 2026	14	**15,850,583**	**8,707,185**	**12,692,791**	**37,250,559**	**32,586,664**
Balance as at 1 July 2024		**13,282,546**	**6,428,845**	**8,147,393**	**27,858,784**	**27,858,784**
Surplus after tax		-	1,155,398	-	1,155,398	1,087,274
Other comprehensive revenue and expenditure		-	-	1,468,966	1,468,966	-
Total comprehensive revenue and expenditure		**-**	**1,155,398**	**1,468,966**	**2,624,364**	**1,087,274**
Transfer of long-term asset from Auckland Council (capital reallocation)		(15,506)	-	-	(15,506)	-
Transfers to/(from) other reserves		-	41,339	(41,339)	-	-
Balance as at 30 June 2025	14	**13,267,040**	**7,625,582**	**9,575,020**	**30,467,642**	**28,946,058**

* Transfers to contributed capital include $2,579 million of assets transfered from City Rail Link Limited via Auckland Council to AT.

The accompanying notes on pages 38 to 64 form part of these financial statements.

Financial statements

Statement of cash flows
for the year ended 30 June 2026

$000s	Note	Actual 2026	Budget 2026	Actual 2025
Cash flows from operating activities				
Cash provided from				
Revenue from activities		478,029	434,010	428,509
Auckland Council operating funding		561,556	561,555	512,444
Auckland Council capital funding		678,444	830,017	588,556
NZTA operating funding		521,838	537,475	505,247
NZTA capital funding		507,008	603,674	550,840
Other capital grants		44,167	48,373	50,121
Interest received		1,457	-	2,504
Total cash provided		**2,792,499**	**3,015,104**	**2,638,221**
Cash applied to				
Payments to suppliers and employees		1,474,002	1,501,520	1,318,619
Interest paid		20,521	20,946	20,027
Goods and services tax (net)		(6,794)	-	(2,190)
Total cash applied		**1,487,729**	**1,522,466**	**1,336,456**
Net cash from operating activities	24	**1,304,770**	**1,492,638**	**1,301,765**

$000s	Note	Actual 2026	Budget 2026	Actual 2025
Cash flows from investing activities				
Cash provided from				
Sale of property, plant and equipment		3,310	-	126
Cash applied to				
Purchase of property, plant and equipment and intangibles		1,289,555	1,482,064	1,297,210
Net cash applied to investing activities		**(1,286,245)**	**(1,482,064)**	**(1,297,084)**
Cash flows from financing activities				
Cash applied to				
Repayment of loan from Auckland Council		11,192	10,574	10,334
Payment of finance leases		2,495	-	1,931
Total cash applied		**13,687**	**10,574**	**12,265**
Net cash applied to financing activities		**(13,687)**	**(10,574)**	**(12,265)**
Net increase in cash and cash equivalents		**4,838**	**-**	**(7,584)**
Opening cash and cash equivalents		15,644	23,228	23,228
Closing cash and cash equivalents	9	**20,482**	**23,228**	**15,644**
Cash held for distribution to owners – discontinued operations		12,904	-	-
Closing cash and cash equivalents for continuing operations		**7,578**	**23,228**	**15,644**

Included within the cash flows are net cash outflows of $5 million (2025: $3 million) attributable to discontinued operations as disclosed in Note 27.

The accompanying notes on pages 38 to 64 form part of these financial statements.

Financial statements

Summary of capital expenditure
for the year ended 30 June 2026

$000s	Actual 2026	Budget 2026	Actual 2025
New capital expenditure			
Roads and footpaths	243,178	230,324	290,201
Public transport	684,423	794,991	568,097
Parking and enforcement	7,615	6,929	7,551
Other	50,628	55,798	51,090
Total new capital expenditure	**985,844**	**1,088,042**	**916,939**
Renewal capital expenditure			
Roads and footpaths	346,951	357,791	302,224
Public transport	36,842	32,253	32,779
Parking and enforcement	2,806	3,977	5,387
Total renewal capital expenditure	**386,599**	**394,021**	**340,390**
Total capital expenditure	**1,372,443**	**1,482,063**	**1,257,329**

$000s	Actual 2026	Budget 2026	Actual 2025
Capital funding			
Auckland Council capital funding	813,117	830,016	638,935
NZ Transport Agency Waka Kotahi capital funding - new	327,114	418,405	406,435
NZ Transport Agency Waka Kotahi capital funding - renewal	183,689	183,292	145,386
Other capital grants	48,506	50,350	66,573
Auckland Council capital funding through equity	17	-	-
Total capital funding	**1,372,443**	**1,482,063**	**1,257,329**

The accompanying notes on pages 38 to 64 form part of these financial statements.

Notes to the financial statements

Basis of reporting

Auckland Transport (AT) 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 AT operation includes the Local Government (Auckland Council) Act 2009 and the Local Government Act 2002.

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

The financial statements are for the year ended 30 June 2026 and are authorised for issue by the AT Board on the 4 September 2026. Neither Auckland Council nor the AT Board have the power to amend the financial statements once adopted.

Statement of compliance

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

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

Measurement basis

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

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

Going concern

AT receives funding from Auckland Council, New Zealand Tranport Agency Waka Kotahi (NZTA) and other government organisations to deliver the agreed annual operational and capital programmes within AT Statement of Intent (SOI)and Auckland Council's Annual Plan.

Borrowings from Auckland Council are set out in Note 8 and are supported by schedules of repayments determined from the credit facility agreement between AT and Auckland Council.

Auckland Council continue to provide financial support for AT as laid out in Auckland Council's Annual Plan and AT's annual Statement of Intent.

Based on the funding set out in the recently approved Auckland Council Annual Plan 2026/27 and NZTA's National Land Transport Programme (NLTP), AT receives sufficient funding revenue to meet operating and capital costs. Accordingly, the financial statements have been prepared on a going concern basis.

Functional and presentation currency

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

Foreign currency translation

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

Goods and services tax (GST)

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

Budget figures

The budget figures are derived from AT SOI 2025–2028, which was adopted by AT's Board on 30 June 2025.

Cost allocation

Cost of service for each activity is allocated as follows:

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

Use of estimates and judgements

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in property, plant and equipment (Note 5), provision for impairment of receivables (Note 10), and discontinued operations and held for distribution to owners (Note 27).

Change in accounting policy

There has been no change in accounting policy during the year.

Standards issued and not yet effective

AT will adopt the following accounting standards in the reporting period after the effective date.

2024 Omnibus Amendments to PBE Standards

The 2024 Omnibus Amendments issued in October 2024 include updates to PBE IPSAS 1 Presentation of Financial Reports to clarify the principles for classifying liabilities as current or non-current. The amendments are effective from reporting periods beginning on or after 1 January 2026 with early adoption permitted. AT has not assessed the effect of the amendments in detail.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 Insurance Contracts for public sector entities was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. AT has not assessed the effect of the new standard in detail.

Amendments to XRB A2 resulting from the Regulatory Systems (Economic Development) Amendment Act 2025

The Amendments to XRB A2 was issued in August 2025 which reflects the recent amendments to the Financial Reporting Act 2013 in relation to the definitions of 'large' and 'specified not-for-profit entity', as amended by the Regulatory Systems (Economic Development) Amendment Act 2025. It is effective for the reporting periods beginning on or after 29 September 2025. AT has not assessed the effect of the amendments in detail.

Results of the year

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

The notes included in this section are as follows:

1. Revenue

Accounting policy

AT 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.

AT 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.

AT receives revenue from the following sources:

Type	Recognition and measurement
Non-exchange revenue	
Auckland Council operating and capital funding	AT is funded in-part by its parent, Auckland Council, in order to deliver the agreed annual operational and capital programmes. This funding is recognised in accordance with the approved AT SOI as agreed between AT and Auckland Council.
New Zealand Transport Agency Waka Kotahi (NZTA) operating and capital funding	AT receives government grants from NZTA, which subsidise part of AT's operational and capital expenditure. Grant distributions from NZTA are recognised as revenue when eligibility has been established by the grantor. There are no unfulfilled conditions or other contingencies attached to these grants.
Fare revenue (included in public transport revenue)	AT receives fare revenue from rail, bus and ferry services. This revenue is recognised when the ticket is purchased and/or travel actually occurs.
Enforcement revenue	Revenue is recognised when an infringement notice is issued. Infringement notices that are 63 days past due are lodged with a collection agency. If still outstanding at 150 days past due, they are transferred from the collection agency to the courts for collection.
Vested asset revenue	Vested assets refer to infrastructure received from property developers who construct the infrastructure as a condition of development. Vested asset revenue is recognised when control of the asset is transferred to AT and is measured at the fair value of the asset received, unless there is a use or return condition attached to the asset.
Licenses and permit revenue	Revenue is recognised on approval of application.
Other operating and capital grants	Revenue is recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant or subsidies are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

1. Revenue (continued)

Type	Recognition and measurement
Exchange revenue	
Parking revenue	Revenue is recognised when billed or earned on an accrual basis.
Rental evenue	Revenue is recognised on a straight-line basis over the lease term.
Interest revenue	Revenue is recognised on a time proportion basis using the effective interest method.

As part of transport reform, revenue directly related to the delivery of public transport services has been classified as continuing operations. All other revenue has been classified as discontinued operations. Discontinued operations public transport revenue relates to active modes. Refer to Note 27 for further information.

	Continuing operations		Discontinued operations		Total	
$000s	**Actual 2026**	**Actual 2025**	**Actual 2026**	**Actual 2025**	**Actual 2026**	**Actual 2025**
Auckland Council operating funding	461,572	412,204	99,984	100,240	561,556	512,444
Auckland Council capital funding	161,028	168,016	652,090	470,919	813,118	638,935
NZTA operating funding	432,496	409,949	88,762	77,866	521,258	487,815
NZTA capital funding	65,353	101,227	445,450	450,594	510,803	551,821
Other capital grants	1,137	798	47,368	65,775	48,505	66,573
Total funding revenue	**1,121,586**	**1,092,194**	**1,333,654**	**1,165,394**	**2,455,240**	**2,257,588**
Other revenue						
Revenue from non-exchange transactions						
Public transport revenue	253,824	225,052	7,005	4,384	260,829	229,436
Enforcement revenue	609	(1)	73,670	69,793	74,279	69,792
Other operating grants	-	-	8,123	9,075	8,123	9,075
Vested asset revenue	-	-	325,534	491,636	325,534	491,636
Gain on disposal of property, plant and equipment	8	17	-	-	8	17
Other revenue	(53)	852	23,923	25,120	23,866	25,972
Total other revenue from non-exchange transactions	**254,388**	**225,920**	**438,255**	**600,008**	**692,639**	**825,928**
Revenue from exchange transactions						
Parking revenue	1,022	876	48,526	50,459	49,548	51,335
Rental revenue	8,709	8,490	9,424	10,446	18,133	18,936
Total other revenue from exchange transactions	**9,732**	**9,366**	**57,949**	**60,905**	**67,681**	**70,271**
Total other revenue	**264,119**	**235,286**	**496,205**	**660,913**	**760,320**	**896,199**
Total revenue (excluding finance revenue)	**1,385,705**	**1,327,480**	**1,829,859**	**1,826,307**	**3,215,560**	**3,153,787**

2. Finance revenue and finance costs

Accounting policy

Finance costs include interest expense, amortised borrowing costs and unrealised gains and losses on derivative financial instruments. Interest on debt and finance leases is recognised using the effective interest method. Unrealised gains and losses on derivative financial instruments are recognised based on movements in fair value.

$000s	Actual 2026	Actual 2025
Finance revenue		
Finance revenue from financial assets at amortised cost	1,457	2,504
Finance revenue from financial assets at fair value through surplus or deficit	-	10,912
Total finance revenue	**1,457**	**13,416**
Finance revenue – discontinued operations	48	-
Finance revenue – continuing operations	**1,409**	**13,416**
Finance costs		
Interest expense on debt and finance leases using the effective interest method	20,513	21,978
Interest on derivative financial instruments	2,442	-
Other finance costs	-	7
Total finance costs	**22,955**	**21,985**
Finance costs – discontinued operations	93	19
Finance cost – continuing operations	**22,862**	**21,966**

3. Personnel costs

$000s	Actual 2026	Actual 2025
Salaries and wages	241,751	224,063
Less salaries and wages capitalised to property, plant and equipment, and intangibles	(60,787)	(54,363)
Defined contribution plan employer contributions	6,974	6,056
Other employee related costs	9,300	9,188
Movement in employee entitlements	72	1,489
Total personnel costs	**197,310**	**186,433**
Personnel costs – discontinued operations*	106,937	99,719
Total personnel costs	**90,373**	**86,714**

* The allocation of personnel costs between continuing and discontinued operations is based on the proposed transport reform organisational structure, which remained subject to final confirmation at 30 June 2026 and may change as the reform process is finalised. Refer to Note 27 for further information.

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

4. Other expenses

Accounting policy

Impairment of assets

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

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

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

		Continuing operations		Discontinued operations		Total	
$000s		Actual 2026	Actual 2025	Actual 2026	Actual 2025	Actual 2026	Actual 2025
Fees to principal auditor	Financial statements audit	797	819	-	-	797	819
	Prior year financial statements audit	31	21	-	-	31	21
	Review engagement	74	62	-	-	74	62
		902	**902**	**-**	**-**	**902**	**902**
Public transport operations		838,958	773,785	9,855	5,215	848,813	779,000
Roading network		546	269	152,436	142,012	152,982	142,281
Operating lease payments		128,658	129,454	-	-	128,658	129,454
Loss on disposal of property, plant and equipment and intangible assets		-	3,258	6,629	9,129	6,629	12,387
Write-off of capital works		9,635	2,860	23,866	39,580	33,501	42,440
Impairment of receivables		(4)	238	4,843	5,846	4,839	6,084
Directors' fees		418	532	-	-	418	532
Other operating expenses		16,719	27,018	113,174	99,178	129,900	126,196
Total other expenses		**995,833**	**938,317**	**310,803**	**300,959**	**1,306,642**	**1,239,276**

Long-term assets

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

The notes included in this section are as follows:

5. Property, plant and equipment

Accounting policy

Property, plant and equipment consists of:

Type	Description	Estimated useful life (years)
Operational		
Land	Land held for rail purposes, land under carparks, park and ride, wharves and train stations.	Indefinite
Land – finance lease	Finance lease for wharf land and water space under ferry terminals. Land for an indefinite lease term until such time as AT does not comply with the required and permitted use clauses in the finance leases.	Indefinite
Properties held for roading purposes	Properties acquired for future roading projects.	Indefinite
Buildings	Buildings held for car park and bus depots.	11 to 85
Rolling stock	Electric trains and other onboard train equipment (e.g. signalling and communication equipment).	10 to 35
Motor vehicles	Electric and hydrogen buses.	7 to 16
Boats and engines	Vessels used by the harbourmaster in managing the waterways.	7 to 15
Ferries	Vessels used for public transport services across the Waitematā Harbour and surrounding areas.	20 to 30
Plant and equipment	Parking equipment (e.g. barrier arms, handheld parking infringement machines, etc.) and public transport equipment (e.g. public transport information, signal pre-emption, CCTV camera, etc.).	1 to 50

Type	Description	Estimated useful life (years)
Operational (continued)		
Furniture and fittings	Furniture includes desks, chairs and other fittings used in AT offices.	3 to 15
Computer hardware	Laptops, screens, servers and other physical IT equipment.	4 to 15
Computer hardware – finance lease	Finance lease for IT equipment.	3 to 5
Wharves	Wharves used to provide public transport via ferries.	3 to 100
Bus stations and shelters	Stations and shelters for users of bus services at bus stops and busways.	3 to 60
Train stations	Stations for train users.	9 to 100
Infrastructure		
Land	Land under roads, restricted land and land access to/from train stations.	Indefinite
Roads and formation	Infrastructure elements that make up a road network, which include formation, pavement, footpaths, drainage systems, traffic control and streetlights.	Roads: 3 to 150 Formation: indefinite
Street gardens	Street trees and gardens that contribute to the overall health and well-being of urban environments and the communities.	10 to 28

5. Property, plant and equipment (continued)

Accounting policy (continued)

Initial recognition and subsequent measurement
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.

The cost of third party constructed assets generally comprises the sum of costs invoiced by the third party. The cost of self-constructed assets comprises purchase costs, time allocations and excludes, where material, any abnormal costs and internal surpluses.

Subsequent costs that extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant and equipment are revalued. Work in progress is recognised at cost less impairment, if any, and is not depreciated.

Valuation of assets
AT accounts for revaluations on an asset class basis.

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

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

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

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

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

Depreciation
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. Depreciation is calculated to write down the cost or revalued amount of the assets over their useful economic lives.

AT reviews and, if necessary, adjusts the assets' residual values and useful lives at each year-end.

Disposals
Gains and losses on the disposal of property, plant and equipment are recognised in surplus or deficit. Any amount included in the asset revaluation reserve relating to a disposed asset is transferred to accumulated funds on disposal.

Value in use for non-cash generating assets
Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

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

Value in use for cash-generating assets
Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

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

5. Property, plant and equipment (continued)

Computer hardware – finance lease

The net carrying amount of plant and equipment held under finance leases is $4.8 million (2025: $6.5 million). Refer to Note 20 for further information.

No property, plant and equipment is pledged as security for liabilities (2025: nil).

Auckland Council-owned property, plant and equipment

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

The following property, plant, and equipment are legally owned by the council but managed and controlled by AT.

- Operational land and buildings
  - includes land and buildings, parking and wharf buildings.
- Land - finance lease
  - includes wharf land and water space under ferry terminals.
- Properties held for roading purposes
  - includes properties purchased for future roading projects.
- Infrastructural land
  - includes land under roads designated for the construction and maintenance of roads and related infrastructure.
- Roads and formation
  - includes formation, shaping, foundation, surface, kerb and channelling, shoulders, drainage under roads, footpaths, lighting, signage, bridges, crossings, islands, minor structures (including railings and retaining walls), traffic facilities, and traffic signals.

Restrictions on Auckland Council-owned property, plant and equipment

Disposal

In accordance with section 48(2) of the Local Government (Auckland Council) Act 2009, AT must notify Auckland Council in writing of any decision to dispose of land that is no longer required for road purposes under section 345 of the Local Government Act 1974. Auckland Council is then responsible for disposing of the land in accordance with the provisions of the Local Government Act 1974.

Acquisition

In accordance with section 48(4) of the Local Government (Auckland Council) Act 2009, AT must notify Auckland Council in writing of any decision to apply for the compulsory acquisition of land, or where a deemed agreement exists. Any land acquired in this manner will be legally vested in Auckland Council, while remaining recorded in AT financial statements.

Assets Transferred from City Rail Link Limited

During the year, AT received City Rail Link assets with a fair value of $2.6 billion following their transfer from City Rail Link Limited via Auckland Council. The assets comprise primarily of station and urban realm infrastructure relating to Karanga-a-Hape Station, Te Waihorotiu Station, and Maungawhau Station.

Transport Reform – held for distribution to owners

Assets expected to transfer to Auckland Council under transport reform, which are not directly related to the delivery of public transport services, have been classified as held for distribution to owners. Roading assets retained by AT relate to public transport park and ride facilities. Refer to Note 27 for further information.

5. Property, plant and equipment (continued)

2026

$000s	Opening balance			Movement							Closing balance		
	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Impairment / write-off charges	Depreciation	Revaluation surplus / (loss)	Transfer to assets held for distribution to owners	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount
Operational													
Land	556,963	-	556,963	-	(20,765)	756	-	-	-	(304,343)	232,614	-	232,614
Land - finance lease	29,440	-	29,440	-	-	-	-	-	-	-	29,440	-	29,440
Properties held for roading purposes	567,999	-	567,999	-	(20,473)	71,575	-	-	-	(619,102)	-	-	-
Buildings	165,242	(5,364)	159,878	-	-	4,886	-	(3,728)	-	(154,253)	6,969	(186)	6,783
Leasehold improvements	1	-	1	-	-	-	-	-	-	-	-	-	-
Rolling stock	713,245	(63,602)	649,643	-	(1,149)	137,127	-	(27,006)	-	-	849,225	(90,607)	758,618
Motor vehicles	4,965	(2,214)	2,751	-	-	-	-	(377)	-	(5)	4,926	(2,558)	2,367
Boats and engines	1,437	(849)	588	-	-	319	-	(94)	-	(813)	-	-	-
Ferries	16,417	(315)	16,102	-	-	25,879	-	(1,032)	-	-	42,295	(1,347)	40,948
Computer hardware	56,070	(31,892)	24,178	-	-	18,634	-	(13,767)	-	(20,330)	19,796	(11,079)	8,716
Furniture and fittings	21,198	(10,966)	10,232	-	-	524	-	(1,193)	-	(9,449)	659	(546)	114
Plant and equipment	88,154	(27,067)	61,087	102	(101)	30,952	-	(14,028)	-	(28,751)	69,601	(20,341)	49,260
Wharves	265,453	(9,426)	256,027	-	-	50,155	-	(5,043)	-	-	315,624	(14,486)	301,138
Bus stations and shelters	171,198	(15,526)	155,672	221	-	11,608	-	(9,959)	-	-	183,027	(25,486)	157,541
Train stations	945,642	(36,864)	908,778	2,493,371	-	30,357	-	(21,361)	-	-	3,469,452	(58,308)	3,411,144
Computer hardware - finance lease	12,247	(5,729)	6,518	6,865	-	-	-	(2,307)	-	(6,268)	7,349	(2,542)	4,807
	3,615,671	**(209,814)**	**3,405,857**	**2,500,559**	**(42,488)**	**382,772**	**-**	**(99,895)**	**-**	**(1,143,314)**	**5,230,977**	**(227,486)**	**5,003,490**
Infrastructural													
Land	7,905,806	-	7,905,806	-	(3,303)	246,471	-	-	-	(8,148,975)	-	-	-
Roads and formation	17,611,690	(3,802)	17,607,888	130,137	(6,528)	860,673	-	(486,146)	3,123,316	(21,205,304)	24,133	(95)	24,038
Street gardens	68,612	(34,730)	33,882	933	-	12,252	-	(5,638)	-	(41,428)	-	-	-
	25,586,108	**(38,532)**	**25,547,576**	**131,070**	**(9,831)**	**1,119,396**	**-**	**(491,784)**	**3,123,316**	**(29,395,707)**	**24,133**	**(95)**	**24,038**
Work in progress	1,445,473	-	1,445,473	1,558,532	-	(1,502,168)	(21,710)	-	-	(1,229,009)	251,118	-	251,118
Total property, plant and equipment	**30,647,252**	**(248,346)**	**30,398,906**	**4,190,161**	**(52,319)**	**-**	**(21,710)**	**(591,679)**	**3,123,316**	**(31,768,030)**	**5,506,228**	**(227,581)**	**5,278,646**

5. Property, plant and equipment (continued)

2025

$000s	Opening balance			Movement							Closing balance		
	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Impairment / write-off charges	Depreciation	Revaluation surplus / (loss)	Transfer to assets held for distribution to owners	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount
Operational													
Land	550,378	-	550,378	-	-	6,585	-	-	-		556,963	-	556,963
Land - finance lease	29,440	-	29,440	-	-	-	-	-	-		29,440	-	29,440
Properties held for roading purposes	468,003	-	468,003	-	(9)	100,005	-	-	-		567,999	-	567,999
Buildings	157,202	-	157,202	-	-	8,040	-	(5,364)	-		165,242	(5,364)	159,878
Leasehold improvements	14,743	(6,175)	8,568	-	-	(8,170)	-	(397)	-		1	-	1
Rolling stock	594,497	(41,474)	553,023	-	(1,664)	120,412	-	(22,128)	-		713,245	(63,602)	649,643
Motor vehicles	5,112	(1,904)	3,208	-	-	-	-	(457)	-		4,965	(2,214)	2,751
Boats and engines	1,215	(749)	466	-	-	221	-	(99)	-		1,437	(849)	588
Ferries	2,242	(41)	2,201	-	-	14,175	-	(274)	-		16,417	(315)	16,102
Computer hardware	60,171	(35,664)	24,507	-	(63)	12,595	-	(12,861)	-		56,070	(31,892)	24,178
Furniture and fittings	9,168	(5,701)	3,467	-	-	8,171	-	(1,406)	-		21,198	(10,966)	10,232
Plant and equipment	47,405	(25,891)	21,514	6,449	(11)	40,615	-	(7,480)	-		88,154	(27,067)	61,087
Wharves	262,787	(4,682)	258,105	-	(333)	2,998	-	(4,743)	-		265,453	(9,426)	256,027
Bus stations and shelters	151,874	(6,907)	144,967	-	-	19,325	-	(8,620)	-		171,198	(15,526)	155,672
Train stations	797,803	(17,198)	780,605	108,082	-	39,757	-	(19,666)	-		945,642	(36,864)	908,778
Computer hardware - finance lease	7,371	(3,683)	3,688	4,876	-	-	-	(2,046)	-		12,247	(5,729)	6,518
	3,159,411	**(150,069)**	**3,009,342**	**119,407**	**(2,080)**	**364,729**	**-**	**(85,541)**	**-**	**-**	**3,615,671**	**(209,814)**	**3,405,857**
Infrastructural													
Land	7,675,880	-	7,675,880	-	-	229,926	-	-	-		7,905,806	-	7,905,806
Roads and formation	16,547,036	(848,142)	15,698,894	-	(17,559)	907,021	-	(449,434)	1,468,966		17,611,690	(3,802)	17,607,888
Street gardens	67,755	(37,489)	30,266	-	-	9,340	-	(5,724)	-		68,612	(34,730)	33,882
	24,290,671	**(885,631)**	**23,405,040**	**-**	**(17,559)**	**1,146,287**	**-**	**(455,158)**	**1,468,966**	**-**	**25,586,108**	**(38,532)**	**25,547,576**
Work in progress	1,295,215	-	1,295,215	1,702,460	-	(1,511,016)	(41,186)	-	-		1,445,473	-	1,445,473
Total property, plant and equipment	**28,745,297**	**(1,035,700)**	**27,709,597**	**1,821,867**	**(19,639)**	**-**	**(41,186)**	**(540,699)**	**1,468,966**	**-**	**30,647,252**	**(248,346)**	**30,398,906**

5. Property, plant and equipment (continued)

Asset class	Last revalued date	Basis of revaluation	Independent valuers
Operational			
Land	30 June 2024	Fair value with the approaches being market and income	Opteon Solutions Limited
Land – finance lease	30 June 2023	Fair value with the approaches being market and income	Telfer Young (Auckland) Limited
Buildings	30 June 2024	Fair value with the approaches being market and income or depreciated replacement cost	Opteon Solutions Limited
Rolling stock	30 June 2022	Depreciated replacement cost	KPMG
Wharves	30 June 2023	Depreciated replacement cost	Beca Projects NZ Limited
Bus stations and shelters	30 June 2023	Depreciated replacement cost	Beca Projects NZ Limited
Train stations	30 June 2023	Depreciated replacement cost	Beca Projects NZ Limited In-house valuation
Infrastructure			
Roads and formation	7 May 2026	Depreciated replacement cost	Beca Projects NZ Limited

2025/2026 revaluation
Roads and formations were revalued at 7 May 2026 at a replacement cost of $31,356 million and a depreciated replacement cost of $19,962 million.

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

The depreciated replacement cost is used to revalue specialised buildings (designed for a specific limited purpose), roading and public transport assets for the delivery of AT services. Depreciated replacement cost for these types of assets is based on the 'optimised replacement cost'. Optimised replacement cost is the minimum cost, in the normal course of business, to replace the existing asset with a technologically modern equivalent asset with the same economic benefits, adjusting for any overdesign, overcapacity and redundant components. Optimisation is limited to the extent that optimisation can occur in the normal course of business using commercially available technology.

The depreciated replacement cost valuation reflected above is calculated based on the following estimates and assumptions:

- Operational land and buildings are primarily valued using recent comparable sales data and/or market evidence. In cases where no market existed for the buildings, the optimised depreciated replacement cost method is applied, taking into account the age, condition and configuration of the buildings.
- The typical useful life of wharf assets is determined by their current condition and various environmental factors. These include the marine environment, the rate of change and obsolescence, loadings, and the predominance of concrete and steel structural elements.
- Estimating the unit rate for construction of roading assets: The most current contracted unit rates at 30 June 2025 for road construction were used adjusted for inflation.
- Assumptions on the remaining useful life for asset depreciation are based on the asset's age, condition, and future service potential. For roading assets expected service potential, engineering assessments, pavement performance data and expected renewal patterns were also considered.
- Rolling stock consists of electric train units and electric shunters.

5. Property, plant and equipment (continued)

- The fair value of roading was reassessed during the year. The increase in fair value reflects updated asset life assumptions based on condition assessments, performance data and industry benchmarking, which indicated that key roading assets have longer remaining useful lives than previously estimated.
- Assumptions on the useful lives of rail rolling stock are based on a planned vehicle replacement programme. This programme outlines the anticipated economic and/or physical life of various vehicle types.
- Asset useful lives have been determined based on external industry guidance and adjusted for local conditions, informed by past experience. Regular asset inspections, deterioration assessments, and condition modelling are integral parts of asset management activities, providing additional assurance over the accuracy of useful life estimates.
- The replacement costs for bus stations and shelters, wharves and train stations are calculated on-site and may exclude initial site preparation, planning, site management and other pre-construction costs that will not recur when replacing the current asset.

All other asset classes are measured at depreciated historical cost.

Work in progress by asset class

$000s	Actual 2026	Actual 2025
Operational		
Land	64,766	19,099
Rolling stock	1,589	76,784
Wharves	63,215	151,121
Bus stations and shelters	71,470	60,382
Ferries	74,251	-
Train stations and others	73,982	11,919
Computer hardware	18,112	-
Infrastructure		
Roads and formation	1,112,742	1,126,169
Total work in progress	**1,480,127**	**1,445,473**
Work in progress – held for distribution to owners	1,229,009	-
Work in progress – continuing operations	**251,118**	**-**

6. Intangible assets

Accounting policy

Intangible assets

Purchased intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only. Intangible assets acquired at no cost are initially recognised at fair value where that can be reliably measured.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost, less any amortisation and impairment losses, and are reviewed annually for impairment losses. Assets with indefinite useful lives are not amortised but are tested, at least annually, for impairment, and are carried at cost, less accumulated impairment losses.

Realised gains and losses arising from the disposal of intangible assets are recognised in surplus or deficit in the period in which the disposal occurs.

Access rights

The access rights on rail land are long term land leases on which stations have been built. They are recognised in the accounts at cost and amortised using the straight-line method over the life of the underlying lease. This includes the costs transferred to AT on establishment and AT contribution to the costs of constructing railway tracks. The access rights are owned by KiwiRail but AT have the rights to use the assets under agreement with KiwiRail. Access rights also includes licenses for access to Gulf Harbour Ferry Terminal.

Computer software

Computer software licences including AT HOP software are capitalised based on the costs incurred to acquire and bring to use the software. These costs are amortised using the straight-line method over their estimated useful lives.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. Costs directly associated with the development of identifiable and unique software products controlled by AT, and that will probably generate economic benefits beyond one year, are recognised as intangible assets. Computer software development costs recognised as assets are amortised using the straight-line method over their estimated useful lives.

Designations

Designations are the authorisation given to certain activities or uses of natural and physical resources required under the New Zealand Resource Management Act.

Useful lives

The useful lives used to calculate the amortisation of intangible assets in a straight-line method are as follows:

Class of intangible asset	Estimated useful life (years)
Access rights	5 to 85
Computer software	6
Designations	10-30 and Indefinite

6. Intangible assets (continued)

$000s	Opening balance			Movement						Closing balance		
	Cost	Accumulated amortisation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Impairment write-off charges	Amortisation	Transfer to assets held for distribution to owners	Cost	Accumulated amortisation and impairment charges	Carrying amount
2026												
Software	137,352	(69,800)	67,552	-	-	36,593	-	(21,996)	(40,195)	84,941	(42,987)	41,954
Designations	449	-	449	-	-	66,638	-	-	(67,087)	-	-	-
Access rights	47,692	(8,305)	39,387	-	-	49	-	(737)	(12)	47,727	(9,040)	38,688
	185,493	**(78,105)**	**107,388**	**-**	**-**	**103,280**	**-**	**(22,733)**	**(107,294)**	**132,668**	**(52,027)**	**80,642**
Work in progress	57,791	-	57,791	139,445	-	(103,280)	(11,790)	-	(65,931)	16,234	-	16,234
Total intangible assets	**243,284**	**(78,105)**	**165,179**	**139,445**	**-**	**-**	**(11,790)**	**(22,733)**	**(173,225)**	**148,902**	**(52,027)**	**96,876**
2025												
Software	198,383	(117,942)	80,441	-	(2,405)	12,195	-	(22,679)	-	137,352	(69,800)	67,552
Designations	399	-	399	-	-	50	-	-	-	449	-	449
Access rights	47,693	(7,573)	40,120	-	-	-	-	(733)	-	47,692	(8,305)	39,387
	246,475	**(125,515)**	**120,960**	**-**	**(2,405)**	**12,245**	**-**	**(23,412)**	**-**	**185,493**	**(78,105)**	**107,388**
Work in progress	24,503	-	24,503	46,505	-	(12,245)	(972)	-	-	57,791	-	57,791
Total intangible assets	**270,978**	**(125,515)**	**145,463**	**46,505**	**(2,405)**	**-**	**(972)**	**(23,412)**	**-**	**243,284**	**(78,105)**	**165,179**

There are no restrictions over the title of AT intangible assets, nor are any intangible assets pledged as security for liabilities (2025: $nil).

During the year, the accounting treatment of expenditure incurred in obtaining statutory transport corridor designations was reassessed based on additional information obtained regarding the nature of the underlying rights and a review of the recognition criteria in PBE IPSAS 31. The review concluded that completed designation rights met the definition of an intangible asset. As a result, $67 million of completed designation costs were capitalised as intangible assets, $29 million of work in progress was reclassified from property, plant and equipment to intangible assets work in progress, and $11 million of designation-related costs that did not meet the recognition criteria for an intangible asset were written off. The reclassification has no impact on total assets or net assets/equity, except for expenditure written off where the recognition criteria were not met.

Borrowings and derivative financial instruments

This section provides details of Auckland Transport (AT) borrowings.

This section also provides information of derivative financial instruments acquired to mitigate the risks arising from the borrowings.

The notes included in this section are as follows:

7. Derivative financial instruments

Accounting policy

AT uses derivative financial instruments to hedge or mitigate risks associated with foreign currency and interest rate fluctuations. In accordance with the treasury policy, AT does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in the fair value of derivatives are recognised in surplus or deficit.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative assets and derivative liabilities re classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

$000s	Actual 2026	Actual 2025
Current asset portion		
Forward foreign exchange contracts	1,024	3,460
Current liability portion		
Forward foreign exchange contracts	5	-

Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from forward foreign exchange contract prices. All forward foreign exchange contracts are to mitigate the currency risk associated with the procurement of electric trains denominated in euros.

Forward foreign exchange contracts are used to hedge foreign currency exposures associated with the purchase of new electric trains to support the opening of the CRL.

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges is New Zealand dollar $15 million (2025: $79 million). The foreign currency principal amount is Euro 8 million (2025: Euro 43 million).

8. Borrowings and other financial liabilities

Accounting policy

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.

$000s	Actual 2026	Actual 2025
Current portion		
Finance lease	2,732	2,039
Loans from Auckland Council	10,682	11,192
Total current borrowings	**13,414**	**13,231**
Non-current portion		
Finance lease	8,386	4,709
Loans from Auckland Council	425,955	436,637
Total non-current borrowings	**434,341**	**441,346**
Total borrowings	**447,755**	**454,577**
Less finance lease – discontinued operations	5,612	-
Total borrowings – continuing operations	**442,143**	**-**

Borrowings were used to fund the acquisition of Auckland's initial electric train fleet and the construction of associated depot infrastructure.

AT manages its borrowings in accordance with its treasury management policy. There is no significant change to the treasury management policy during the year and AT is fully compliant with the policy at year end.

AT borrowings are fixed in advance on an annual basis, using Auckland Council's expected cost of borrowing. An annual review of interest rates is carried out by Auckland Council at the end of the financial year when interest charged on the loans for the financial year may need to be adjusted to Auckland Council's actual cost of borrowings in accordance with the requirements of the relevant loan agreements.

Loans from Auckland Council

AT loans from Auckland Council is $437 million as at 30 June 2026 (2025: $448 million). The interest rate on the loans from Auckland Council as at 30 June 2026 is 4.60% (2025: 4.55%).

Two loan facilities have been drawn down and will be repaid against a schedule of repayments. The first loan of $354 million (2025: $364 million) has a final repayment date of 21 November 2046 and the second loan of $83 million (2025: $84 million) has a final repayment date of 27 March 2062.

The fair value of these loans is $441 million (2025: $452 million). The fair value reflects the present value of expected future cash flows, which have been discounted at a market yield of 3.59% (2025: 3.65%).

Finance Leases

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The fair value of finance leases is $11.1 million (2025: $6.7 million) and has been determined using the contractual cash flows specified in the lease agreements. These cash flows are discounted at rates ranging from 1% to 6% (2025: 1% to 6%).

Working capital and equity

This section provides information about the operating assets and liabilities available to Auckland Transport (AT) day-to-day activities.

This section also contains analysis of the equity of AT.

The notes included in this section are as follows:

9. Cash and cash equivalents

Accounting policy
Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

$000s	Actual 2026	Actual 2025
Cash at bank	20,314	15,428
Till floats	168	216
Total cash and cash equivalents	**20,482**	**15,644**
Cash held for distribution to owner – discontinued operations	12,904	-
Total cash and cash equivalents – continuing operations	**7,578**	**-**

As at 30 June 2026, the cash at bank balance includes a retention fund of $13 million (2025: $14 million).

10. Receivables

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

The provision for impairment of receivables is determined based on an expected credit loss model. In assessing credit losses for receivables, AT 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.

$000s	Actual 2026	Actual 2025
Current portion		
Trade debtors	16,315	17,338
Infringements receivable	66,731	62,694
Amounts due from related parties	660,812	569,553
Accrued revenue	99,229	93,135
Goods and services tax	-	5,587
	843,087	**748,307**
Less provision for impairment of receivables	(39,708)	(34,869)
Total current receivables	**803,379**	**713,438**
Non-current portion		
Other receivables	-	500
Total receivables	**803,379**	**713,938**
Receivables held for distribution to owner – discontinued operation	447,461	-
Total receivables – continuing operations	**355,918**	**713,938**

The carrying value of receivables approximates their fair value.

Amounts due from related parties are receivables from Auckland Council and primarily relate to operational and capital funding.

10. Receivables (continued)

There is a concentration of credit risk from Auckland Council that is considered low risk. There is no concentration of credit risk with respect to other receivables as they are spread over a large number of customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

The ageing profile of debtors and other receivables at 30 June is detailed below:

$000s	Gross	Impaired	Net
2026			
Not past due	772,742	-	772,742
Past due 1 - 30 days	5,418	-	5,418
Past due 31 - 60 days	6,175	-	6,175
Past due 61 - 90 days	2,870	-	2,870
Past due > 90 days	55,882	(39,708)	16,174
	843,087	**(39,708)**	**803,379**
2025			
Not past due	677,942	-	677,942
Past due 1 - 30 days	6,843	-	6,843
Past due 31 - 60 days	3,002	-	3,002
Past due 61 - 90 days	4,089	-	4,089
Past due > 90 days	51,344	(34,869)	16,475
	743,220	**(34,869)**	**708,351**

All receivables greater than 30 days in age are considered to be past due.

The expected credit loss rates for receivables are based on the payment profile of revenue at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

There are no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

Movements in the provision for impairment of receivables are as follows:

$000s	Actual 2026	Actual 2025
Balance at 1 July	34,869	28,784
Additional provisions made	5,077	7,017
Provisions reversed	(236)	(732)
Provisions relating to receivables written-off	(2)	(200)
Balance at 30 June	**39,708**	**34,869**

11. Inventories

Accounting policy

Inventories held for distribution (e.g. rolling stock spare parts) are stated at weighted average cost, adjusted, when applicable, for any loss of service potential.

Where inventories are acquired at no cost or for nominal consideration, the cost is the fair value at the date of acquisition.

The carrying amount of spare parts is measured at the lower of cost or net realisable value. The amount of any write-down in the value of inventories is recognised in surplus or deficit.

$000s	Actual 2026	Actual 2025
Spare parts for electric trains	16,693	15,055
Total inventories	**16,693**	**15,055**

AT has not pledged any inventory as collateral for liabilities during the year. (2025: $nil).

12. Payables and accruals

Accounting policy

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.

$000s	Actual 2026	Actual 2025
Current portion		
Payables under exchange transactions		
Creditors	127,165	134,006
Accrued expenses	308,024	237,155
Total payables under exchange transactions	435,189	371,161
Payables under non-exchange transactions		
Amounts due to related parties	11,006	8,538
Revenue in advance	635	585
Goods and services tax	1,207	-
Total payables under non-exchange transactions	**12,848**	**9,123**
Total current payables	**448,037**	**380,284**
Current payables held for distribution to owner – discontinued operation	246,753	-
Total payables – continuing operations	**201,284**	**380,284**

13. Employee entitlements

Accounting policy

Current employee entitlements to be settled within 12 months of balance date are reported at the amount expected to be paid. All other employee entitlements are reported within non-current liabilities and are measured at the present value of estimated future cash outflows.

$000s	Actual 2026	Actual 2025
Current portion		
Accrued salaries and wages	6,406	5,247
Annual leave	16,589	16,525
Sick leave	266	266
Long service leave	-	-
Total current employee entitlements	**23,261**	**22,038**
Non-current portion		
Retirement gratuities	253	253
Long service leave	43	35
Total non-current employee entitlements	**296**	**288**
Employee entitlements held for distribution to owners – discontinued operations*	15,221	-
Total employee entitlements – continuing operations	**8,336**	**22,326**

* The allocation of employee entitlements between continuing and discontinued operations is based on the proposed transport reform organisational structure, which remained subject to final confirmation at 30 June 2026 and may change as the reform process is finalised. Refer to Note 27 for further information.

14. Equity

Accounting policy
Equity is the residual interest in AT and is measured as the difference between total assets and total liabilities. Equity has been classified into various components to identify those portions of equity held for specific purposes.

$000s		Actual 2026	Actual 2025
Contributed capital		**15,850,583**	**13,267,040**
Accumulated funds		**8,707,185**	**7,625,582**
Asset revaluation reserve	Balance at 1 July	9,575,020	8,147,393
	Change in fair value recognised during the year	3,123,316	1,468,966
	Transfer of revaluation reserve relating to assets disposed to accumulated funds	(5,895)	(41,339)
	Transfer to prepayment	350	-
Asset revaluation reserve		**12,692,791**	**9,575,020**
Asset revaluation reserve for each asset class consist of:	Land	334,379	340,274
	Land - finance lease	16,909	16,909
Operational assets	Buildings	32,564	32,564
	Rolling stock	67,622	67,622
	Wharves	46,781	46,781
	Bus stations and shelters	27,419	27,419
	Train stations	294,201	294,201
Infrastructural assets	Roading	11,872,916	8,749,250
Total asset revaluation reserve		**12,692,791**	**9,575,020**
Total equity		**37,250,559**	**30,467,642**

The accumulated revaluation reserve for discontinued operations is $12,239,860 at 30 June 2026.

Capital management
AT is subject to the financial management and accountability provisions of the Local Government (Auckland Council) Act 2009, which imposes restrictions on borrowings and the use of derivatives.

AT manages its equity as a result of carefully overseeing its revenues, expenses, assets, liabilities, and overall financial activities. This approach ensures AT effectively meets its objectives and remains a going concern.

Financial instruments and risk management

This section provides information on how various financial risks are managed by Auckland Transport (AT).

The notes included in this section are as follows:

15. Categories of financial instruments and fair value hierarchy
16. Interest rate risk
17. Foreign exchange risk
18. Credit risk
19. Liquidity risk

15. Categories of financial instruments and fair value hierarchy

Accounting policy

AT classifies financial assets and liabilities into categories. The classification depends on the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition.

Subsequent measurement and the treatment of gains and losses are presented below:

Categories	Subsequent measurement	Treatment of gains and losses
Fair value through surplus or deficit	Fair value	Surplus or deficit
Financial assets at amortised cost	Amortised cost less provision for impairment	Surplus or deficit
Financial liabilities at amortised cost	Amortised cost	Surplus or deficit

Categories of financial instruments

The carrying amounts of financial instruments are as follows:

$000s	Actual 2026	Actual 2025
Financial assets		
Amortised cost		
Cash and cash equivalents	20,482	15,644
Receivables (excluding goods and services tax)	803,379	708,351
Total	**823,861**	**723,995**
Fair value through surplus or deficit		
Forward foreign exchange contracts	1,024	3,460
Total	**1,024**	**3,460**
Financial liabilities		
Amortised cost		
Payables and accruals (excluding goods and services tax)	446,830	380,284
Borrowings	447,755	454,577
Total	**894,585**	**834,861**
Fair value through surplus or deficit		
Forward foreign exchange contracts	5	-
Total	**5**	**-**

Accounting policy

For those financial instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

Level 1

Quoted prices for identical assets or liabilities in active markets.

Level 2

Observable inputs other than quoted prices included within Level 1 using observable market inputs for the asset or liability, either directly or indirectly.

Level 3

Unobservable inputs using models where one or more significant inputs are not observable.

$000s	Level	Actual 2026	Actual 2025
Financial assets			
Forward foreign exchange contracts	2	1,024	3,460
Financial liabilities			
Forward foreign exchange contracts	2	5	-

There are no transfers between the different levels of the fair value hierarchy during the year (2025: nil).

16. Interest rate risk

Interest rate risk is the risk that AT is exposed to adverse changes in interest rates which may result in net financing costs exceeding annual budget. AT is exposed to interest rate risk on loans from Auckland Council.

To identify the exposure to movements in interest rates, AT measure and control the risk through sensitivity analysis. This is based on possible movements in the New Zealand dollar interest rate curve, with all other variables held constant, measured as a basis points movement (where 100 basis points equal 1 per cent).

The impact on potential surplus or deficit calculated using loans from Auckland Council exposures at balance date are as follows:

$000s	2026 Surplus/(Deficit)	2025 Surplus/(Deficit)
Increase of 100 basis points	(4,366)	(4,478)
Decrease of 100 basis points	4,366	4,478

17. Foreign exchange risk

Foreign exchange risk is the risk for fluctuation in the fair value or future cash flows of a financial instrument due to adverse movements in foreign exchange rates. AT is exposed to foreign exchange risk when it purchases goods and services denominated in a foreign currency.

AT seeks to limit foreign exchange risk by entering into forward foreign exchange contracts to hedge exposures on material foreign currency denominated capital and operating expenditure.

At 30 June 2026, AT does not have material exposure to foreign exchange risk since all foreign currency denominated material purchases are hedged (2025: none).

18. Credit risk

Credit risk is the risk that a third party will default on its obligation to AT, causing it to incur a loss.

In the normal course of business, AT is exposed to credit risk from cash and cash equivalents, credit exposures to receivables and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position. AT has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Credit quality of financial assets
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings (if available) or to historical information about counterparty default rates.

$000s	S&P Rating	Actual 2026	Actual 2025
Counterparties with credit ratings			
Cash at bank	AA-	20,314	15,428
Counterparties without credit ratings			
Receivables			
Existing counterparty with no defaults in the past		803,379	713,438

19. Liquidity risk

Liquidity risk is the risk that AT will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liability risk management implies maintaining sufficient cash and the ability to close out market positions.

AT manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities, excluding borrowings

The table below analysed AT financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

$000s		Carrying amount	Contractual cash flows	Less than 6 months	6-12 months	Later than one year
2026						
Trade and other payables		448,037	448,037	448,037	-	-
Forward foreign exchange contracts	- inflow	-	16,326	16,326	-	-
	- outflow	-	(15,319)	(15,319)	-	-
Derivative financial assets gross settled		1,024	1,007	1,007	-	-
Forward foreign exchange contracts	- inflow	-	-	-	-	-
	- outflow	-	5	5	-	-
Derivative financial liabilities gross settled		5	5	5	-	-
2025						
Trade and other payables		380,284	380,284	380,284	-	-
Forward foreign exchange contracts	- inflow	-	82,221	77,356	4,865	-
	- outflow	-	(78,926)	(74,141)	(4,785)	-
Derivative financial assets gross settled		3,460	3,294	3,215	80	-

Contractual maturity analysis of borrowings

The table below analysed AT borrowings, categorising them into relevant maturity groupings based on the remaining period from the balance date to the contractual maturity date. The disclosed amounts represented contractual undiscounted cash flows, including interest payments.

$000s	Carrying amount	Contractual cash flows	0-10 years	11-20 years	21-30 years	31-40 years
2026						
Finance leases	11,118	12,158	12,158	-	-	-
Loans from Auckland Council	436,637	715,640	314,849	314,849	58,387	27,555
Total borrowings	**447,755**	**727,799**	**327,008**	**314,849**	**58,387**	**27,555**
Borrowings held for distribution to owner	5,612	-	-	-	-	-
Total borrowing - continuing operations	**442,144**	**-**	**-**	**-**	**-**	**-**
2025						
Finance leases	6,747	8,093	8,093	-	-	-
Loans from Auckland Council	447,829	743,502	313,382	313,382	84,673	32,065
Total borrowings	**454,576**	**751,595**	**321,475**	**313,382**	**84,673**	**32,065**

Other disclosures

This section provides other financial information that will enhance clarity and understanding of this annual report.

The notes included in this section are as follows:

20. Commitments

Capital commitments

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Auckland Transport (AT) capital commitments are as follows:

$000s	Actual 2026	Actual 2025
Property, plant and equipment		
Roads and formation	762,236	811,992
Rolling stock	13,698	85,075
Wharves	46,669	44,215
Train stations	239,450	27,811
Bus stations and shelters	55,032	6,029
Ferries	22,174	3,906
Boats and engines	130	-
Computer hardware	10,232	9,304
Plant and equipment	4,824	8,374
Operational land and buildings	6,506	68
Other operational assets	492	2,104
Total property, plant and equipment	**1,161,443**	**998,878**
Intangible assets	5,678	9,118
Total capital commitments	**1,167,121**	**1,007,996**
Total capital commitments – discontinued operations	780,880	-
Total capital commitments – continuing operations	**386,241**	**-**

Accounting policy

Operating leases

With operating leases, the lessor retains the risks and benefits of ownership. Lease payments are recognised as an expense in surplus or deficit on a straight-line basis over the period of the lease.

Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether AT will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating lease commitments

Operating leases as lessee

AT leases property, plant and equipment in he normal course of its business. These leases have a term of between 5 and 1,441 months.

Leases can be renewed at AT option, with amounts set by reference to current market rates for items of equivalent age and condition. There is no option to purchase the assets at the end of the lease term. Operating leases predominantly relate to bus peak vehicle requirement within public transport operator contacts.

There are no restrictions placed on AT by any of the leasing arrangements.

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

$000s	Actual 2026	Actual 2025
Not later than one year	128,068	127,773
Later than one year and not later than five years	339,804	442,031
Later than five years	147,499	209,386
Total minimum operating lease payments payable	**615,372**	**779,190**

20. Commitments (continued)

Lease payment increases for one property lease is reviewed every seven years based on the percentage movement of the property value over a lease term of 1,441 months. No lease payment increases have been included for this property lease commitment as it is not practical to assess the movements in property value over such a long period.

Operating leases as lessor
AT leases property under operating leases. These leases have a term of between 1 and 723 months.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

$000s	Actual 2026	Actual 2025
Not later than one year	10,956	11,449
Later than one year and not later than five years	26,557	31,034
Later than five years	43,471	43,838
Total minimum operating lease payments receivable	**80,984**	**86,321**

Finance lease commitments

Finance lease as lessee
Finance leases are for various items of plant and equipment. The net carrying amount of the plant and equipment held under finance leases is $10.8 million (2025: $7.4 million).

Finance leases can be renewed at AT option, with rents set by reference to current market rates for items of equivalent age and condition. AT does have the option to purchase the assets at the end of the lease terms.

There are no restrictions placed on AT by any of the finance leasing arrangements.

$000s	Actual 2026	Actual 2025
Not later than one year	3,182	2,299
Later than one year and not later than five years	8,976	5,121
Total miminum finance lease payments payable	**12,158**	**7,420**
Future finance charges	**1,662**	**673**
Not later than one year	3,097	2,255
Later than one year and not later than five years	8,035	4,492
Total present value of minimum finance lease payments payable	**11,132**	**6,747**

Pukekohe Station lease
AT holds a 67 years lease over the Pukekohe Station premises with a nominal rental of $1 per annum. The new Pukekohe Station constructed by KiwiRail is included with the scope of this lease.

In accordance with PBE IPSAS 13, this is classified as a finance lease, as the term length indicate that substantial risks and rewards incidental to ownership have transferred to AT.

AT recognises the leased asset at the amount of the rental payable, $1 per annum. This approach reflects recognising the assets as right-of-access intangible assets.

21. Contingencies

As at 30 June 2026, there are no material contingent liabilities that required disclosure.

AT is involved in arbitration proceedings concerning the interpretation of certain contractual indexation provisions within a public transport Services Agreement. The continuing operations contingent asset has not been quantified as the matter remains before the arbitrator and the outcome cannot presently be determined.

22. Related party transactions

Auckland Transport (AT) is a council-controlled organisation of Auckland Council. AT receives a significant amount of funding from Auckland Council to deliver its objectives as specified in Auckland Council's Long-term Plan.

Apart from the disclosure of key management personnel remuneration, transactions with related parties that are on an arm's length basis are not separately disclosed. All related party transactions are conducted at arm's length during the current and prior financial years.

Key management personnel remuneration

	2026 Remuneration $	2025 Remuneration $	2026 FTE	2025 FTE
Board members				
Remuneration	418,392	532,021	1.37	1.4
Leadership team				
Salary and other short-term employee benefits	4,564,136	3,873,160	-	-
Post-employment benefit (Kiwisaver contributions)	142,158	109,725	-	-
Total leadership team remuneration	**4,706,294**	**3,982,885**	**9.2**	**8.8**
Total	**5,124,686**	**4,514,906**	**10.6**	**10.2**

During the year, there were 15 key management personnel who served for part or all of the financial year. The full-time equivalent for Board members has been determined based on the frequency and length of board meetings and the estimated time for board members to prepare for meetings.

Board member remuneration

The total value of remuneration paid or payable to each board member during the year is:

Board member	Role and duration	2026 $	2025 $
Richard Leggat	Chair to 31 March 2026	84,240	111,659
Julie Hardaker	Deputy Chair, from September 2024 to 31 March 2026	52,650	68,961
Raveen Jaduram	Committee Chair, to 31 March 2026	48,438	64,204
Henare Clarke	Committee Chair, to 31 March 2026	48,438	64,204
Dale Dillicar†	Committee Chair, from 1 November 2024 to 31 March 2026	48,438	43,056
Chris Darby	to 13 November 2025	20,748	55,829
Andrew Ritchie^	to 31 March 2026	42,120	55,829
Maurice Williamson	from 1 September 2024 to 30 April 2026	46,800	47,102
Shane Henderson	from 11 November 2025 to 30 April 2026	26,520	-
Mark Darrow	Deputy Chair and Committee Chair, to 31 August 2024	-	12,600
Andrew Baker	to August 2024	-	8,576
Reuben Levermore	NZTA nominated, from 10 February 2026 to May 2026	-	-
Steve Mutton	NZTA nominated, from February 2025 to 6 February 2026	-	-
Miriam Dean	Interim board member, from 1 March 2026*	-	-
Adrienne Young-Cooper	Interim board member, from 1 March 2026*	-	-
Rob Clarke	Interim board member, from 1 March 2026*	-	-
Total Board member remuneration		**418,392**	**532,021**

†Interim board member from 1 April 2026. ^Interim board Chair from 1 April 2026. *An interim board was appointed by Auckland Council in February 2026.

Interim board member remuneration paid by Auckland Council:

Board member	Role and duration	2026 $
Andrew Ritchie	Interim board Chair from 1 April 2026	39,010
Dale Dillicar	Interim board member from 1 April 2026	22,396
Miriam Dean	Interim board member from 1 March 2026	25,104
Adrienne Young-Cooper	Interim board member from 1 March 2026	24,970
Rob Clarke	Interim board member from 1 March 2026	24,970
Total Interim Board remuneration paid by Auckland Council		**136,450**

An interim board was appointed by Auckland Council in February 2026. Interim board member remuneration is paid by Auckland Council.

Under the terms of establishment legislation, NZTA nominees do not receive any remuneration.

There have been no payments made to committee members appointed by the Board who are not board members during the year (2025: $nil). AT has effected directors' and officers' liability and professional indemnity insurance cover during the year in respect of the liability of costs of board members and employees. No board members received compensation or other benefits in relation to cessation.

22. Related party transactions (continued)

Employee remuneration
The numbers of employees who are employed at 30 June are detailed below. Those receiving remuneration of $60,000 or more are grouped into $20,000 bands.

	Number of employees	
	2026	2025
$0 - $59,999	7	66
$60,000 - $79,999	550	496
$80,000 - $99,999	313	334
$100,000 - $119,999	283	261
$120,000 - $139,999	289	276
$140,000 - $159,999	232	213
$160,000 - $179,999	130	114
$180,000 - $199,999	79	78
$200,000 - $219,999	55	42
$220,000 - $239,999	21	17
$240,000 - $259,999	12	11
$260,000 - $279,999	12	13
$280,000 - $299,999	8	9
$300,000 - $379,999	5	7
$380,000 - $639,999	3	7
Total number of employees	**1,999**	**1,944**

Total number of full-time equivalent employees 1,961 (2025:1,916)

The movement in the number of employees is to support the delivery of the Statement of Intent work programme and priorities, record infrastructure capital programme, and key strategic projects including the City Rail Link.

Severance payments
For the year ended 30 June 2026, AT made 12 (2025: 13) severance payments to employees totalling $306,991 (2025: $531,164). The value of each of the severance payments is $47,500, $46,000, $35,922, $30,388, $29,000, $28,396, $23,303, $19,563, $19,417, $18,000, $5,000, and $4,500.

23. Major budget variances

Explanation for major variances from AT's Statement of Intent are as follows:

$000s		Actual 2026	Budget 2026	Variance
Statement of Comprehensive Revenue and Expense				
Auckland Council capital funding	Lower than budgeted due to lower overall capital expenditure than budgeted, resulting in reduced Auckland Council capital funding.	161,028	176,403	(15,375)
NZTA operating funding	Lower than budgeted mainly due to reduced NZTA operating funding, reflecting lower net fundable expenditure.	432,496	446,836	(14,340)
Other revenue	Lower than budgeted mainly due to lower public transport fare revenue.	264,119	274,036	(9,917)
Other expenses	Lower than budgeted mainly due to lower than expected public transport costs.	995,833	1,043,712	47,879
Surplus after tax from discontinued operations	Lower than budgeted, primarily due to lower than expected Auckland Council capital funding resulting from overall capital expenditure being below plan. This was partly offset by higher than expected revenue from vested assets received during the year.	892,098	976,656	(85,171)
Statement of Financial Position				
Total assets	The increase in total assets was primarily attributable to higher property, plant and equipment balances driven by the transfer of City Rail Link assets and revaluation gains recognised on roading assets.	38,169,911	33,459,713	4,710,321
Total liabilities	The incease in total liabilities was primarily attributable to increase in payables and accruals mainly relating to property acquisitions.	919,352	873,049	(46,303)
Statement of Cash Flows				
Net cash from operating activities	Lower than budgeted mainly due to lower than expected capital funding from Auckland Council and NZTA.	1,304,770	1,492,638	(187,868)

24. Reconciliation of surplus after tax to net cash from operating activities

$000s	Actual 2026	Actual 2025
Surplus after income tax	**1,075,708**	**1,155,398**
Add/(less) non-cash items		
Movement in statement of financial position items		
Receivables	(89,441)	12,301
Payables and accruals	(15,122)	16,209
Provisions	(277)	8
Other assets	1,718	(1,248)
Inventories	(489)	(2,130)
Employee entitlements	1,231	2,859
Other non-cash items		
Depreciation and amortisation	614,412	564,111
Vested assets revenue	(325,534)	(491,636)
Loss on disposal of property, plant and equipment	6,629	12,387
Gain on disposal of property, plant and equipment	(8)	(17)
Write-off of capital works	33,501	42,440
(Gains)/losses on derivative financial instruments	2,442	(8,917)
Other non-cash items	-	-
Net cash from operating activities	**1,304,770**	**1,301,765**

25. Auckland integrated fare system funds

AT operates a restricted bank account for Auckland Integrated Fares System (AIFS) with a balance of $23 million at 30 June 2026 (2025: $24 million). This account is used for the deposit of unused stored value on AT HOP cards. These funds are held in trust for the card holders and therefore this balance has not been recognised in the statement of financial position.

26. Subsequent events

There are no events occurring after balance date that require disclosure.

27. Discontinued operations and held for distribution to owners

Accounting policy
Assets and liabilities (disposal groups) are classified as held for distribution to owners when AT is committed to distributing the asset and liability to its owners, Auckland Council. They are measured at the lower of their carrying amount and fair value less costs to distribute.

Non-current assets classified as held for distribution to owners are not depreciated or amortised.

Impairment losses are recognised in surplus or deficit. Increases in fair value less costs to distribute are recognised only to the extent of previously recognised impairment losses.

On 7 May 2026, the Local Government (Auckland Council) (Transport Governance) Amendment Act 2026 (the Act) was enacted. The Act provides for changes to the governance, planning and delivery of transport services in Auckland, including the transfer of all transport functions, assets and liabilities except for those directly related to the delivery of public transport services from AT to Auckland Council. AT has a maximum of six months from when the Act was enacted to implement the changes.

AT is undertaking organisational restructuring as part of the transport reform programme, with the new structure confirmed in July 2026 and implementation expected in October 2026, including the transfer of non-public transport related staff to Auckland Council. Transport reform accounting disclosures are based on the proposed organisational structure which remained subject to final confirmation at 30 June 2026 and may differ from the final implemented structure.

The classification of operating expenditure for support functions, including Business Technology, is based on the full-time equivalent (FTE) allocations reflected in the organisational structure confirmed in July 2026.

Capital activities have been classified between continuing and discontinued operations based on the Transport Reform organisational structure confirmed in July 2026, which is consistent with the capital budget classifications in AT's 2026 -2029 Statement of Intent. As the final capital delivery model remains subject to change, the ultimate classification may differ.

Delivery of capital commitments is based on public transport activities remaining with AT and all other activities transferring to Auckland Council. The final capital delivery model under Transport Reform remains subject to agreement and may differ from these assumptions.

$000s		Note	Actual 2026	Actual 2025
A. Results of discontinued operations				
Revenue		1	1,829,907	1,826,307
Expenditure		2,3,4,5,6	937,809	886,899
Surplus from discontinuing operations			**892,098**	**939,408**
B. Cashflow from discontinued operations				
Net cash used in operating activities			1,086,585	1,112,600
Net cash from investing activities			(1,090,316)	(1,115,340)
Net cash from financing activities			(1,114)	-
Net cash flows for the year			**(4,845)**	**(2,740)**
C. Effect of discontinued operation on the Financial Position				
Assets	Cash and cash equivalents	9	(12,904)	-
	Receivables	10	(447,461)	-
	Other assets		(9,545)	-
	Property, plant and equipment	5	(31,768,030)	-
	Intangible assets	6	(173,225)	-
Assets held for distribution to owner			(32,411,165)	-
Liabilities	Payables and accruals	12	246,753	-
	Employee entitlements	13	15,221	-
	Borrowings	8	5,612	-
Liabilities held for distribution to owner			**267,586**	**-**
Net assets and liabilities held for distribution to owner			**(32,143,579)**	**-**

Discontinued operations revaluation reserve is $12,240 million and capital commitments is $781 million.

Upon classification as held for sale, a fair value assessment was performed on property, plant and equipment, resulting in a revaluation of roading assets. No other material fair value movements were identified.

Independent Auditor's Report

The Audit Office
Te Mana Arotake

To the readers of Auckland Transport's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Auckland Transport (the entity). The Auditor-General has appointed me, Carl Wessels, using the staff and resources of The Audit Office, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the entity that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 33 to 64; and
- the performance information referred to as 'The statement of intent performance measures and results' for the year ended 30 June 2026 on pages 19 to 22.

In our opinion:

- the financial statements of the entity present fairly, in all material respects its financial position as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards; and
- the performance information accurately reports, in all material respects, the entity's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026; and has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and performance information

The Board of Directors are responsible on behalf of the entity for preparing financial statements that are fairly presented and comply with Public Benefit Entity standards. The Board of Directors are also responsible for preparing the performance information in accordance with the Act.

The Board of Directors are responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board of Directors are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern. The Board of Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the entity or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and performance information.

The Audit Office
Te Mana Arotake

For the budget information reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the entity's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the entity's readers to judge the actual performance of the entity against its objectives in its statement of intent.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and performance information referred to as 'The statement of intent performance measures and results', and our auditor's report thereon.

Our opinion on the financial statements and performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the entity in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out a review engagement of Auckland Transport's six-month results for Auckland Council which is compatible with those independence requirements.

Other than in our capacity as auditor, we have no relationship with, or interests in, the entity.

Carl Wessels
The Audit Office
On behalf of the Auditor-General
Auckland, New Zealand
4 September 2026

Ka tiaki mātou i te katoa ka eke waka i Tāmaki Makaurau

We tiaki all who use transport in Tāmaki Makaurau

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