

Minutes of the Auckland Transport Board meeting (Open session)

Held on 26 November 2024 from 3.00pm to 4.15pm,
at Auckland Transport, 20 Viaduct Harbour (1.04) | MS Teams

Board:	Richard Leggat (Chair), Henare Clarke, Andrew Ritchie, Councillor Maurice Williamson, Dale Dillicar, Richard May, Raveen Jaduram	
Executive Leadership:	Dean Kimpton (Chief Executive)	Items 1 – end
	Scott Campbell (Acting Director Strategy and Governance)	Items 1 – end
Governance & Management Attendees:	Andrew Downie (Head of Governance)	Items 1 – end
	Sean Cavanaugh (Corporate Planning & Performance Lead)	Items 1 – end
	Richard Harrison (Group Manager, Growth Optimisation)	
	Liza Hayes (Board Secretary)	Items 1 – end
	Elisha Jayme (Board Secretary)	Items 1 – end
Apologies:	Julie Hardaker, Councillor Chris Darby	

Item	Topic
Meeting Opening	
1.	Karakia Timatanga The Chair led the opening karakia.
2.	Welcome/Acknowledgements The Chair welcomed attendees and acknowledged Dale Dillicar, who was attending her first board meeting as a director of Auckland Transport (AT).

3.	Apologies Julie Hardaker, Councillor Chris Darby
4.	Interests Register – Declarations/Conflicts No new interests or conflicts were noted.
5.	Update from the Chair Nil.
6.	Approval of Draft Open Session Minutes – 29 October 2024 This item was deferred to the 18 December 2024 AT Board (board) meeting.
Item for Approval	
7.	Statement of Intent 2024 – 2027 modification The Chair outlined the primary objective of this out-of-cycle meeting was to approve the modified Statement of Intent (SOI) 2024 – 2027. The modification reflected the funding implications of the National Land Transport Plan (NLTP) 2024 and AT's adjusted operating and capital budgets for 2024/25. It was emphasised the SOI targets should not only be an improvement on last year's targets but should also remain achievable whilst taking into account the available resources and recent developments, such as the rail service disruptions. The importance of aligning with both Auckland Council (council) and government direction was highlighted. Management introduced the report, noting that while not all SOI measures have been reviewed, five specific measures have been selected for adjustment following a rigorous and evaluation process: 1. Public transport (PT) boardings: target reduced from 95.9m to 94.1m. 2. Farebox recovery ratio: target reduced from 35% to 34%.

3. Asset condition: target reduced from 85% to 83%.
4. Percentage of capital budget invested: target reduced from 90% to 85%.
5. Customer perceptions: target reduced from 33% to 31%.

The board discussed the proposed adjustments, noting the following:

PT boardings – from 95.9m to 94.1m

- Councillor Williamson shared council’s view that the proposed reduction of the target for PT boardings was disproportionate.
- Management explained that the 1.7 million decrease factors in rail network closures. Between December 2024 to January 2026, the rail access will be closed for 149 full or partial days due to rail network rebuild and preparatory work for City Rail Link (CRL) Day-1.
- The reduction in patronage was based on a calculation of the number of days rail services would be closed multiplied by average number of passengers per day. The decrease aligns with estimates based on past experience. It was estimated 25%-30% of normal rail patronage will shift to other PT modes.
- A concern was raised that the reduction could be perceived as lacking ambition and result in reputational damage for AT.
- Management’s view was the public will understand that the reason for reduced rail services was a result of necessary, planned rail closures, and that the target should reflect the resulting lower patronage.

Farebox recovery – from 35% to 34%

- The percentage of total PT operating costs recovered through fares is directly linked to forecast patronage. To reflect the reduced rail boardings, a proportionate adjustment to the farebox recovery target was recommended.
- Data on subsidisation will be provided to council to support this adjustment.
- It was highlighted recent data shows Auckland is on par with, if not ahead of, Australia in terms of farebox recovery.

Asset condition – from 85% to 83%

- Renewals cannot be implemented at the level anticipated due to an 8% variance in the approved funding versus budget expectations over the SOI period.
- Available funding is being utilised to preserve as much of the renewals work programme for 2024/25 as possible.
- The 2% reduction in the target is an estimate based on surveys of asset condition.
- It was noted that the original target of 85% was an increase from the previous year.

Percentage of capital budget invested – from 90% to 85%

- Uncertainty in funding during the first quarter of the year has resulted in a slow start to project rollouts. It was highlighted the NLTP funding was confirmed late September 2024 and the adjusted operating and capital expenditure budgets were approved in October 2024, four months into the financial year.
- While the delay was mitigated by aligning investments in anticipation of funding confirmation, significant projects could not progress until funding was confirmed.

Customer perceptions (AT listens and responds) – from 33% to 31%

- The modified SOI proposed reducing the target for customer perceptions from 33% to 31%, considering the significant challenges that AT is currently navigating. It was anticipated that the Council Controlled Organisation Reform and rail disruption will attract negative media attention and unfavourable third-party narratives, which were beyond the organisation’s control. Additionally, the impact of reduced funding on renewals and investments could also negatively affect the public’s perception of AT’s service levels.
- The significant impact external commentary has on AT’s reputation was highlighted. Fewer negative news reports in mainstream and social media correlated to an improvement in the “trust and confidence” metric.



- The board recommended a more aspirational approach and agreed the target should remain at 33%, as it signals that earning the public’s trust remains a key focus for AT.
- It was suggested that AT leverage its SOI targets to set service level agreements with contractors.

Other changes to the SOI:

- An introduction summarising the reason for modifications.
- Updates to align the capital programmes and financial statements with the revised budget and funding.
- A note stating actual deaths and serious injuries in 2023/24 are higher than previously reported.
- A minor update committing to report on projects entirely funded by council, as requested from council’s Governing Body.
- Removal of first and last leg improvements. A reduced programme scope focussing solely on investigation and design activities is being implemented, as funding was not approved in the NLTP.

It was suggested that future SOIs should include specific actions that are easily understandable by the public, using simpler language and which clearly highlight the inter-dependencies with other public agencies.

The Auckland Transport Board:

- a) Approved the reduction of the following targets in the Statement of Intent 2024 - 2027:
 - i. Public transport boardings: target reduced from 95.9m to 94.1m.
 - ii. Farebox recovery ratio: target reduced from 35% to 34%.
 - iii. Asset condition: target reduced from 85% to 83%.
 - iv. Percentage of capital budget invested: target reduced from 90% to 85%.
- b) Approved other minor drafting changes to the Statement of Intent 2024 - 2027.

	c) Approved the modified Statement of Intent 2024 – 2027 for submission to Auckland Council.
General	
8.	Karakia Whakamutunga and Closing
	The Chair led the closing karakia.
	The meeting closed at 4.25pm.
Next meeting: Wednesday, 18 December 2024	

Approved by the board as a true reflection of the meeting proceedings.

Richard Leggat
Board Chair

