Auckland Transport

Entered by Board Secretary

AGENDA ITEM 23.0 | BOARD NOTING PAPER	
To:	The Board
From:	Sean Cavanagh, Corporate Planning and Performance Lead
Reviewed:	Dean Kimpton, Chief Executive
Date:	22 October 2024
Title:	**FY2023/24 Annual Report – Performance against the Statement of Intent**

Aronga / Purpose

1. To consider Auckland Transport's (AT's) performance in the prior financial year (FY 2023/24) against its Statement of Intent (SOI).

Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

a. Notes this report.

Te whakarāpopototanga matua / Executive summary

2. AT achieved strong performance in 2023/24 by meeting or exceeding 18 out of 19 performance measures and delivering the largest capital programme to date.

Te horopaki / Background

3. Section 96 of the Local Government (Auckland Council) Act requires the board to consider the organisations performance for the prior financial year against its SOI in a meeting open to the public after 1 July each year.

Me mōhio koe / What you need to know

Financial performance summary

4. AT has delivered a strong and balanced financial result despite significant inflationary pressures, supply chain constraints, disruption to public transport services from track closures, and the continuing impact of hybrid working on public transport patronage.

5. The full year capital expenditure of $1,043 million is the highest level of annual investment delivered by AT, 99% of planned spend and $15 million below the annual budget of $1,058 million.

6. AT's surplus of $903 million was $114 million higher than budget, primarily due to higher than budgeted revenue. This surplus includes non-operational items of capital funding ($1,043 million), vested asset revenue ($391 million), write off and loss on disposal of assets ($32 million) and loss on foreign exchange derivatives ($5 million). Excluding non-operational items, depreciation and amortisation, AT's underlying operating surplus was $35 million.

7. Pages 56 to 86 of AT's Annual Report (Attachment 1) contains AT's financial performance against the SOI budget for the year ended 30 June 2024.

Non-financial performance summary

8. Overall AT has achieved a very strong result for 2023/2024 year against agreed performance objectives as measured through the SOI. AT met or exceeded eighteen out of nineteen of its performance measures.

9. While AT has delivered a strong performance, the trust and confidence of customers and communities weakened, resulting in AT not meeting this SOI measure (an actual of 29% against 30% target).

10. Pages 33 to 36 of AT's Annual Report (Attachment 1) contains AT's non-financial performance against the SOI performance measure targets for the year ended 30 June 2024.

Entered by Board Secretary

Ā muri ake nei / Next steps

11. The SOI 2024 – 2027 outlines the performance measures which AT will be held accountable for in the 2024/25 year. This includes new measures: the number of marae improved by AT's programmes, kilometres of bus and special vehicle lanes delivered, delivery of our capital programme milestones, and public transport utilisation.

12. The capital programme for 2024/25 is provisionally $1,459 million. This will be affected by funding decisions from the National Land Transport Plan (NLTP) and will be changed by the end of December 2024 based on decisions made on how to allocate council funding.

Te whakapiringa / Attachment

Attachment #	Description
1	AT Annual Report 2024 (saved in Diligent Resource Centre)

Te pou whenua tuhinga / Document ownership

Submitted by	Recommended by	Approved for submission
Sean Cavanagh **Corporate Planning and Performance Lead**	Scott Campbell **Director Strategy & Governance (Executive Leadership Team member)**	Dean Kimpton **Chief Executive**

Pūrongo ā-tau
Annual Report 2024

Auckland Transport

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 tea o mārama.

To the wider people to the ends of Auckland,
a heartening greeting to you all.

Topuni to the North, Rakitu to the East,
Puketutu to the South, Oaia to the West,
Tāmaki the meeting place of all canoes!

Life essence to the world, to the world of light.

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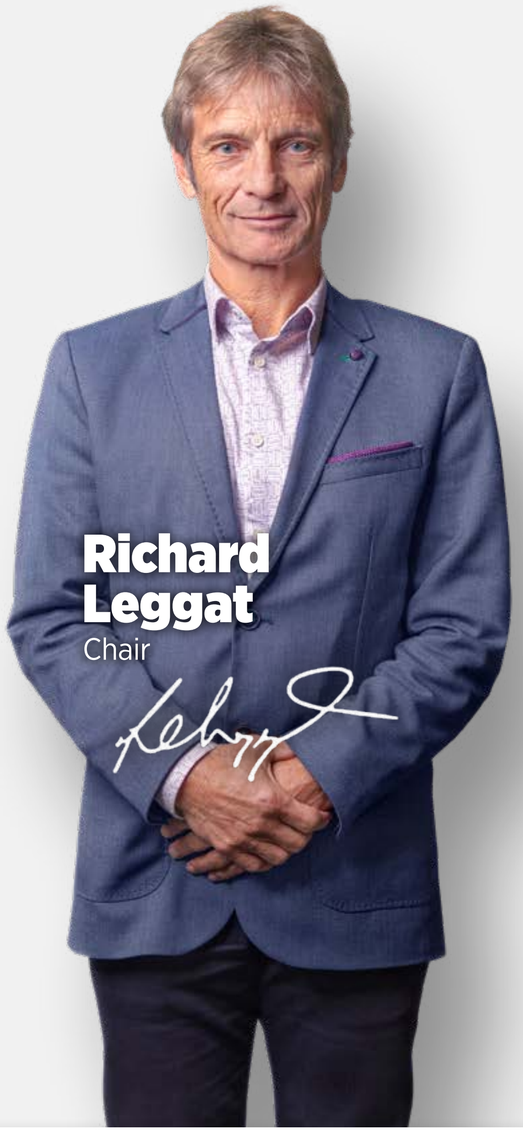
Tirohanga whānui
Overview

Foreword
from the Chair and Chief Executive



Richard Leggat
Chair

Kia ora koutou,

We are pleased to present Auckland Transport's 2023/24 Annual Report.

This year we have met or exceeded 18 of our 19 Statement of Intent targets agreed with Auckland Council at the beginning of the financial year.

We are proud of this performance, which was delivered while navigating financial pressures, organisation-wide board and executive changes, and a change in government. The one target we have missed is 'AT listens and responds to Aucklanders' which is disappointing given we have performed well against our key deliverables.

We have delivered on our biggest capital programme ever this year, reaching 99 per cent of our $1,058m budget, and delivered the results ratepayers expect. This includes road maintenance and new road safety, infrastructure, public transport, cycling and walking improvements, and technology improvements to better manage our networks.

Our operational performance is strong. We increased bus patronage, delivering affordable reliable transport for many Aucklanders. We now have the biggest zero-emission bus fleet in Australasia. We also delivered a higher surplus compared to our operating budget, resulting from higher patronage revenue and strong operating expense management.

We acknowledge that while we have delivered very well, we need to rebuild the trust and confidence of Aucklanders and our key stakeholders, which is at the forefront of the board and executive's minds.

In this annual report you'll read a snapshot of key highlights, with stories that tell a small part of the work we do every day to keep Aucklanders moving.

Our people have led the redesign of our organisation, with input from many partners, so we can better serve Aucklanders. We have a refreshed executive team bringing energy and focus.

We know our customers and communities are feeling the impact of a growing city, with construction activity and ongoing rail disruption, both planned and unplanned. Reliability issues overshadow our customers' experiences, we are committed to addressing this as rapidly as possible.

Aucklanders have told us their priorities are public transport and improving congestion. So while reflecting on our achievements, we are listening and responding to Aucklanders, moving forward and building on the foundation we have set.

For 2024/25 we will bring real focus in five areas: making every customer interaction count; taking public transport from good to great; improving network productivity; effective governance and advocacy for transport outcomes; and value for money.

We're committed to working alongside Auckland Council and our partners, to continue to deliver for our customers and the communities of Auckland. And in doing so, building your confidence and trust in us.

Dean Kimpton
Chief Executive

Snapshot 2023

Jul

- FIFA Women's World Cup
- Auckland's Low Emission Bus Roadmap v3 is published
- Bilingual te reo Māori/English announcements in place for 97% of bus fleet

Aug

- New safety reporting dashboards go live
- Bus network return to reliability
- Over 7,800 responses received during Katoa, Ka Ora: Auckland speed management plan 2024-2027 consultation

Sep

- Bus boosters introduced
- New Purpose & Strategy released
- Fernhill Drive rehab starts
- New Lynn bus depot goes electric

Oct

- Rail rebuild stage 3 starts
- Future Connect 2024-2034 released
- Tahekeroa Road & Glenvar Road reopened after flood damage rebuild
- Pukekohe town centre improvements begin

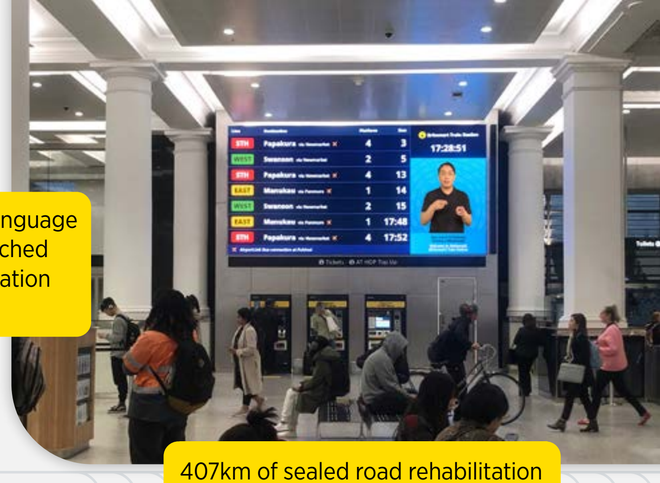
Nov

- Northwest express bus services launch
- New AT organisational structure announced
- Busiest PT Sunday in AT's history (26 Nov) 144,067 trips recorded

Dec

- AT HOP card vending machines downtown & Devonport
- Summer road renovation starts (comprises 400km of resurfacing)
- 2.3km cycleway on Taniwha Road to Glen Innes opened
- New AT organisational structure implemented

Snapshot 2024



Jan

Rail network rebuild stage 2 complete (Eastern Line returns to service)

Mangere streets for people installations start

New Parnell Station pedestrian underpass open

Feb

Average 6.2% fare increase comes into effect

Mix your GO campaign launched

New Board Chair appointed

Mar

First electric double decker bus joins fleet

Highest public transport usage in 5 years (1.9 million trips in a week)

Eastern Busway – William Roberts Road opened and construction begins at Rā Hihī (the flyover above Reeves Road)

Apr

Government free fares for children and half-price youth fares ends

Fareshare programme launched

Ngapipi bridge complete & opened

Glen Innes to Tāmaki Drive shared path mahi toi (artwork) unveiled

May

New Zealand Sign Language announcements launched at Waitematā train station (Britomart)

Jun

407km of sealed road rehabilitation completed in largest resurfacing programme since 2017/18

2023/24 Delivery highlights

AT worked solidly to deliver improvements to the transport network in the year in review.

Service improvements

578 new bus drivers recruited
by August 2023, ending the shortage

Ferry crew added to Transport Sector agreement
to improve immigration settings

Northwest Express bus services launched,
already 500,000 passenger boardings

Patronage: 87 million
public transport boardings

Infrastructure delivered or maintained

46 km
new roads constructed

23 km
new cycle lanes constructed

407.4 km sealed road
resurfaced/rehabilitated (96.6 km asphalt, 305.4 km chip sealing and 5.4 km pavement rehabilitation)

85%
of Auckland Anniversary flood & Cyclone Gabrielle slip damage sites repaired

$1, 043 million
(99%) of direct capital budget was invested

Network enhancements

30 new key intersection sites fitted
with bus booster technology (total 55)

20 new intersections
fitted with smart detection (pedestrian, vehicle, cycle) (total 29)

2,600 cones, sandbags and signage removed
as part of temporary traffic management (TTM) savings in early 2024 (approx $1.3 million saved between February and May)

130km of Auckland roads
in low-speed environments recategorised, allowing fewer cones and signs

90 new electric buses in operation
(total 180 e-buses now in operation, about 14% of total fleet)

Who we are and what we do

AT 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 $29 billion of publicly-owned assets.

AT plans, designs, builds, operates, and maintains the roads, cycleways and footpaths comprising Auckland's transport network. AT also works with third parties to provide public transport services on this network. In addition to transport infrastructure and services, we also design, build, manage and promote most of Auckland's transport facilities, customer apps and the region's integrated public transport ticketing system, AT HOP.

AT maintains and operates 7,810 kilometres of arterial and local roads, 1,150 bridges, 680 kilometres of shared paths, cycle paths and cycleways and 7,700 kilometres of footpaths.

This work is delivered through funding from Auckland Council and central government through New Zealand Transport Agency Waka Kotahi (NZTA), as well as revenue generated through fares on public transport services, advertising, income from land held for future transport needs, and parking revenue and enforcement.

AT was established under the Local Government (Auckland Council) Act 2009 and has the powers and roles of both a regional council and a road controlling authority.

AT's functions as per the legislation are to:

- Prepare the Regional Land Transport Plan for Auckland
- Manage and control the Auckland transport system
- Research and provide education and training in relation to land transport in Auckland
- Manage and control off-street parking
- Acquire property (for transport related purposes)
- Administer a range of maritime function (by the harbourmaster)
- Manage and operate the aerodromes Auckland Council owns on Great Barrier Island.

Together these will ensure that we deliver on our purpose to tiaki all who use transport in Tāmaki Makaurau – almost 1.7 million residents and visitors.

While carrying out these functions, AT has five ambitions. AT's Strategy and Purpose were updated in September 2023, and these five ambitions are highlighted:

1. Safe journeys for everyone.
2. A better experience on our existing network.
3. A resilient and sustainable transport system.
4. Seamless and reliable public transport.
5. More people choose to walk, cycle and use public transport.

These ambitions are underpinned by four principles that guide how we operate:

1. Listening and responding to the needs of our customers and communities
2. Putting people and places at the heart of how we design and deliver our transport system
3. Partnering with Māori to deliver a transport system that improves outcomes for all
4. Leading and partnering – we are the integrator for transport in Auckland, bringing all players together to take a whole-of-system view.

Strategic context

AT's strategic priorities are defined by, and aligned with, priorities and expectations set out in the following suite of documents.

At the top of the strategic transport planning framework for Auckland is the Auckland Plan 2050 (owned by Auckland Council). It sets the high-level direction for Auckland, including transport. It has a counterpart in the Government Policy Statement for Land Transport (GPS), which sets the Government's direction for transport.

In Auckland, local and central government come together to agree on transport priorities via the Auckland Transport Alignment Project (ATAP). This, together with our network plan, Future Connect, helps shape our investment plan, the Regional Land Transport Plan (RLTP). The RLTP then generates projects which are taken through the Roads and Streets Framework, business case process, and design and delivery process via the Transport Design Manual (TDM).

Key council and government plans

The Land Transport Management Act 2003
sets out the planning, funding and operating framework for New Zealand's land transport infrastructure and services, including roading, public transport, the rail network and traffic safety.

The Government Policy Statement on land transport (GPS)
sets out the Government's National Land Transport Fund (NLTF) expenditure priorities over the next 10 years. The draft GPS 2024-2034 is guided by four strategic priorities: economic growth and productivity, increased maintenance and resilience, safety and value for money.

The National Land Transport Programme (NLTP)
is a three-year programme that sets out how New Zealand Transport Agency Waka Kotahi invests land transport funding on behalf of the Crown to create a safer, more accessible, better connected and more resilient transport system.

The Auckland Plan 2050
is a long-term strategy for managing Auckland's growth and development over the next 30 years. It considers how we will address the key challenges of high population growth and environmental degradation, and how we can ensure shared prosperity for all Aucklanders.

Te Tāruke-ā-Tāwhiri: The Auckland Climate Plan
sets a pathway to rapidly reduce greenhouse gas (GHG) emissions (50% reduction by 2030) and help prepare Auckland for the impacts of climate change. While these pathways have been identified, they are not funded by the Auckland Council Long Term Plan or a strategic priority in the GPS.

The Auckland Transport Alignment Project (ATAP)
is an aligned approach by Auckland Council and the Government to address Auckland's key transport challenges and recommend transport investment priorities.

The Auckland Long-Term Plan (LTP)
underpins AT's RLTP programme by providing committed funding and enabling AT to secure support from New Zealand Transport Agency Waka Kotahi.

Auckland Council Local Board Plans
are developed by the 21 Local Boards across Auckland. Each Local Board Plan includes outcomes related to transport and specific actions the relevant Local Board wishes to see progressed.

Key Auckland Transport plans

The Auckland Regional Land Transport Plan (RLTP)
sets out the land transport objectives, priorities and planned investment for the Auckland region over a 10-year period. It includes the land transport activities delivered by AT, NZTA, KiwiRail, City Rail Link Limited (CRLL) and other transport agencies.

Future Connect
identifies the most important parts of the transport network, the most critical issues, and opportunities. This informs our 10-year investment programme, the RLTP.

The Asset Management Plan
sets out how AT manages and maintains transport assets that are essential to connect people and move goods across Auckland.

The Roads and Streets Framework
is a strategic planning tool used to guide the future planning and development of Auckland roads, streets, and places.

The Auckland Network Operating Plan
uses Future Connect and the Roads and Streets Framework to identify levels of service for each mode and scan the network to identify immediate deficiencies needing intervention.

The Regional Public Transport Plan 2023-31 (RPTP)
sets out AT's policies, guidelines and activities for the delivery of Auckland public transport focused over a three-year period with a 10-year horizon.

Delivering the goods
the Auckland Freight Plan identifies the critical challenges for freight movement, desired outcomes, and provides an action plan to achieve those outcomes.

Room to move
Tāmaki Makaurau Auckland's Parking Strategy sets AT's approach to the management of car parking in Auckland (both on-street and off-street) and explains how parking management can deliver on wider transport objectives.

Vision Zero for Tāmaki Makaurau
is a transport safety strategy and action plan to eliminate deaths and serious injuries (DSI) on Auckland's transport network by 2050. It is a partnership between AT, Auckland Council, NZ Police, NZTA, Accident Compensation Authority (ACC), Auckland Regional Public Health Service (APRS), and the Ministry of Transport (MoT).

Auckland Transport corporate plans

AT's corporate plans outline and guide how the business operates, in response to broader context provided by the transport plans.

Each year, Auckland Council sends AT a Letter of Expectation. This letter sets out the direction the Council wants AT to follow for the next financial year. In response to the Letter of Expectation, AT prepares the Statement of Intent (SOI), which is endorsed by the AT Board and approved by Auckland Council.

The SOI provides a forward work programme and set of targets for performance by the organisation. These targets are tracked monthly and are reported to the AT Board at each Board meeting, through AT's quarterly reports to Auckland Council, and through the Annual Report. AT also prepares the AT Business Plan.

The AT Statement of Intent (SOI)
reflects Auckland Council's priorities as expressed through the Mayor's Letter of Expectations, including the strategic priorities for AT.

The AT Business Plan
sets the corporate objectives of AT and is used to drive the organisation to meet performance targets and measure success.

The Māori Responsiveness Plan (MRP)
outlines operational-level actions to enable AT to fulfil its responsibilities under Te Tiriti o Waitangi – the Treaty of Waitangi – and its broader legal obligations in being more responsible and effective to Māori.

The Diversity and Inclusion Strategy
is dedicated to creating a thriving, inclusive and high performing culture where AT people feel a sense of belonging and connection with each other.

The Safety, Health and Wellbeing Strategy
is focused on keeping people safe and is at the heart of everything AT does. It signals our belief and our intentions – in road and transport safety, community and workforce safety and wellbeing.

The Pasifika Strategy
aims to create an equitable and inclusive workplace representative of Tāmaki Makaurau. AT are moving to develop, grow and inspire Pasifika to step up and create an environment where they have a seat at the table.

The Sustainability Strategy
is focused on ensuring a resilient and sustainable transport system. Minimising our impact on the natural environment and human wellbeing by protecting our waterways and the air we breathe, improving social and economic equity and restoring biodiversity as part of how we deliver infrastructure and services.

Financials at a glance

A summary of Auckland Transport's financial performance for the year ended 30 June 2024

AT has delivered a strong and balanced financial result despite significant inflationary pressures, supply chain constraints, disruption to public transport services from track closures, and the continuing impact of hybrid working on public transport patronage. AT has also delivered it's biggest capital programme ever this year, reaching 99% of it's $1,058 million budget.

AT's surplus of $903 million was $114 million higher than budget, primarily due to higher than budgeted revenue. This surplus includes non-operational items of capital funding ($1,043 million), vested asset revenue ($391 million), write off and loss on disposal of assets ($32 million) and loss on foreign exchange derivatives ($5 million). Excluding non-operational items, depreciation and amortisation, AT's underlying operating surplus was $35 million.

AT's primary sources of funding are from Auckland Council (33%) and NZTA (38%). 29% of revenue was received from various other sources including public transport fares, user charges and fees, rental, other subsidies, and vested assets. Total revenue for the year of $2,698 million was $124 million higher than budget primarily due to higher vested asset revenue of $116 million and higher public transport income of $26 million, partially offset by lower than budgeted parking and enforcement revenue.

The resolution of the bus driver shortage and the reinstatement of all bus services, along with inflation, increased public transport costs by $73 million. However, public transport revenue has also increased by a similar amount ($72 million) driven by higher patronage and removal of half price fares.

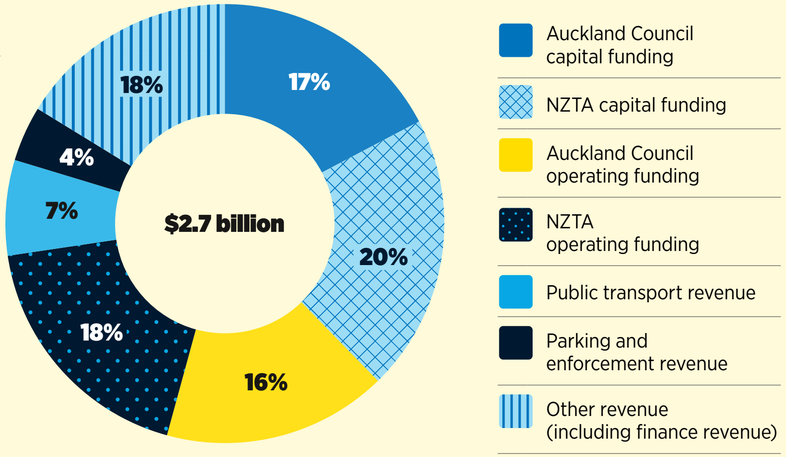
Total expenditure was $1,795 million, against a budget of $1,786 million, primarily due to other non-operational items, including asset disposals and write-offs and loss on the valuation of foreign exchange contract cash flow hedges. Operational expenditure was lower than budget driven by efficiencies and cost reduction activities with net personnel costs down 5% compared to last year.

Other comprehensive expenditure of $103 million is the decrease in fair value of operational land ($84 million) and buildings ($19 million). Operational land and building values have declined because of the rapid rise in interest rates, tighter lending criteria and increasing construction costs.

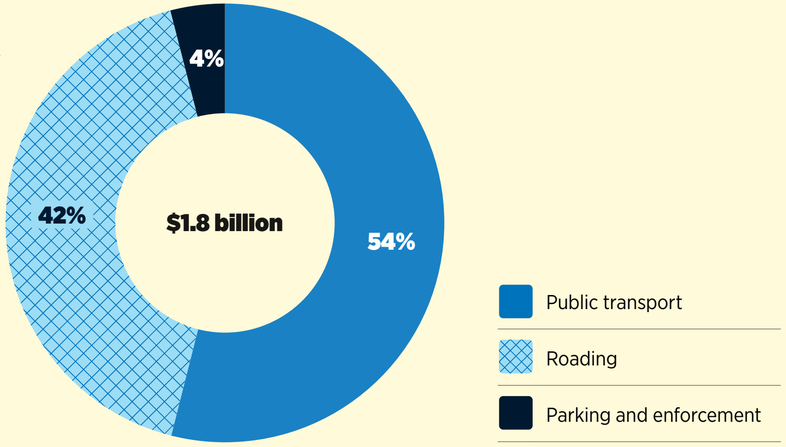
AT's net asset position is $27,859 million, up $810 million from last year primarily due to asset renewals and new capital infrastructure of $1,043 million, 99% of budget. This is the highest level of annual investment delivered by AT and includes the resurfacing or rehabilitation of roads, flood recovery projects, continuing to progress the Eastern Busway project, and projects to support City Rail Link including the purchase of new electric trains.

Funding for capital infrastructure investment was received from Auckland Council (44%) and NZTA and other crown agencies (56%).

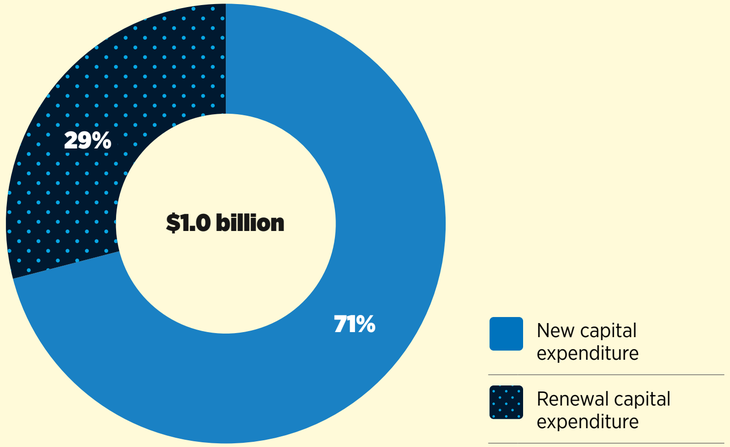
Revenue percentages



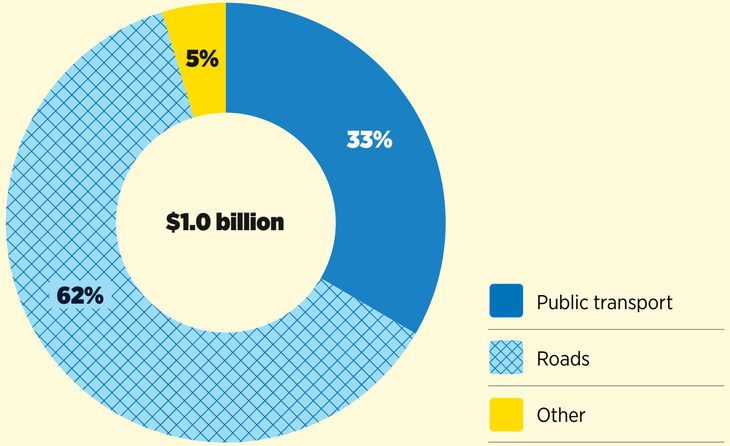
Expense percentages



Capital expenditure percentages



Capital expenditure percentages



Revenue and expenditure summary
for the year ended 30 June 2024

All in $000's	Actual 2024	Budget 2024	Actual 2023
What was received? What was spent?			
Capital funding	1,043,039	1,057,990	846,277
Operating funding	928,387	916,012	935,348
Other revenue (including finance revenue)	726,598	600,364	610,388
Total revenue	**2,698,024**	**2,574,366**	**2,392,013**
Expenditure on activities	**1,794,947**	**1,785,636**	**1,709,975**
Surplus before tax	**903,077**	**788,730**	**682,038**
Income tax benefit/(expense)	-	-	-
Other comprehensive revenue and expenditure	(103,389)	-	53.076
Total comprehensive revenue	**799,688**	**788,730**	**735,114**
New capital expenditure			
Roads	377,089	361,037	277,032
Public transport	318,741	375,015	283,388
Other	44,357	34,320	50,223
Total new capital expenditure	**740,187**	**770,372**	**610,643**
Renewal capital expenditure			
Roads	268,527	254,860	211,256
Public transport	29,834	28,318	23,473
Other	4,491	4,440	905
Total renewal capital expenditure	**302,852**	**287,618**	**235,634**
Total capital expenditure	**1,043,039**	**1,057,990**	**846,277**
Funding of capital expenditure			
Auckland Council capital funding	459,529	511,990	401,394
NZTA capital funding - new	411,152	409,740	326,352
NZTA capital funding - renewal	131,417	129,260	104,934
Other capital grants	40,941	7,000	9,510
Auckland Council capital funding through equity	-	-	4,087
Total funding of capital expenditure	**1,043,039**	**1,057,900**	**846,277**

Whakatutukitanga
Performance

Performance measures and case studies

for the year ended 30 June 2024

As a CCO, 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 Council.

The SOI enables Auckland Council to influence 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.

In the SOI, AT's performance expectations are structured into key outcome areas. In the year under review, these were:

1. Better understanding of the communities we serve
2. Getting the basics right
3. Leveraging our existing network
4. Collaboration and improving relationships
5. Delivering value for money and reduce costs to Council
6. Delivering our capital programme

The SOI outlines how AT is held accountable, using 19 performance measures and establishing targets to track progress. The performance measures are reported to Council on a quarterly basis and included in this annual report to show progress over the full financial year 2023/24.

On the following pages we will highlight our performance according to the 19 measures agreed to with Auckland Council, as well as a case study showing examples of everyday projects delivering progress in each key outcome area.

For a full, in-depth commentary on the 19 key performance measures and additional mandatory Department of Internal Affairs measures, please see on page 33.

Better understanding the communities we serve

94%*
formal complaints resolved within twenty days

Target: 85% | **Target exceeded**

0.3%*
customer queries/cases result in formal complaints

Target: <0.65% | **Target exceeded**

29%*
Aucklanders feel that AT listens and responds to their needs

Target: 30% | **Target not met**

604,867
customer interactions in our Customer Service Centres

>13K
submissions received from Aucklanders on the new RLTP

965
formal complaints raised with an average resolution time of 9 working days

*For further details on how the measures are assessed – please refer to SOI performance measures and results, page 33.

Case study

Streets for People

Community-led interventions at Onewherowhero (Kelston)

Streets for People is a worldwide concept focused on understanding the purpose and primary users of a street, and then redesigning that street in partnership with those users. It acknowledges divergent views on safety, walking, cycling and driving within a community.

Using the students' voices as a starting point, AT continued to involve the school community closely in designing and implementing temporary changes. The changes were installed along St Leonards Road and outside Kelston Girls College.

"It's a very valuable programme as it allows us to put the people who best understand the wants and needs of their own community at the front of the process," says Allyn Sims, AT's Streets for People Programme Manager.

Onewherowhero (Kelston) was identified as the perfect candidate for Streets for People after numerous near misses and one incident of a student being hit by a vehicle were reported on the streets surrounding its six schools.

During workshops, meetings and surveys with the teachers, parents, and children of Kelston's schools, the project team learned that the high volume of cars on surrounding roads meant many students felt unsafe walking or crossing the streets.

Planter boxes, concrete blocks, and flexible safe hit sticks were installed to encourage motorists to drive at slower speeds while passing through the area. These help to widen the footpath so it can be safely shared by people walking and cycling, and also mean that both students and motorists have a better line of sight when travelling through the area. Other additions to the street include a temporary pedestrian island at the top of Vanguard Road and wheel stops in front of the St Leonards shops to prevent cars from parking over the footpath.

Since the changes have been installed, Bert Iosia, Principal of Kelston Intermediate, has noticed a significant difference. "At the beginning of last year, I was getting a phone call every week from a driver who had almost hit a child from my school. Since the temporary changes have been in place, I'm happy to report I've not had a single call."

The installations' effectiveness were continuously monitored during the trial period, and refinements were made based on feedback and observations. These included changes like reducing the number of flexible safe hit sticks and adding more signage explaining the purpose of the new street additions.

"We've now reached the evaluation stage of the project, where we'll be using the feedback we've received from surveys, schools, local businesses, and other members of the community, as well as data from observations, to decide on the trials outcome," says Sims.

Decisions on whether the trial changes should remain, be removed, or be changed will be made in July 2024.

Getting the basics right

23*mins

average travel time across the arterial network

Target: 24 mins | **Target exceeded**

94*%

public transport services run reliably according to published timetable

Target: 95% | **Target met**

54*^

fewer deaths and serious injuries (586 total) on the Tamaki Makaurau road network

Target: No more than 640 | **Target met**

4.4*%

of critical assets are in poor condition

Target: No more than 5.8% | **Target exceeded**

407*kms

sealed local roads resurfaced or rehabilitated (6.1% of local road network)

Target: 6% | **Target met**

88*%

of public transport services start and end on time

Target: 87% | **Target met**

^Compared to target. A 14% decrease from last year. *For further details on how the measures are assessed – please refer to SOI performance measures and results, page 33.

Case study

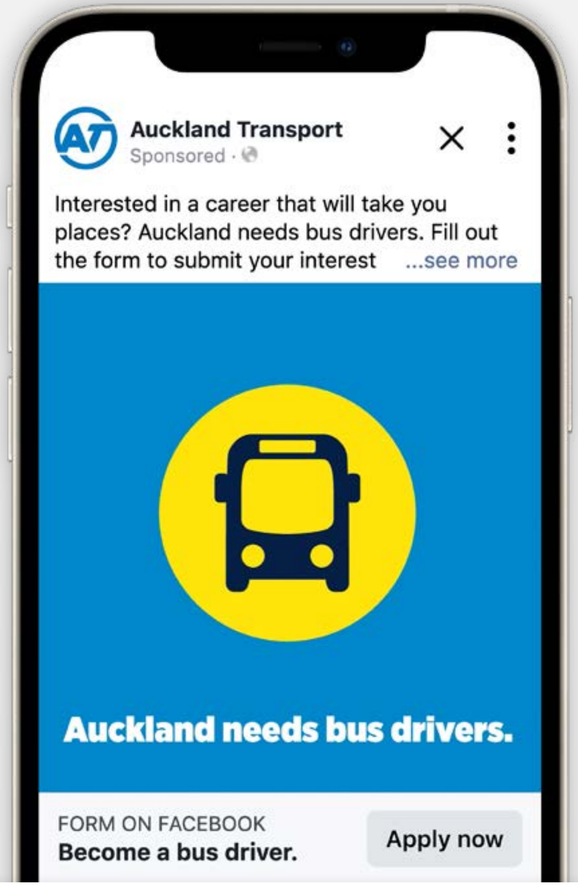
Bus driver shortage resolved

Return to reliability

In 2023, New Zealand faced a critical shortage of bus drivers, causing significant disruptions to public transport services across the country. Auckland was particularly heavily impacted, with a shortage of 578 bus drivers out of around 2,300 required to operate the full schedule at peak.

"At its worst, the bus driver shortage in Auckland meant we were seeing close to a thousand trips being cancelled a day on top of the one thousand trips which had already been removed from the daily timetable," says Richard Harrison, AT General Manager of Growth and Optimisation.

The driver shortage was severely impacting public transport users across the country. AT collaborated closely with other public transport authorities, NZTA, bus operators, unions, and the central government to properly address this crisis.



The breakthrough came when the government added bus drivers to the list of approved work-to-residence transport roles, allowing more overseas applicants to apply for positions in New Zealand.

This decision, combined with government funding for driver salaries, meant recruitment efforts got a much-needed boost, with operators working tirelessly to end the shortage.

Since then, bus patronage has steadily grown, with 2024 boardings on bus services consistently sitting at or close to pre-COVID levels.

March 2024 was AT's busiest month for bus customers in five years, with just under seven million trips made, indicating a strong demand from the public for reliable public transport services. "The numbers we've seen since the end of the driver shortage prove to us that Aucklanders do want to take the bus, and when we can provide reliability and certainty that a service will show up, people will use it," says Harrison.

Ending the shortage and having enough bus drivers to offer our customers reliable, consistent services is just one example of how, through effective collaboration, we have worked to get the basics right this year.

In August 2023, the bus driver shortage was officially declared over. "In just eight months, and after a huge, combined effort with our partners, we were able to recruit over 578 drivers and end the driver shortage," says Harrison.

Leveraging our existing network using data, technology and insights

86.8*m

public transport passenger boardings

Target: 83.4m | **Target exceeded**

29,051*

people on average, per hour moving on arterial roads during morning peak

Target: 28,000 | **Target exceeded**

86*%

freight network moves without congestion at interpeak

Target: 85% | **Target met**

3.35*m

cycle movements on defined cycle network count sites

Target: 3.12m | **Target exceeded**

54*%

reduction in operational greenhouse gas emissions

Target: 15% | **Target exceeded**

55

total key intersections fitted with Bus Booster technology by 30 June 2024

*For further details on how the measures are assessed – please refer to SOI performance measures and results, page 34.

Case study

Bus Booster technology

increases bus efficiency

Delayed buses that get stuck in heavy Auckland traffic result in understandable frustration among commuters. This year, AT approached the challenge head-on by introducing the Bus Booster. This innovative technology increases the efficiency of bus journeys by timing traffic lights to turn green, favouring late-running buses as they approach intersections.

"The Bus Booster is a technology solution that we've seen start to make a real difference to improving the reliability of our bus services. By giving buses priority at traffic lights where we can, we're able to enhance our customers experience on our services," says Chris Martin, AT Road Network Optimisation Manager.

The Bus Booster works by using the onboard GPS device to regularly update a buses location. If the bus is running late, the system automatically sends a request to AT's operational systems to adjust traffic light timings, prioritising a green light as the bus approaches the intersection. This boosts the bus by saving it the time it would otherwise spend at a red light, helping it catch up on its schedule and reach its destination on time.

To date, bus boosters have been rolled out to a total of 55 sites across the Auckland region and are already having a positive impact.

"Our results show that the Bus Booster has reduced travel times through intersections when travelling by bus by an average of 30%, with an over 50% reduction in wait times at the best performing intersections. This really demonstrates the positive impact this technology is having on our services, and we're excited to see it being used in more locations around Auckland," says Martin.

The end goal is for the Bus Booster technology to be installed at every signalised intersection across Auckland's frequent transit network. It is a fantastic example of how we have used data, technology and insights this year to improve our existing network.

It's not just buses getting a boost from this new technology. The Bus Booster technology is also being trialled with Fire & Emergency New Zealand (FENZ) so that Auckland's emergency services can reach their destinations faster.

Collaborating and improving relationships

2.3%*

AT's total procurement spend is with Māori-owned businesses

Target: 2% | **Target exceeded**

56%*

Local Board members are satisfied/very satisfied with AT's engagement

New measure – Baseline for future targets

*For further details on how the measures are assessed – please refer to SOI performance measures and results, page 36.

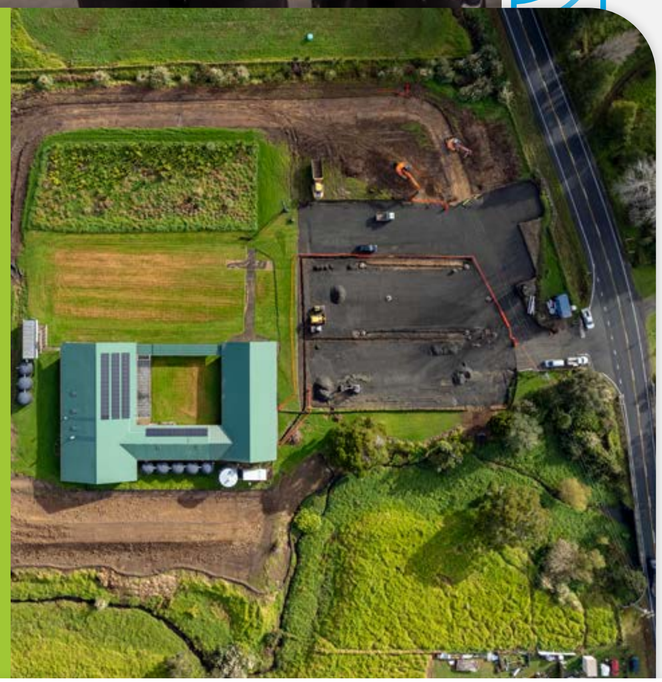
Case study

Strengthening supply chain diversity

at Te Kia Ora Marae project

Located near Kakanui on the Kaipara coast, work has started on the Te Kia Ora Marae carpark, a project which involves the construction of a 3,500m² concrete carpark between the marae and the highway, and a smaller 500m² carpark at the back of the marae.

The Te Kia Ora Marae project gave us the chance to partner directly with a Māori-owned civil construction company, aligning with our Statement of Intent commitment to award at least 2% of our annual spend to Māori-owned businesses.



"We knew this would provide the chosen business with an opportunity to build a track record with AT, while also supporting the development and growth of their own business, their employees, and their Māori-owned sub-contractors," says Rachael Randal, AT Manager Social and Economic Equity.

The project was prioritised for the AT Māori Outcomes Marae Entry/Exit Safety Programme, which aims to help mana whenua and the broader community improve safety around marae. The Te Kia Ora marae project involved collaboration across council-controlled organisations, various Auckland Council departments, and Amotai, who work with government, corporate and iwi organisations to unlock procurement opportunities and enable meaningful connections with Māori and Pasifika businesses.

A closed competitive procurement approach was selected for this project, involving suppliers who were all Māori-owned, Amotai-registered and pre-approved by the marae. The project was awarded to Lite Civil, a 100% Māori-owned civil construction business with strong iwi affiliations. "It was clear that Lite Civil viewed their work on marae and Māori infrastructure as more than just buildings, but rather a way to support communal health and cultural survival," says Randal. Actively connected to their community and passionate about improving the sacred places of their people, Lite Civil engaged with marae representatives to ensure the project addressed the community's needs while also embedding meaningful social outcomes.

In alignment with AT's supplier diversity targets, Lite Civil engaged three additional Māori-owned sub-contractors for the project as well as creating two entry-level positions. These new roles support the project goal of offering employment for mana whenua and provide valuable industry experience for future career opportunities within civil construction.

Set to finish construction in October 2024, the Te Kia Ora Marae carpark project is one example of collaborating and improving relationships and delivering social and economic outcomes this financial year.

Delivering value for money and reducing costs to council

31%*

public transport operating costs are recovered through fares

Target: 25% | **Target exceeded**

$1.3m

saved between February and May, through targeted temporary traffic management cost saving

*For further details on how the measures are assessed – please refer to SOI performance measures and results, page 36.

Case study

Temporary traffic management changes

reduce costs and disruptions

Temporary traffic management (TTM) is essential for the safety of workers, road users, and to maintain traffic flow while roads are repaired or constructed. However, the need to do this cost effectively, with fewer disruptions to Aucklanders has been emphasised.

We started the year in review by clearing 2,600 items of redundant TTM gear including road cones, sandbags and signage from the network and re-categorising 130km of Auckland roads in low-speed environments, resulting in fewer cones and signs while still maintaining worker and road user safety.

Through collaboration with our internal systems, Council Controlled Organisations, utility entities, and co-design workshops with TTM industry roleplayers, numerous initiatives have now been implemented and suggested to transform the industry.

Because TTM makes up a significant proportion of our capital project costs in Auckland, we introduced a TTM cost target objective of 10% per project. Mark Banfield, General Manager of Infrastructure Project Delivery, acknowledges this is a challenging objective to meet, especially when considering the significant cost of TTM in New Zealand.

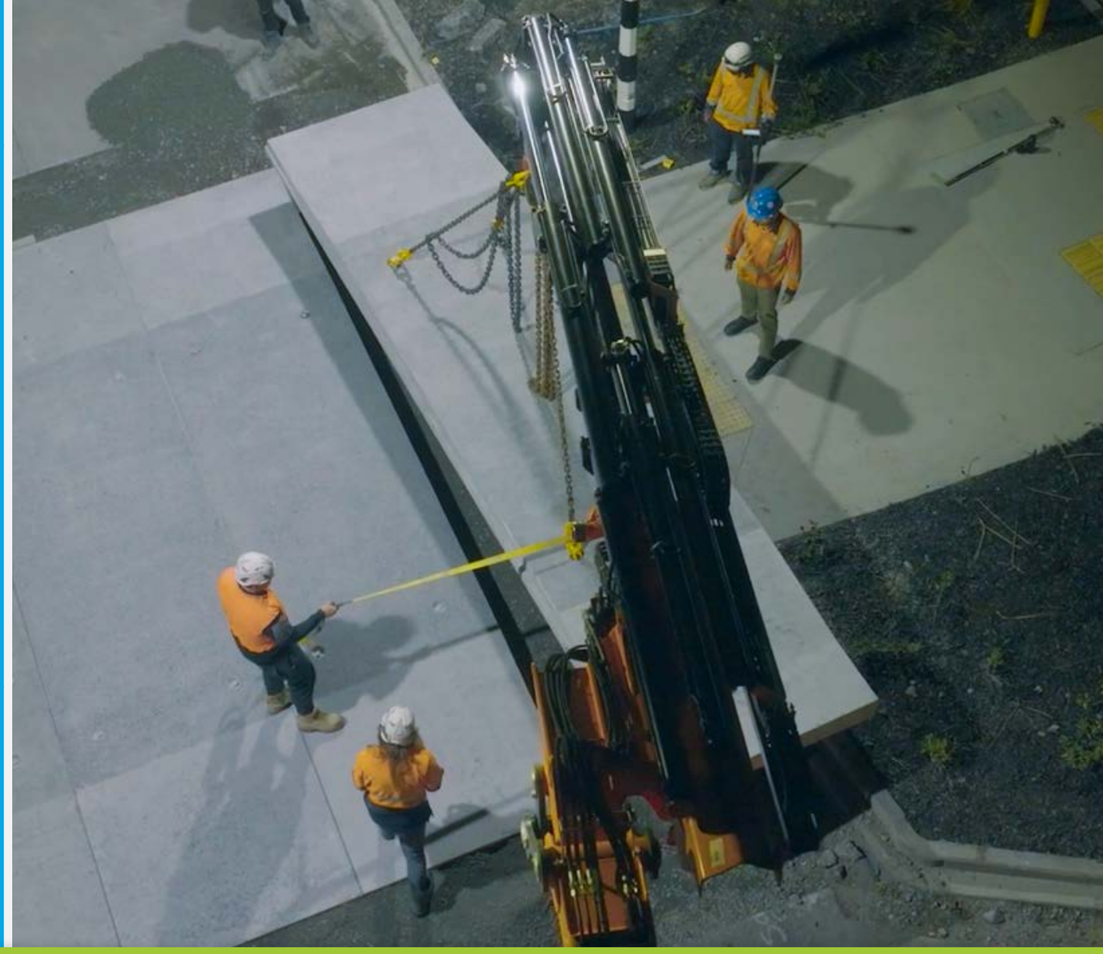
"This is definitely a challenge when you consider that the typical cost of traffic management in Auckland on small projects is around 20% and sometimes higher of the total project spend.

However, we're committed to this target and know that reaching it means that we're delivering better value for money."

To achieve the 10% TTM spend per project target, we have implemented several initiatives. One strategy involves looking at which projects in our delivery portfolio can be combined so that we can do more for less. "It may seem simple but finding a way to bundle up something like pavement renewals with planned public transport and walking and cycling upgrades can make a big difference to TTM costs, and we've been seeing just how effective this is in projects like Meola Road or Great North Road."

Other revised approaches include Super Weekends, where additional crew are put on by contractors between Friday evening to Monday morning. Improving productivity significantly, this approach reduced TTM cost from 31% to 9.2% when used for works in Ponsonby and dropped disruption from 60 days to six.

"Despite notable progress, particularly when it comes to the big capital projects, the key challenge for us remains in those smaller projects where TTM costs traditionally range from 20-30%". AT is gradually addressing this through the new controls, but in the meantime, any new project or engagement with a TTM cost of more than 10% has been paused, subject to review, and will not proceed until TTM costs can be engineered closer to our 10% TTM cost objective.



Another initiative already making an impact, is using pre-cast concrete for raised pedestrian crossings. This has resulted in faster completion of projects like Kumeu's new raised crossing, installed within a single night shift, compared with a more traditional method, which could take two to four weeks.

Delivering our capital programme

$1,043* **million**

of direct capital budget was invested (99%)

Target: 90% | **Target met**

85%

of 2023 flood slip damage sites have been repaired

*For further details on how the measures are assessed – please refer to SOI performance measures and results, page 36.

Case study

Eastern Busway construction

The Eastern Busway, stretching from Pakūranga to Botany, is one of AT's most significant capital projects, with a $1.3 billion budget. Once complete, it will provide better connections and sustainable travel options for walkers, cyclists, motorists, and bus and train users in East Auckland. It will also create a reliable bus and train service between Botany and Waitematā Station (Britomart), becoming an important part of Auckland's rapid transport network.

“Collaboration is more important now than ever, we want to make sure we are building something that the community can be proud of for generations to come,” says Fiona Tang, Programme Manager for the Eastern Busway Alliance.

There has been significant progress made on the Eastern Busway this year, which extends beyond the $190 million monetary spend. Our capital programmes often provide benefits to communities beyond the financial bottom line, and this year advancements have been made not only in construction, but also in engagement with the community, and building trusted relationships with key stakeholders.

Part of the Eastern Busway project involves investing in local community facilities. This year, the alliance worked with Riverhills Park’s management and Auckland Council to improve the park with a brand new football pitch. The pitch is the first of its kind in New Zealand and uses eco-friendly materials like bio-based fibres, recycled foam and sustainable wood. The pitch has gone through FIFA testing, is on track to get its FIFA certification soon, and is being enjoyed by several football teams.

The alliance has also donated, reused and recycled construction items while making space for the Eastern Busway. One of these donations was a suburban house which was vacated for the project. Donated to the Ara Education Charitable Trust, this house now has a new life being used to help school students prepare for a career in construction.

Rā Hihī, the flyover above Reeves Road is a feature of the busway project that will streamline travel, helping ease traffic congestion in Pakūranga when it’s completed. While building the flyover’s foundations, yellow steel casings are used to provide stability to the top section of the piles’ holes, preventing collapse under the weight of the piling rig. When each pile hole has been filled with concrete, the casings are removed and reused, embedding a sustainability practice into this process. Construction of the flyover will also use low carbon concrete to reduce the embodied carbon footprint of the project.

Being delivered by the Eastern Busway Alliance, this is our first construction alliance of five organisations working together – AT, Fletcher, ACCIONA, AECOM and Jacobs, with staff from each company working in offices and on site in the Pakūranga area. We’re also partnering with mana whenua to build the section of busway from Pakūranga towards Botany and a four-lane flyover above Reeves Road and across Tī Rākau Drive.

Reducing our embodied carbon emissions

At AT we are the custodian of $29 billion worth of assets on Auckland’s transport network and this is growing. The carbon emissions from construction and maintenance of these assets are substantial, and AT is continuously working with suppliers and research institutes to find ways to reduce embodied carbon emissions during construction of the infrastructure we build.

Case Study: Oakley Creek Esplanade Reserve

An active slip started undermining the shared path and critical infrastructure near Great North Road and needed stabilising. Remediation required construction of an in-ground concrete lattice structure. Because cement and concrete have a high carbon footprint, it presented an opportunity to use low carbon cement and cement replacements, and reduce the overall embodied emissions while still maintaining the required durability and strength. Working with the concrete supplier, various lab and production trials were done to develop suitable concrete mixes, which replaced traditional cement. The result was the use of cement mixes that reduced embodied carbon by 38% compared with traditional cement.

This is a good example of how we are lowering emissions of the transport system and ensuring resilience to the impacts of climate change.

Case study

Flood recovery

85% of slip damage sites repaired

In early 2023 the Auckland Anniversary floods and Cyclone Gabrielle struck Auckland with devastating impact. Some Aucklanders continue to feel the reminders of these storms daily, and AT has dedicated a significant portion of its capital budget to repair the damage done.

"These repairs involve work like soil nailing – a cost-effective system where steel bars are inserted into soil to reinforce and stabilise slopes, building retaining walls, and improving drainage so that we minimise the likelihood of damages reoccurring," – says Murray Burt, AT Director of Infrastructure and Place.

Over 2,000 slips and other storm-related issues occurred because of this weather, some so severe that whole communities were cut off from the rest of the region. The AT Flood Recovery Programme was established immediately after the Auckland floods and has since then worked alongside contractors and communities to repair damages. In total, the Flood Recovery Programme identified 826 sites in need of repair work.

Works continue on the remaining sites, which are the most complex and challenging. "I think it's hard for Aucklanders in lesser impacted areas to comprehend just how extensive the damage left behind by these weather events has been. Road repairs are still ongoing at about 285 sites across Auckland, and most of these are very complex jobs due to the instability of the ground our teams across the region are working on," says Burt.

One major repair that reopened in October 2023, six weeks earlier than planned, was Glenvar Road, a key route to and from Long Bay and Torbay. Slips 40-50 metres deep occurred on both sides of the ridge, requiring part of the road to close. The rebuild required significant earthworks, relocation of utility services such as powerlines and construction of large retaining walls. This rebuild was also used as an opportunity to improve the resilience of stormwater drainage, and bring the road up to current safety standards with appropriate safety barriers and foothpaths for pedestrians.

The re-opening was welcomed excitedly by the community, with comments on social media including statements like "Glenvar Road is open. Just drove through. Looks great," and "Hallelujah, there's a new footpath for the school children!".

After 18 months, we have made extensive progress on flood recovery, repairing over 85% of the slip damaged sites. The programme has delivered cost-effective repairs that meet current standards, while also making new infrastructure more resilient to better withstand future weather events.

Electronic flood alert pilot

To ensure community safety and preparedness for future flood risks, AT is piloting early flood warning signs. These systems provide timely alerts, enabling road users to take proactive measures to protect lives and property.

The pilot project will test three different flood warning technologies, including water sensors connected to a bridge and AI flood detection solutions using digital rulers and CCTV cameras. These technologies trigger signs when necessary. Different signage will also be trialled. This allows comparison of different technologies for long term maintenance, scalability and site-specific suitability factors like topography, road speed, visibility, and community needs. Based on what systems work best, these will be rolled out where necessary.

The intent is to reach people before they travel to flooded areas, giving opportunity to turn back or take an alternative route. Residents of certain areas often get stuck and trapped during floods, at times cut off from children at school on the other side of a flood.

If proven reliable, the system will be implemented at Auckland Transport's Operations Centre (ATOC) during phase two. This will enable shared communications across AT channels including the AT website, AT Mobile app and social media.

Early warning signs can significantly reduce the impact of flooding and help local governments and emergency services, allowing for better resource allocation and response planning, and ensures the long-term sustainability of areas often affected by flooding.

Statement of Intent performance measures and results

The AT Statement of Intent (SOI) outlines how AT is held accountable, using 19 performance measures and targets to track progress. The performance measures are reported to Council on a quarterly basis and included in this annual report to show progress over the full financial year 2023/24.

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

Where performance is **within +/- 2.5% of a target**, the target will be considered to be '**met**';

Where performance is **above a target by more than 2.5%**, the target will be considered to be '**exceeded**';

Where performance is **below a target by more than 2.5%**, the target will be considered to be '**not met**'.

Better understanding the communities we serve

Measure	2023/24 SOI target	2023/24 Actual	2022/23 Result	Result
Customer perceptions AT listens and responds to Aucklanders' needs [1]	30%	29%	New measure	Not met
Formal complaints Percentage of total AT case volume resulting in a formal complaint	<0.65%	0.3% 320,998 total cases	0.3%	Exceeded
Complaint resolution Percentage of formal complaints that are resolved within 20 working days	85%	94%	87%	Exceeded

Getting the basics right

Measure	2023/24 SOI target	2023/24 Actual	2022/23 Result	Result
Arterial travel time Average travel time across the arterial network [2]	24 minutes	23 minutes	New measure	Exceeded
PT reliability Percentage of services that start according to schedule [3]	95%	94%	New measure	Met
PT punctuality Percentage of services that start and end according to schedule	87%	88%	Revised measure [4]	Met

[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 +/-2% at 95% confidence level.

In the first half of FY24, AT was tracking strongly toward this target, driven by improved PT service reliability following the bus driver shortage, and improvements to Auckland's flood damaged roads. However, in the second half, reliability issues impacted the rail network, giving our customers a poor experience. In addition, a negative public response to the way we engaged on, and delivered some projects and service changes, has also contributed to the resulting score. Rebuilding trust and confidence with Aucklanders is a priority for the year ahead.

[2] This measure calculates the average travel speed of people in cars and buses in the AM peak hour and uses the average trip in Auckland (10 km for the purposes of this calculation).

[3] 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).

[4] This measure was revised to calculate punctuality at both first and last stop (previously only first stop). This measures the proportion of services that both depart the first stop within -0:59 min and +4:59 min of scheduled start time and arrive at last stop within -0:59 min and +4:59 min of scheduled arrival time. 2022/23 result: 96.2%.

Getting the basics right (continued)

Measure	2023/24 SOI target	2023/24 Actual	2022/23 Result	Result
Safety Deaths and Serious Injuries on the road network in Tāmaki Makaurau	No more than 640	586 (31 deaths, 555 serious injuries)	682 (57 deaths, 625 serious injuries) [5]	Exceeded
Asset condition Proportion of critical assets in poor condition [6]	5.8%	4.4%	New measure	Exceeded
Road maintenance Percentage of the sealed local road network that is resurfaced or rehabilitated	6%	6.1%	4.6%	Met
Resource consent timeframes Adherence to the service level agreement [7] to provide specialist input into the resource consents	70%	79%	New measure	Exceeded

[5] In previous years, this measure was reported against a calendar year target (January to December). These targets now relate to financial year (July to June). January to December 2022 total was 649 DSI.

[6] Assets considered as critical include main roads, bridges, major culverts, retaining walls, sea walls, gantries, train stations, bus stations, ferry terminals, wharves, car park buildings, airfields, traffic systems.

[7] 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.

Leveraging our existing network using data, technology and insights

Measure	2023/24 SOI target	2023/24 Actual	2022/23 Result	Result
PT Boardings Annual number of PT trips [8]	83.4m	86.8m	71m	Exceeded
Arterial productivity Average number of people moving per hour during the morning peak [9]	28,000	29,051	27,882	Exceeded
Freight performance Percentage of the freight network moving without congestion in the interpeak [10]	85%	86%	87%	Met

[8] In September AT received a denial-of-service attack using ransomware to lock out the AT HOP system. During this time public transport patronage data was impacted with patronage data not available over a 2-week period. Extensive analysis which included review of specific routes, passenger travel patterns, weather, special events etc was performed over this period to calculate the expected patronage numbers (forecast).

AT's Low Emission Bus Roadmap targets the replacement of the existing diesel buses with zero-emissions buses by 2035, subject to funding. Consistent with this roadmap, at 30 June 2024 there were 180 low emissions buses on Auckland's roads providing public transport services, up from 89 in 2023. These low emissions buses account for about 13% of total service kilometres by public transport bus services.

[9] 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. The 32 monitored arterial routes are: Great North Rd; Manukau Rd; Balmoral Rd; Clark/Wolverton/Tiverton; Great South Rd; Dominion Rd; Tamaki Dr; Penrose/Waipuna Rd; Sandringham Rd; Blockhouse Bay Rd; Hillsborough/Godley Rd; Mt Albert/Mt Smart/Mays; Albany Hwy; Constellation Dr; East Coast/Forrest Hill; Esmonde Rd/Lake Rd; Whangaparaoa Rd; Onewa Rd; Oteha Valley Rd; Tristram Avenue; Wairau/Barrys Point; Te Irirangi Rd; Mangere/Massey; Ormiston/Sandstone Rd; Roscommon/Weymouth Rd; Wiri Station/Mill Rd; Mt Wellington Hwy/Great South; Ngapipi Dr/Kepa Rd/Apirana; East Tamaki/Springs Rd; Ellerslie Panmure/Ti Raukau Dr; Lincoln Rd; and Te Atatu/Edmonton Rd.

[10] 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. Level of Service C is 50-70%.

Leveraging our existing network using data, technology and insights (continued)

Measure	2023/24 SOI target	2023/24 Actual	2022/23 Result	Result
Cycle counts The number of people using defined cycle network count sites[11]	3.12m	3.35m	3.043m	Exceeded
Emission reduction Reduction in operational emissions	15%	54% [12]	59% *	Exceeded

* Restated based on latest MfE 2024 guidance.

[11] Measurement includes cycling and micromobility. AT uses the following sites to monitor cycle movements: Beach Road, Curran Street, East Coast Road, Grafton Bridge, Grafton Gully, Grafton Road, Great South Road, Highbrook shared path, Hopetoun Street, Karangahape Road, Lagoon Drive, Lake Road, Lightpath, Māngere Bridge, Northwestern cycleway – Kingsland, Northwestern cycleway – Te Atatū, Orewa shared path, Quay Street (Vector Arena), SH20 shared path (near Dominion Road), Symonds Street, Tāmaki Drive (both sides of the road), Te Wero Bridge (Wynyard Quarter), Twin Streams shared path, Upper Harbour Drive, Upper Queen Street, Victoria Street West.

[12] A 54% reduction against baseline (2018/19) to 6,866t CO_2e in 2023/24.

AT's SOI Operational greenhouse gas emissions target will be aligned with the Sustainability Strategy operational emissions target (including public transport) going forward into 2024/25. However, the performance of the current SOI-operational emissions target for 2023/24 is reported here for the last time.

In 2023/24 AT's GHG emissions have been measured using the ISO 14064-1:2018 standard, and have considered the GHG Protocol Corporate Standard, the GHG Protocol Scope 2 Guidance, and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard as necessary. The information is retrieved from AT's emissions inventory reports, verified by Toitū Envirocare. The inventories used the latest emissions factors available from the Ministry for the Environment (MfE) published in May 2024, and an operational control consolidation approach was used to account for emissions.

Emissions included in this SOI measure are:

- Emissions associated with corporate activities including electricity, natural gas and refrigerants used in office space, staff travel, fuel used in AT's corporate fleet, work from home* (78.3t CO_2e), water* (1.3t CO_2e), wastewater* (16.9t CO_2e), harbourmaster boat* (87.47t CO_2e) and waste from office space.
- Asset-related emissions including electricity and energy used in public transport facilities and electric trains, streetlights and traffic lights, diesel for trains, on-demand services* (53.26t CO_2e) and hydrogen buses* (3.02t CO_2e), and landfill waste from these assets. *Indicates new operational emissions sources measured and included since 2022/23. Previously, the information about these emissions sources was not available. The impact of adding these new sources was assessed as not material to the comparability of the result.

AT's corporate and asset-related emissions are predominantly (over 80%) associated with electricity. AT reduced electricity consumption by 30% (74 GWH in 2023/24 compared to 105 GWH in 2018/19) in its operational activities. This was mostly due to energy-efficiency activities in streetlights, traffic lights and facilities. Also, the grid electricity has become less carbon intense (30% reduction in electricity emissions factor in 2023/24 compared to 2018/19). These aspects together contributed the significant reduction in operational emissions for the year 2023/24.

Electricity-related emissions are calculated by applying quarterly electricity emissions factors (these fluctuate depending on carbon intensity of New Zealand's electricity mix at the time – if more coal-fired power is used, the electricity emission factor increases, if more hydropower is used, it decreases). Emission factors are released by the Ministry for Environment (MfE), and AT uses the most up-to-date emission factors available at the time of reporting. We have updated our 2022/23 factors according to the MfE guidance issued in May 2024. This resulted in a revised disclosure of 59% emissions reduction, compared to 54% against the baseline, which was previously reported in 2022/23. Quarterly results were only available for the first two quarters of 2023/24 and for the quarter ending March 2024 and June 2024 corresponding previous year quarter emission factors have been applied.

Emissions excluded from this SOI measure are:

- AT's infrastructure maintenance and construction activities, however, these are measured as part of AT's organisation wide inventory and performance monitored as part of AT's embodied emissions target, included in AT's Sustainability Strategy.
- Emissions from ferry and bus services delivered by third-party operators. However, these are measured and will be included in the SOI GHG target going forward in 2024/25.
- Upstream emissions associated with fuel and electricity that we, or our operators, use to provide operational or public transport services.
- Embodied emissions associated with manufacture of public transport assets such as buses, ferries and trains.
- Embodied, operational and upstream emissions related to private and commercial vehicle use on Auckland's roading network, which are a significant contributor to Auckland's total emissions. AT considers this part of regional emissions rather than within AT's organisational boundary. We continue to progress strategies to reduce car dependency in the region.
- Emissions associated with employees commuting to the office, which is work in progress.

Estimation uncertainty in greenhouse gas measurement:
Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards.

Collaborating and improving relationships

Measure	2023/24 SOI target	2023/24 Actual	2022/23 Result	Result
Local Board engagement Local Board satisfaction with engagement	Develop and implement surveys	56% [13]	Not reported in 2022/23	Met
Kia ora te Umanga Percentage of procurement spend with Māori owned businesses	2%	2.32%	New Measure	Exceeded

[13] Survey developed and implemented to 149 members of Tāmaki Makaurau's 21 Local Boards with a 41% response rate. Response is satisfied or very satisfied.

Delivering value for money and reducing costs to Council & deliver our capital programme

Measure	2023/24 SOI target	2023/24 Actual	2022/23 Result	Result
Capital Investment Percentage of capital budget invested	90%	99%	New Measure	Exceeded
Farebox Recovery Ratio The percentage of the total PT operating cost recovered through fares [14]	25%	31%	22%	Exceeded

[14] The farebox ratio, does not consider the half-price fares incentive provided by government. Revenue from net and commercial contract has been estimated based on number of commercial ferry patronage and average ferry fare prices, as AT does not receive the revenue directly.

Additional mandatory Department of Internal Affairs measures:
As these are Department of Internal Affairs mandatory performance measures, there are no targets associated with these. AT measures these through other metrics.

Measure	2023/24 Actual	2022/23 Result
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	522	593 [15]
The average quality of ride on a sealed local road network, measured by smooth travel exposure.	83%	85%
Percentage of footpaths in acceptable condition (as defined by AT's AMP).	96%	98%
The percentage of customer service requests relating to roads and footpaths to which receive a response within the specified time frame.	88%	78%

[15] In previous years, this measure was reported against a calendar year target (January to December). These targets now relate to financial year (July to June). January to December 2023 total was 554 DSI.

Mahi whakahaere
Governance

Partnerships and accountability

Auckland Council and 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 an Auckland Council Controlled Organisation (CCO). It is a statutory body established by the Local Government (Auckland Council) Act 2009 in 2010 to contribute to an effective, efficient, and safe land transport system in Auckland. AT is accountable to its shareholder Auckland Council through its Statement of Intent (SOI), and this Annual Report.

Board of directors

Auckland Transport's activities are directed and guided at a strategic level by the Board of Directors. Between six and eight voting directors are appointed by Auckland Council and will generally serve a term of one to three years and then may be re-appointed by Auckland Council for a further three years. Two of those directors may be members of Auckland Council. In addition, one non-voting member is nominated by NZTA.

AT currently has nine board members, two of whom are members of Auckland Council.

The Board has overall responsibility for delivering transport in Auckland; 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 directors are responsible for monitoring the performance of AT, including the health and safety of employees and contractors, and for monitoring the performance of the Chief Executive, who has responsibility for managing AT on a day-to-day basis.

The current AT Board members are:

Richard Leggat – Chair
Appointed 1 February 2024

Mark Darrow – Deputy Chair
Appointed 1 November 2021

Raveen Jaduram
Appointed 1 May 2023

Henare Clarke
Appointed 1 June 2023

Andrew Ritchie
Appointed 9 May 2024

Julie Hardaker
Appointed 2 May 2024

Councillor Andy Baker
Appointed 17 November 2022

Councillor Chris Darby
Appointed 27 July 2023

Richard May
Appointed 1 June 2024
Non-voting member, NZTA representative

The following Board members left the Board in the year under review:

Wayne Donnelly
Appointed 26 September 2016, resigned 31 January 2024

Kylie Clegg
Appointed 1 May 2017, resigned 31 October 2023

Nicole Rosie
Appointed 1 January 2020, resigned 28 May 2024

Directors' profiles

Richard has been a full-time professional director for over 10 years with a range of public sector and private sector roles along with directorships on sports, conservation and iwi boards. Prior to these governance roles he worked in the finance sector for 15 years and prior to that in apparel manufacturing. He was on the board of Waterfront Auckland and then Eke Panuku and currently chairs Westhaven Marina Ltd, so is familiar with Auckland Council process.

He is a keen outdoors person and sportsman having played cricket at provincial level and is a regular cyclist and skier.

Current roles and general disclosure of interests

- Chair – Save the Kiwi
- Chair – Hamilton Waikato Tourism
- Chair – Westhaven Marina Limited
- Trustee – Rakiura Māori Lands Trust
- Member – UCI Ethics Commission
- Director – Trophy Metropolitan Ltd
- Director/Shareholder – Mortleg Ltd
- Director – The Winter Games
- Director – Rakiura Experiences Ltd

Mark Darrow
Deputy Chair

Appointed 1 November 2021

Mark Darrow is an experienced Independent Board Chair and Director with extensive knowledge across many sectors.

Mark is currently Chair of TSB Bank, Armstrong's, Invivo & Co, MTF Finance, and Riverton Dairies Farms and from March 2023 Chairs Inland Revenue's Risk and Assurance Committee. Previous Board roles have included NZTA, Counties Manukau DHB, The Lines Company, Leighs Construction, Primary ITO, Sime Darby NZ, Charlies Group, Trustees Executors, MTA and VTNZ and was seconded to Eke Panuku's Audit and Risk Committee during 2020-21.

He is a Fellow of the New Zealand Institute of Directors, and a Fellow of Charted Accountants Australia and New Zealand.

Current roles and general disclosure of interests

- Chair – Advisory Board of Armstrong's
- Chair – Risk and Assurance Committee of Inland Revenue Department (Te Tari Taake)
- Chair – Invivo & Co Ltd
- Chair – Motor Trade Finance Group
- Chair – Riverton Farms
- Chair – TSB Bank Ltd
- Director – Eastside Holdings Ltd
- Shareholder/Director – Drive Holidays Ltd
- Shareholder – PPM SPV Ltd
- Sharheolder via AOL Nominees Ltd of Auction Online
- Shareholder/Director – MCD Capital Ltd
- Trustee – Tudor Park Trustees Ltd
- Fellow – Chartered Accountants Australia and New Zealand
- Fellow – New Zealand Institute of Directors
- Justice of the Peace of New Zealand

Raveen Jaduram

Appointed 1 May 2023

Raveen Jaduram is a dedicated infrastructure leader, with over 38 years of experience in the water environment and infrastructure. He holds a Bachelor's, Honours and Master's degree in Civil Engineering.

He has also held chief executive and senior roles in private and public sectors in Australia and in New Zealand, most recently Chief Executive of Watercare Services Limited. He has extensive experience in transforming organisations, creating customer value and contributing to community outcomes.

Current roles and general disclosure of interests

- Board Member – New Zealand Infrastructure Commission
- Board Member – Apopo Infrastructure Asset Management Professionals
- Advisory Board member – Institute of Strategic Leadership
- Director – Jaduram Ltd
- Director – Jaduram Investments Ltd
- Director – JN Jaduram Corporation Pte Ltd (Fiji)
- Director – Jaduram Properties Pte Ltd (Fiji)
- Director – Mayim Ltd
- Technical Advisory Group member – Local Water Done Well
- Asian Business Advisory Group member – Auckland Chamber of Commerce

Henare Clarke

Appointed 17 November 2022

Henare Clarke is an experienced general manager with over 40 years' experience in roading construction, road and infrastructure maintenance, and rail infrastructure, more than 30 of which were spent working across the Auckland region.

He is a past General Manager of Higgins Contractors, has held several general management roles at KiwiRail including General Manager Operations and Group General Manager, and spent nine years with Downer Construction in senior regional roles. Henare was on the Board of the Kaikoura Earthquake Rebuild and Not for Profit organisations.

Current roles and general disclosure of interests

- Consultant – Martinus Rail NZ
- Consultant – Ministry for Social Development Trade Training (Carpentry)
- Trustee – Somerville Intermediate
- CEO – Genesis Youth Trust
- Director – Hakuichi Consult Ltd

Andrew Ritchie

Appointed 9 May 2024

Andrew Ritchie has over 30 years experience as a leader in the transport and tourism industries, with focus on public transport as Director of Operations for Ritchies Transport Holdings. He is a former chair of Northland Rugby and currently chairs North Harbour Rentals and Traveller Australia.

Known for his ability to build and nurture relationships across different sectors, he often serves as an advisor on complex issues. Actively involved in the Auckland community, he contributes to local fundraising events, demonstrating his commitment to community welfare. With expertise in long term planning and asset stewardship, he is dedicated to delivering tangible results that positively impact stakeholders and the broader community.

Current roles and general disclosure of interests

- Director/Sharheolder – AGR Ventures Ltd
- Director/Shareholder – Capital Management Ltd
- Director/Sharheolder of: AJR Enterprises Ltd, AJR Finance Ltd, AJR Group Ltd, AJR International Ltd, AJR Investments Ltd, AJR Property Apollo Ltd, AJR Property Vega Ltd, AJR Property Hobsonville Ltd
- Director/Shareholder – Central Landscape Systems Ltd
- Director – Entrada Travel Group Ltd
- Director – Hireworx Cabins (2024) Ltd
- Shareholder – Kings Quarry Ltd
- Director – Liftlink Holdings Ltd
- Director – Matchme Money Ltd
- Director/Shareholder – NHR Group Ltd
- Director/Shareholder – One Cycle Ltd
- Director/Shareholder – Pebblebrook Properties Ltd
- Director – Ritchroll Holdings Ltd
- Director – RTH International Ltd
- Director – Sterling Properties Ltd
- Director – Stray Limited

Julie Hardaker

Appointed 2 May 2024

Julie Hardaker is a practicing lawyer and experienced independent director and chair in a range of public, private and not for profit roles. She is a Chartered Fellow of the Chartered Governance Institute and has first class LLB (Hons) and MMS (Hons) from Waikato University. Julie is currently Deputy Chair of Bay Venues Ltd, Chair of Chartered Governance Institute New Zealand and Women on Boards New Zealand, Chair of Orchestras Central Trust, and trustee of Winston Churchill Memorial Trust.

Julie is the former Mayor of Hamilton, and previous board roles include chair of the Environmental Protection Authority and Heads of Australasian Environmental Protection Authorities.

Current roles and general disclosure of interests

- Director – Julie Hardaker Ltd
- Director/Deputy Chair – Bay Venues Ltd
- Trustee/Chair – Orchestras Central Trust
- Trustee – Winston Churchill Memorial Trust
- Trustee – Common Good Foundation
- Chair – Governance New Zealand Inc
- Chair – Women on Boards
- Chartered Fellow – Chartered Governance Institute of New Zealand

Councillor Andrew Baker

Appointed 17 November 2022

Andy Baker is the Auckland Councillor for the Franklin Ward. He has extensive governance experience having been the Chair of Franklin Local Board of Auckland Council for three terms and Deputy Chair for one. He previously Chaired Regional Civil Defence and Rural Fire Committees, was a Chair of the Auckland District Licensing Committee and was involved in numerous community and sporting organisations.

Prior to becoming an elected member at Auckland Council, Andy worked across various industries and roles including as a police officer, dairy farmer, restaurateur, company director, council road safety co-ordinator and emergency management (civil defence / rural fire) manager.

Current roles and general disclosure of interests

- Franklin Ward Councillor – Auckland Council
- District Licensing Committee Chair/Commissioner – Waikato District Council
- District Licensing Committee Chair/Commissioner – Tauranga City Council

Councillor
Chris Darby

Appointed 27 July 2023

Chris Darby is a Councillor for the North Shore Ward. He is focused on public transport, urban regeneration, and environmental issues.

Chris has been a strong advocate for public transport, cycling and road safety throughout his 19 years as an elected representative. He has advocated for light rail to the North Shore and the elevation of ferry transport.

Councillor Darby chaired the Auckland Council Planning Committee (2016 – 2022) and is currently a council sponsor for the Auckland Light Rail (ALR) project, having been an inaugural director of the ALR Establishment Board.

Prior to becoming an Auckland Councillor, he was chair of the Devonport – Takapuna Local Board (2010 – 2013) and a North Shore City Councillor (2004 – 2010), where he was deputy chair of the Infrastructure Committee and North Shore City Council's representative on the Regional Transport Committee and Northern Corridor Steering Group, overseeing the delivery of the Northern Busway.

Current roles and general disclosure of interests
- Councillor – North Shore ward
- Auckland Council Sponsor – Auckland Light Rail

Richard May

Appointed 1 June 2024

Richard May joined NZTA in May 2018 and has served as Senior Manager Government and Deputy General Manager Te Waka Kōtuia Engagement and Partnerships. He was appointed Chief of Staff in August 2021, and works closely with the Board, Chief Executive and Executive Leadership Team to guide the strategic priorities and partnerships of NZTA.

Prior to joining NZTA, Richard built up extensive experience in the New Zealand Parliament, spending 12 years in various roles including Senior Ministerial Advisor to the Minister of Transport and Defence, and Chief of Staff to a Government support partner.

Current roles and general disclosure of interests
- Chief of Staff – NZTA
- Trustee – Northland Primary School
- Trustee – Motu Foundation

Auckland Transport committees

Design and Delivery Committee
Chair: Raveen Jaduram

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, technology and change programmes and performance, provides oversight and direction to strategy and tactical planning of change and development of the system, and monitors change programmes across the organisation, including benefit realisation.

The DDC reviews and recommends AT's position on all regional and national transport system programmes and projects by NZTA (or any other delivery agency) that affect Auckland's integrated transport system.

Finance and Assurance Committee
Chair: Mark Darrow

The Finance and Assurance Committee (FAC) assists the 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
Chair: Julie Hardaker

The People and Culture Committee (PCC) assists the Board to carry out its governance function as it relates to the safe delivery of AT activities and health, safety and wellbeing of AT staff, partners and customers, remuneration, policy, leadership, capability, succession, employee development, inclusion and diversity, employee engagement and culture.

It provides support and mentorship to the Chief Executive, supports the Board to ensure AT's legal obligations in relation to its people are met, and ensures AT fulfils its Treaty of Waitangi responsibilities by implementing its Māori Engagement Plan and other related initiatives.

Transport Safety Committee
Chair: Henare Clarke

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

Auckland Regional Transport Committee
Chair: Richard Leggat

The purpose of the Regional Transport Committee (RTC) is to fulfil the functions and responsibilities of a regional transport committee under the Land Transport Management Act 2003 (the Act) with respect to the Auckland region. Its members are all the Board of AT (including the NZTA representative) and a non-voting representative from KiwiRail.

The committee is responsible for assisting AT and Auckland Council to jointly prepare the Auckland RLTP and to consult on and adopt for publication, a speed management plan prepared and planned by AT in its capacity as Road Controlling Authority, as required under the Land Transport Rule: Setting of Speed Limits Rule 2022, as amended by the Land Transport Rule: Setting of Speed Limits Amendment 2023.

Governance Board meetings

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

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

Board of directors meeting attendance

	DDC total	FAC total	PCC total	TSC total	RTC total	Total Committee attendance	Total Board attendance	Total meeting attendance
Wayne Donnelly Resigned 31 January 2024	4	3	2	2	0	**11**	**4**	**15**
Richard Leggat – Board Chair	3	2	2	2	3	**12**	**4**	**16**
Mark Darrow – Deputy Board Chair	8	4	4	1	5	**22**	**7**	**29**
Kylie Clegg Retired 31 October 2023	3	2	1	1	1	**8**	**3**	**11**
Raveen Jaduram	8	4	0	2	5	**19**	**8**	**27**
Henare Clarke	7	0	4	4	5	**20**	**6**	**26**
Cr Andrew Baker	8	0	0	0	5	**13**	**8**	**21**
Cr Chris Darby	8	1	0	3	5	**17**	**7**	**24**
Nicole Rosie Retired 28 May 2024	0	0	0	0	0	**0**	**7**	**7**
Mary-Jane Daly – Acting FAC Chair	0	1	0	0	0	**1**	**0**	**1**
Julie Hardaker	0	0	1	0	0	**1**	**1**	**2**
Andrew Ritchie	1	0	0	0	0	**1**	**2**	**3**
Richard May	0	0	0	0	0	**0**	**1**	**1**

Executive Leadership Team

AT's Executive Leadership Team (ELT) deliver on activities as directed and guided at a strategic level by the 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. The year under review was one of significant change in internal structure and governance at AT. A new organisational structure was launched in December 2023.

The current ELT members are:

1. **Dean Kimpton**
   Chief Executive
2. **Mark Laing**
   Chief Financial Officer
3. **Murray Burt**
   Director
   Infrastructure and Place
4. **Stacey van der Putten**
   Director Public Transport
   and Active Modes
5. **Dan Lambert**
   Director Partnerships
   and Engagement
6. **Karen Duffy**
   Director People
   and Performance
7. **Simon Buxton**
   Director Customer and
   Network Performance
8. **Kirstine Jones**
   Executive Officer

Scott Campbell*
Director Strategy
and Governance (acting)

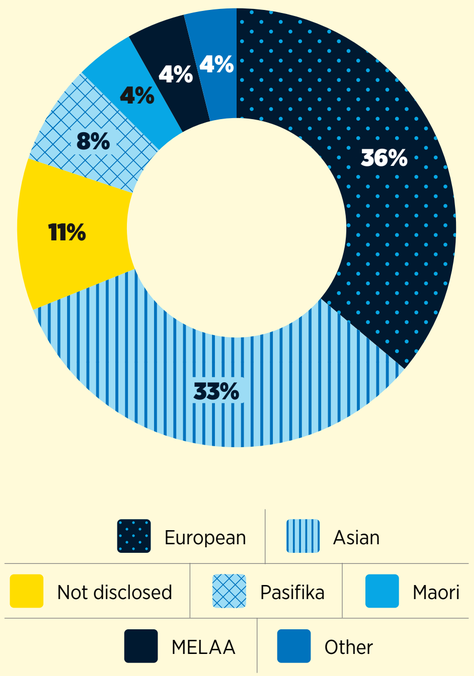
* Not pictured

AT staff

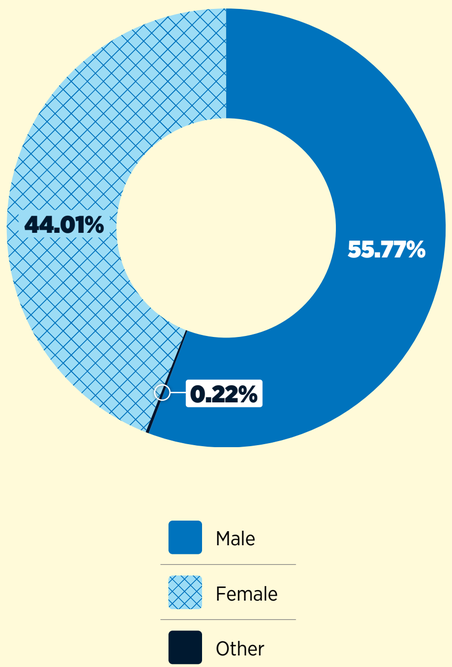
AT is committed to having an inclusive and diverse workforce that reflects the community we serve in Tāmaki Makaurau. We aim to create a thriving, inclusive and high performing culture where everyone can be themselves.

This is reflected in our values:
Auahatanga Better, bolder, together **Whanaungatanga** We connect
Manaakitanga We care, full stop **Tiakitanga** Safe with us.

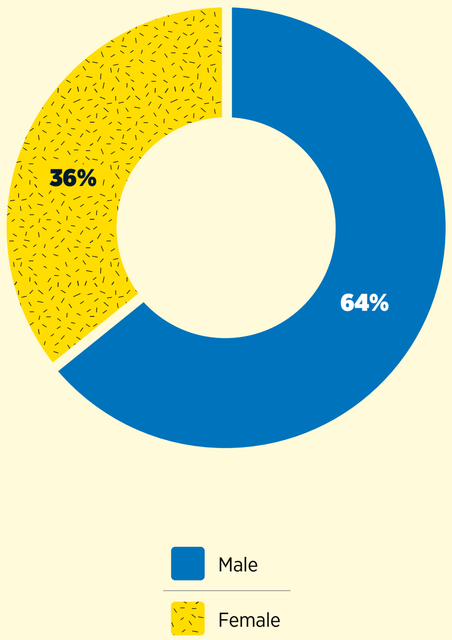
Ethnicity



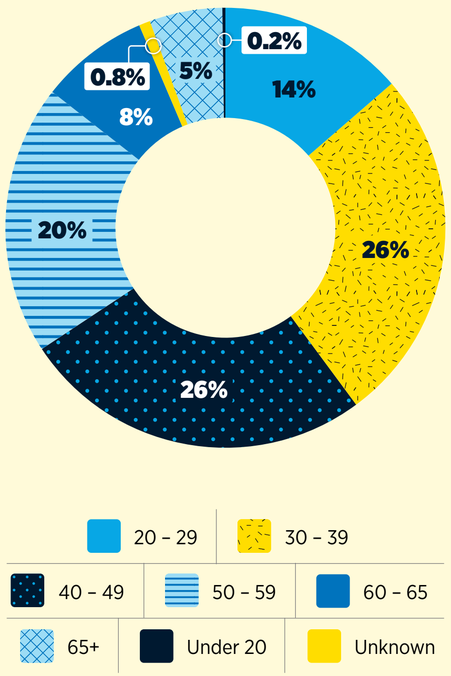
Gender – All employees



Gender – People leaders



Employees by age group



Tiakina te āhua o ngā rangi
Climate disclosure

Climate-related Financial Disclosure

AT produces a Climate-related Financial Disclosure (CFD) under the National Climate Change Response (Zero Carbon) Amendment Act and also provides relevant information for the Auckland Council Group disclosure under the Aotearoa New Zealand Climate Standards (NZ CS).

Our disclosure follows the general outline of the CFD framework and gives an overview of AT's climate-related risks and opportunities, and how these inform our work toward mitigation and resilience. Our climate disclosure supports understanding, accountability, and preparedness for the complexities of climate change, and recognises the link between climate change and financial operations.

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 (more info on members and meetings on page 38-45) 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 Auckland Transport meets its climate-related responsibilities.' The Board receives a monthly dashboard report on all AT risks, including climate risk.

The Board is supported by two committees to meet these requirements:

- The Finance and Assurance Committee (FAC) oversees reporting and management of climate-related risks including climate-related litigation risk.
- The Design and Delivery Committee (DDC) has oversight of climate change, sustainability and environment matters at AT and receives a quarterly 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 the five ambitions within AT's Strategy and Purpose document, which was updated in September 2023.

One outcome of the organisational restructure implemented in December 2023, was the creation of a functional group – Science and Sustainability and the appointment of a Chief Scientist, who has a dotted reporting line to the Chief Executive. The Chief Scientist has a thought leadership role within AT and provides a conduit for information and reporting on the climate-related outcomes and targets to the executive, board and committees.

Critical physical and transition climate risks are integrated into and managed through the organisational risk management system (Active Risk Manager – ARM). This is overseen by the head of Risk and Legal, within the Finance & Corporate Services division. Key Risk Indicators are monitored and reported against quarterly.

Strategy

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

Details on AT's strategic context can be found on page 9-11.

AT's Sustainability Strategy was endorsed by the Board in May 2024. It includes objectives and targets related to sustainability and climate change. This corporate strategic document will be an important part of AT's strategic framework and will be embedded throughout the business.

Five action plans sit under the strategy to provide detail on how the objectives and targets will be met: Hīkina te Wero: Environment Action Plan 2020 – 2030; the AT Sustainable Procurement Action Plan); an Equity Framework (endorsed by the Board in May 2024); a Climate Adaptation Action Plan (in development); and a Climate Change Transition Plan (in development).

The Climate Change Technical Policy was approved in 2024, as an update to the previous Climate Change Adaptation Policy, and drives change through planning, design, construction, maintenance and renewals as well as the environmental and biodiversity impacts of products, services or actions.

Recent amendments specify the GHG emissions calculation methodology for audit purposes.

Risk identification and assessment

AT's climate-related physical risks were assessed in 2021, and transition risks in 2022. Through this risk identification and assessment processes, 170 physical risks and over 40 transition risks were identified. Both physical and transition risks were reviewed again in 2024 to ensure alignment with the Auckland Council Group climate risks, and to ensure continued accuracy of prioritisation and management. The updated risks will be applied in 2024/25.

AT's assets have been assessed for climate risk and work is advanced to understand signals, triggers and thresholds on an asset-by-asset basis. 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:
   - risks to infrastructure from increased rainfall, increasing landslides or higher temperatures
   - risks to levels of service due to higher temperatures or extreme weather events
   - risk to road, surfaces, bridges, seawalls and causeways due to coastal hazards such as sea level rise
2. Non-physical climate transition risks related to a potential failure to effectively manage risks to, and stemming from, AT's partnerships, culture, capability, and operating model. These risks may pose substantial challenges to core functions and ability to support Auckland's climate goals.

AT's Low Emission Bus Roadmap targets the replacement of the existing diesel buses with zero-emissions buses by 2035, subject to funding.

Consistent with this roadmap, at 30 June 2024 there were 180 low emissions buses on Auckland's roads providing public transport services, up from 89 in 2023.

These low emissions buses account for about 13% of total service kilometres by public transport bus services.

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 a key risk in AT organisational risk categories and is separate from Environment risks. The AT Board has approved an overall climate risk and risk appetite – a cautious risk appetite for 'events leading to the failure to appropriately respond to or prepare for the impacts of transition to, adaptation for, and mitigation of climate change'. It has also approved risk appetites for the three subcategories of climate risk: Mitigation – averse; Adaptation – cautious; and Transition – neutral.

Critical physical and transition risks are integrated into and managed via the organisational risk management system (Active Risk Manager – ARM). Key Risk Indicators are monitored and reported against quarterly. This is overseen by the Head of Risk and Legal, within the Finance & Corporate Services division.

Controls and mitigations for physical and transition risks are developing in an ongoing process, and examples include the Climate Change Technical Policy, the development of an entity level Climate Transition Plan, adaptation plans, and the development of signals, triggers and thresholds for all AT assets.

Current and anticipated climate-related impacts

The extreme weather events that caused flooding in early 2023, significantly impacted AT's assets, work programmes and services, leading to road closures, infrastructure damage, disruptions in public transport operations, and flooding in critical facilities. The physical damages included over 2,000 slips, and issues such as bridge washouts, and debris accumulation. The business-as-usual maintenance schedule was put on hold as contractors directed all efforts and resources into dealing with the devastating impact of the storms. Flood recovery works are ongoing and will continue into the next financial year.

By the end of June 2024, AT had spent $200 million addressing sites and communities affected by the weather events since they happened in January and February 2023. This is 51% of the projected total forecast flood recovery cost of $390 million over three years. The programme cost is funded through a combination of NZTA, Local Share and Crown Infrastructure Partners (CIP) funding.

The need to build resilience and reduce transport-generated carbon emissions are important considerations in our planning and delivery of Auckland's transport system. As with safety, central government's approach to emissions has changed, which means we will need to reconsider how we achieve targeted emission reductions under the revised Government Policy Statement on land transport.

Metrics and targets

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

The metrics and targets in this section focus on greenhouse gas (GHG) emissions. AT's emissions fall broadly into two categories:

- **Operational emissions** (44% of AT's total emissions) and
- **Embodied emissions** (56% of AT's total emissions).

Operational emissions targets

AT's Statement of Intent GHG emissions reduction target (against baseline 2018/19)

In 2020, the AT Board adopted a target to reduce 50% of its emissions from corporate activities and assets by 2030 (against baseline 2018/19).

Last year, in 2022/23, AT achieved the original target of 50% reduction in operational emissions against the 2018/19 baseline by 2030 (achieving 59% reduction, see page 35 for details).

Sustainability Strategy operational emissions reduction target (against baseline 2021/22)

Because our original Statement of Intent GHG emissions reduction target has been achieved, a new emissions target has been set, which aligns with AT's Sustainability Strategy 2024.

The new operational emissions target:

- changes the baseline year to 2021/22. This brings consistency of baseline year for targets for all categories and scopes of emissions and ensures our target for reducing operational emissions remains sufficiently ambitious. We note 2021/22 emissions were abnormally low due to Covid-19.
- changes the target year to reduce AT's operational emissions by 50% from 2030 to 2031.
- now includes emissions from public transport (buses and ferries) in our operational emissions boundary, whereas previously these emissions were excluded in that target.

This target is science based, does not currently rely on offsets, and progress is validated by Toitū Envirocare annual verification as per ISO 14064 and aligns with the GHG Protocol.

In 2023/24, AT operational emissions increased by 9% (relative to the baseline 2021/22). The increase is in line with expectations as bus and ferry services rebounded significantly in this period with a 15% increase in public transport service kilometres, reaching passenger numbers last seen before Covid-19. The increase was partially offset by a doubling in the number of low emission buses operating in the fleet – from 89 in 2023 to 180 in 2024, providing more than 13% of total bus service kilometres.

A 41% reduction occurred in the streetlight operational emissions category relative to base year 2021/22 due to continued LED retrofitting of the streetlight network (97% of streetlights have been retrofitted).

In 2023/24 our overall GHG emissions increased by 13% compared with the baseline of 2021/22 (noting 2021/22 emissions were abnormally low due to Covid-19).

This was due to increased delivery of new infrastructure, significant road rehabilitation and flood recovery work. Public transport service kilometres also increased significantly, however emissions from this were partially offset by growing electrification of the bus fleet.

Sustainability Strategy embodied emissions target (against baseline 2021/22).

In February 2023, the AT Board adopted a target to reduce 50% of its embodied greenhouse gas emissions by 2031 (against a baseline of 156,000t CO_2e set in February 2023).

This target baseline was modelled relative to dollar spend value, using the NZTA Project Emissions Estimation Tool (PEET). This tool has been developed specifically for New Zealand road and rail infrastructure. The target is science based, does not currently rely on offsets and is validated by Toitū Envirocare.

Embodied emissions covered by this target come from construction, renewals and maintenance works and the materials used.

Embodied emissions showed reductions against the baseline of 156,000t CO_2e in both 2022/23 (122,851t CO_2e) and 2023/24 (138,379t CO_2e). Embodied emissions increased by 13% relative to the prior year however, because of the additional maintenance and renewal works associated with 2023 flood and cyclone recovery work and the substantial capital programme.

Recently developed carbon budget tools will be implemented in the next year to more closely manage project-related emissions.

GHG Protocol Scope emissions:

Scope 1: 64% reduction against 2021/22 baseline year and 25% decrease from prior year.

Scope 2: 21% reduction against 2021/22 baseline year and 24% increase from prior year.

Scope 3: 2% decrease against 2021/22 baseline (considering board approved embodied emissions baseline 156,000t CO_2e and other scope 3 emissions as per emissions inventory), 14% increase against measured and verified scope 3 inventory for 2021/22, and 12% increase from prior year emissions inventory. The increase against prior year is primarily from embodied emissions and bus and ferry services related emissions.

GHG measurement detail

In 2023/24 AT's greenhouse gas (GHG) emissions have been measured using the ISO 14064-1:2018 standard. This information is retrieved from the AT emissions inventories reports that have been verified by Toitū Envirocare. The inventories used the latest and most appropriate emissions factors available from the Ministry for the Environment (MfE) published in May 2024, back to January 2022. Prior to that period emissions factors from MfE emissions factor guide in August 2022 were used.

An operational control consolidation approach was used to account for emissions.

Numerous business units work together to deliver AT's day-to-day activities. These activities help establish the boundary for AT's GHG emissions in two broad categories – Operational and Embodied, with further business units under each of them. It is along these lines that our emission reduction targets are set in the AT Sustainability Strategy, rather than according to scope 1, 2 or 3.

Operational emission sources include:
Corporate emissions (electricity, natural gas and waste from corporate properties, corporate fleet and travel, work from home, water, wastewater, transmission and distribution losses), public transport and emissions associated with the operation of the road network (streetlights and traffic signal related assets) and parking facilities and assets.

Embodied emission sources include:
Infrastructure projects: Embodied emissions associated with the delivery of the infrastructure construction and maintenance work for AT by third party contractors.

Exclusions:
Scope 3, Category 5 and Category 6 are not reported, either due to exclusion or because emissions sources are not identified for those categories. AT's organisational inventory excludes emissions associated with the following major sources:

- Upstream fuel and energy use for Public Transport services;
- Embodied emissions associated with buses, ferries, trains;
- User and embodied emissions associated with private transport in the Auckland region;
- Emissions associated with the operation of the Great Barrier Island airport, energy, water of properties and buildings leased out to tenants, employee commuting by private transport and office supplies, professional services and other material purchased.

Besides the 'user and embodied emissions attributed to private transport in Auckland region', AT anticipates including other emissions sources listed above in future inventories as available.

Āhua o te pūtea
Financials

Financial statements

Statement of comprehensive revenue and expenditure
for the year ended 30 June 2024

$000	Note	Actual 2024	Budget 2024	Actual 2023
Revenue				
Auckland Council operating funding	1	439,358	439,359	424,909
Auckland Council capital funding	1	459,529	511,990	401,394
NZ Transport Agency Waka Kotahi operating funding	1	489,029	476,653	510,439
NZ Transport Agency Waka Kotahi capital funding	1	542,569	481,000	431,286
Other capital grants	1	40,941	65,000	9,510
Other revenue	1	723,782	600,364	610,375
Finance revenue	2	2,816	-	4,100
Total revenue		**2,698,024**	**2,574,366**	**2,392,013**
Expenditure				
Personnel costs	3	167,409	173,145	177,142
Depreciation and amortisation	5,6	533,393	552,450	526,689
Finance costs	2	25,712	28,086	25,056
Other expenses	4	1,068,433	1,031,955	981,088
Total expenditure		**1,794,947**	**1,785,636**	**1,709,975**
Surplus before tax		**903,077**	**788,730**	**682,038**
Income tax benefit/(expense)		-	-	-
Surplus after tax		**903,077**	**788,730**	**682,038**
Other comprehensive revenue and expenditure				
Net gain/(loss) on revaluation of property, plant and equipment	15	(103,389)	-	53,076
Other comprehensive revenue and expenditure		**(103,389)**	**-**	**53,076**
Total comprehensive revenue and expenditure		**799,688**	**788,730**	**735,114**

Richard Leggat, Chair
29 August 2024

Mark Darrow, Finance and Assurance Committee Chair
29 August 2024

The accompanying notes form part of these financial statements.

Statement of financial position
as at 30 June 2024

$000	Note	Actual 2024	Budget 2024	Actual 2023
Assets				
Current assets				
Cash and cash equivalents	10	23,228	4,978	4,978
Receivables	11	726,239	643,379	643,379
Inventories	12	12,925	12,040	12,040
Other assets		11,676	13,537	13,537
Non-current assets held for distribution to owner and sale	7	123,335	1,451	1,451
Derivative financial instruments	8	3	514	514
Total current assets		**897,406**	**675,899**	**675,899**
Non-current assets				
Property, plant and equipment	5	27,709,597	27,815,824	27,035,284
Intangible assets	6	145,463	164,829	164,829
Derivative financial instruments	8	-	372	372
Total non-current assets		**27,855,060**	**27,981,025**	**27,200,485**
Total assets		**28,752,466**	**28,656,924**	**27,876,384**
Liabilities				
Current liabilities				
Payables and accruals	13	406,522	331,248	331,248
Employee entitlements	14	19,185	19,051	19,051
Derivative financial instruments	8	4,890	-	-
Provisions		269	5,229	5,229
Borrowings	9	12,148	11,243	11,243
Total current liabilities		**443,014**	**366,771**	**366,771**
Non-current liabilities				
Payables and accruals	13	-	264	264
Employee entitlements	14	282	290	290
Derivative financial instruments	8	569	294	294
Borrowings	9	449,817	451,784	459,974
Total non-current liabilities		**450,668**	**452,632**	**460,822**
Total liabilities		**893,682**	**819,403**	**827,593**
Net assets		**27,858,784**	**27,837,521**	**27,048,791**
Equity				
Contributed capital		13,282,546	13,272,241	13,272,241
Accumulated funds		6,428,845	6,314,498	5,525,768
Other reserves		8,147,393	8,250,782	8,250,782
Total equity	**15**	**27,858,784**	**27,837,521**	**27,048,791**

The accompanying notes form part of these financial statements.

Statement of changes in equity
for the year ended 30 June 2024

$000	Note	Contributed capital	Accumulated funds	Other reserves	Total equity	Budget
Balance as at 1 July 2023		**13,272,241**	**5,525,768**	**8,250,782**	**27,048,791**	**27,048,791**
Surplus after tax		-	903,077	-	903,077	788,730
Other comprehensive revenue and expenditure		-	-	(103,389)	(103,389)	-
Total comprehensive revenue and expenditure		**-**	**903,077**	**(103,389)**	**799,688**	**788,730**
Equity Contributions from Auckland Council via Long-term asset transfer		10,305	-	-	10,305	-
Balance as at 30 June 2024	**15**	**13,282,546**	**6,428,845**	**8,147,393**	**27,858,784**	**27,837,521**
Balance as at 1 July 2022		**13,220,520**	**4,836,173**	**8,205,263**	**26,261,956**	**26,261,956**
Surplus after tax		-	682,038	-	682,038	692,801
Other comprehensive revenue and expenditure		-	-	53,076	53,076	-
Total comprehensive revenue and expenditure		**-**	**682,038**	**53,076**	**735,114**	**692,801**
Equity Contributions from Auckland Council via Long-term asset transfer		51,721	-	-	51,721	-
Transfer from asset revaluation reserve on disposal of property		-	7,557	(7,557)	-	-
Balance as at 30 June 2023	**15**	**13,272,241**	**5,525,768**	**8,250,782**	**27,048,791**	**26,954,757**

The accompanying notes form part of these financial statements.

Statement of cash flows
for the year ended 30 June 2024

$000	Note	Actual 2024	Budget 2024	Actual 2023
Cash flows from operating activities				
Cash provided from				
Revenue from activities		329,084	325,364	254,011
Auckland Council operating funding		439,358	439,359	424,909
Auckland Council capital funding		363,904	511,990	389,591
NZ Transport Agency Waka Kotahi operating funding		488,276	476,653	508,484
NZ Transport Agency Waka Kotahi capital funding		559,776	481,000	383,234
Other capital grants		50,150	65,000	1,219
Interest received		2,816	-	1,065
Total cash provided		**2,233,365**	**2,299,366**	**1,962,513**
Cash applied to				
Payments to suppliers and employees		1,183,559	1,205,100	1,104,426
Interest paid		19,644	28,086	25,259
Goods and services tax (net)		9,670	-	295
Total cash applied		**1,212,873**	**1,233,186**	**1,129,980**
Net cash from operating activities	25	**1,020,492**	**1,066,180**	**832,533**
Cash flows from investing activities				
Cash provided from				
Sale of property, plant and equipment		200	-	1,283
Cash applied to				
Purchase of property, plant and equipment and intangibles		991,155	1,057,990	824,376
Net cash applied to investing activities		**(990,955)**	**(1,057,990)**	**(823,093)**
Cash flows from financing activities				
Cash applied to				
Repayment of loan from Auckland Council		10,171	8,190	7,789
Payment of finance leases		1,116	-	1,063
Total cash applied		**11,287**	**8,190**	**8,852**
Net cash applied to financing activities		**(11,287)**	**(8,190)**	**(8,852)**
Net increase in cash and cash equivalents		**18,250**	**-**	**588**
Opening cash and cash equivalents		4,978	4,978	4,390
Closing cash and cash equivalents	10	**23,228**	**4,978**	**4,978**

The accompanying notes form part of these financial statements.

Summary of capital expenditure
for the year ended 30 June 2024

$000	Actual 2024	Budget 2024	Actual 2023
New capital expenditure			
Roads	377,089	361,037	277,032
Public transport	318,741	375,015	283,388
Parking	2,189	2,225	1,692
Other	42,168	32,095	48,531
Total new capital expenditure	**740,187**	**770,372**	**610,643**
Renewal capital expenditure			
Roads	268,527	254,860	211,256
Public transport	29,834	28,318	23,473
Parking	4,491	4,440	905
Total renewal capital expenditure	**302,852**	**287,618**	**235,634**
Total capital expenditure	**1,043,039**	**1,057,990**	**846,277**
Capital funding			
Auckland Council capital funding	459,529	511,990	401,394
NZ Transport Agency Waka Kotahi capital funding - new	411,152	351,740	326,352
NZ Transport Agency Waka Kotahi capital funding - renewal	131,417	129,260	104,934
Other capital grants	40,941	65,000	9,510
Auckland Council capital funding through equity	-	-	4,087
Total capital funding	**1,043,039**	**1,057,990**	**846,277**

Notes to the financial statements

Basis of reporting

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

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

The financial statements are for the year ended 30 June 2024 and are authorised for issue by the Board of Auckland Transport on 29 August 2024. Neither Auckland Council nor Auckland Transport's Board have the power to amend the financial statements once adopted.

Statement of compliance

The financial statements of Auckland Transport 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

Auckland Transport receives funding from Auckland Council, NZ Tranport Agency Waka Kotahi (NZTA) and other government organisations to deliver the agreed annual operational and capital programmes within Auckland Transport's Statement of Intent and Auckland Council's Long-term Plan (LTP).

Borrowings from Auckland Council are set out in Note 9 and are supported by schedules of repayments determined from the credit facility agreement between Auckland Transport and Auckland Council.

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

Based on the funding set out in the recently approved Auckland Council Long-term Plan 2024-2034 and NZTA's National Land Transport Programme, Auckland Transport receives sufficient 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 (NZD), which is Auckland Transport's functional currency, and have been rounded to the nearest thousand unless otherwise stated.

Foreign currency translation

Auckland Transport 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 Auckland Transport's Statement of Intent 2022/23-2024/25, adopted by Auckland Transport's Board on 30 June 2023.

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in property, plant and equipment (Note 5) and provision for impairment of receivables (Note 11).

Critical judgement in applying accounting policies
In 2019/20 Auckland Transport entered into an agreement with Kiwirail Holdings Ltd (Kiwirail) for Rail Network Growth Impact Management services (RNGIM). The purpose of this agreement is to allow KiwiRail to access National Land Transport Programme (NLTP) funding to fund below rail 'catch-up renewals' and new maintenance approaches on the Auckland Metro Rail Network. Auckland Transport, as an Approved Organisation for the purposes of the Land Transport Management Act at the time, agreed to apply for NLTP funding and be the conduit for Kiwirail's share of the funding. Under the arrangement, Kiwirail is delivering the RNGIM programme as part of their primary function; the financial risks and rewards of the agreement are held by NZ Transport Agency Waka Kotahi and Kiwirail; and Auckland Transport does not have discretion or control in any decision making processes. Auckland Transport has therefore classified this agreement as an agency transaction. No separate revenue and expense are recognised in Auckland Transport's financial statements in relation to Kiwirail's share of the funding.

Change in accounting policy

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

Implementation of new and amended standards

2022 Omnibus Amendments to PBE Standards, issued June 2022
The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. Auckland Transport has adopted the revised PBE standards, and the adoption did not result in a significant impact on Auckland Transport financial statements.

Disclosure of Fees for Audit Firms' Services – (Amendments to PBE IPSAS 1)
Disclosure of Fees for Audit Firms' Services (the amending Standard) was issued in May 2023. This amending standard updates the required disclosures for fees relating to services provided by the entity's audit or review firm. The fees must be disaggregated into specified categories and there is guidance to assist entities in determining the types of services to include in each category. This amending standard is effective for reporting periods beginning on or after 1 January 2024 with early adoption permitted. Auckland Transport has early adopted the amendment (refer to Note 4), and the adoption did not result in a significant impact on Auckland Transport financial statements.

Standards issued and not yet effective

Auckland Transport will adopt the following accounting standard in the reporting period after the effective date.

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. Auckland Transport has not assessed the effect of the new standard in detail.

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

The notes included in this section are as follows:

1. Revenue
2. Finance revenue and finance costs
3. Personnel costs
4. Other expenses

1 Revenue

Accounting policy

Auckland Transport receives its revenue from exchange and non-exchange transactions. Exchange transaction revenue arises when an entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Exchange revenue includes parking fees.

Non-exchange transaction revenue arises from transactions without an exchange of approximately equal value. Non-exchange revenue includes grants, vested assets and fares partially funded by rates.

Auckland Transport measures revenue at the fair value of the amounts received or receivable, net of discounts, duties and taxes paid. Revenue is recognised when billed or earned on an accrual basis.

Auckland Transport receives revenue from the following sources:

Type	Recognition and measurement
Non-exchange revenue	
Auckland Council operating and capital funding	Auckland Transport 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 Auckland Transport Statement of Intent as agreed between Auckland Transport and Auckland Council.
NZ Transport Agency Waka Kotahi (NZTA) operating and capital funding	Auckland Transport receives government grants from NZTA, which subsidise part of Auckland Transport'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)	Auckland Transport 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 Auckland Transport and is measured at the fair value of the asset received, unless there is a use or return condition attached to the asset.

1 Revenue (continued)

Accounting policy (continued)	
Licenses and permit revenue	Revenue is recognised on approval of application.
Rental revenue	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.
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.
Exchange revenue	
Parking revenue	Revenue is recognised when billed or earned on an accrual basis.

$000	Actual 2024	Actual 2023
Auckland Council operating funding	**439,358**	**424,909**
Auckland Council capital funding	**459,529**	**401,394**
NZ Transport Agency Waka Kotahi operating funding	**489,029**	**510,439**
NZ Transport Agency Waka Kotahi capital funding	**542,569**	**431,286**
Other capital grants	**40,941**	**9,510**
Other revenue		
Revenue from non-exchange transactions		
Public transport revenue	186,714	114,757
Enforcement revenue	63,067	48,557
Other operating grants	7,962	8,332
Vested asset revenue	390,797	366,171
Gain on disposal of property, plant and equipment	200	1,097
Other revenue	29,801	30,567
Total other revenue from non-exchange transactions	678,541	569,481
Revenue from exchange transactions		
Parking revenue	45,241	40,894
Total other revenue	**723,782**	**610,375**
Total revenue (excluding finance revenue)	**2,695,208**	**2,387,913**

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.

$000	Actual 2024	Actual 2023
Finance revenue		
Interest revenue	2,816	1,065
Unrealised gain on forward foreign exchange contracts - not hedge accounted	-	3,035
Total finance revenue	**2,816**	**4,100**
Finance costs		
Interest expense	19,664	25,056
Unrealised loss on forward foreign exchange contracts - not hedge accounted	6,048	-
Total finance costs	**25,712**	**25,056**

3 Personnel costs

$000	Actual 2024	Actual 2023
Salaries and wages	203,710	208,476
Less salaries and wages capitalised to property, plant and equipment, and intangibles	(45,361)	(47,950)
Defined contribution plan employer contributions	5,376	5,425
Other employee related costs	3,507	10,735
Movement in employee entitlements	177	456
Total personnel costs	**167,409**	**177,142**

Employer contributions to defined contribution plans include contributions to KiwiSaver and 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, Auckland Transport 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.

$000	Actual 2024	Actual 2023
Fees to principal auditor		
Financial statements audit	737	729
Review engagement	59	54
Public transport operations	678,428	605,730
Roading network	129,224	151,572
Operating lease payments	118,167	105,738
Loss on disposal of property, plant and equipment and intangible assets	20,248	3,567
Write-off of capital works	12,316	15,543
Impairment of receivables	3,391	3,880
Directors' fees	440	468
Other operating expenses	105,423	93,809
Total other expenses	**1,068,433**	**981,090**

4 Other expenses (continued)

January/February 2023 adverse weather events expenditure and revenue

Auckland Transport has had the following costs and funding as a result of the adverse whether events in late January 2023 and Cyclone Gabrielle in February 2023:

- $11 million of operational costs.
- $127 million of capital infrastructure costs.
- $88 million of funding from NZTA based on an enhanced adverse weather funding assistance rates (initially 91%, subsequently reduced to 71%).
- $25 million of funding from Crown Infrastructure Partners.

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

The notes included in this section are as follows:

5. Property, plant and equipment
6. Intangible assets
7. Non-current assets held for distribution to owner and sale

5 Property, plant and equipment

Accounting policy

Property, plant and equipment consists of:

Operational

Type	Description	Estimated useful life (years)
Land	Land held for rail purposes and 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 Auckland Transport 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
Leasehold improvements	Auckland Transport leased offices fitouts.	9 to 15
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.	2 to 20
Boats and engines	Boats used by the harbourmaster in managing the waterways.	7 to 15
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
Furniture and fittings	Furniture includes desks, chairs and other fittings used in Auckland Transport offices.	8 to 15

5 Property, plant and equipment (continued)

Accounting policy (continued)

Operational

Type	Description	Estimated useful life (years)
Computer hardware	Laptops, screens, servers and other physical IT equipment.	4 to 15
Computer hardware – finance lease	Finance lease for IT equipment.	5
Wharves	Wharves used to provide public transport via ferries.	10 to 100
Bus stations and shelters	Stations and shelters for users of bus services at bus stops and busways.	18 to 60
Train stations	Stations for train users.	9 to 100

Infrastructure

Type	Description	Estimated useful life (years)
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 street lights.	Roads: 5 to 100 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

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.

5 Property, plant and equipment (continued)

Accounting policy (continued)

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
Auckland Transport 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.

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

5 Property, plant and equipment (continued)

Accounting policy (continued)

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.

Computer hardware – finance lease

The net carrying amount of plant and equipment held under finance leases is $4.1 million (2023: $2.9 million). Refer to Note 21 for further information.

No property, plant and equipment is pledged as security for liabilities (2023: nil).

Auckland Council-owned property, plant and equipment

Property, plant and equipment in the legal name of Auckland Council (the council) that Auckland Transport has control over is recognised as an asset in the statement of financial position. Auckland Transport 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.

5 Property, plant and equipment (continued)

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

- 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.
- Roads and formation - includes land under roads, 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
Under the Local Government (Auckland Council) Act 2009 paragraph 48 section 2, Auckland Transport must inform the council, in writing, of its decision to dispose of land not required for a road under Section 345 of the Local Government Act 1974, and the council must dispose of the land in accordance with the requirements of the Local Government Act 1974.

Acquisition
Under the Local Government (Auckland Council) Act 2009 paragraph 48 section 4, Auckland Transport must inform the council, in writing, of its decision to apply for compulsory acquisition of any land, or the deemed agreement, as the case may be, and any land taken or acquired as a result will be legally vested in the council but will be recognised in Auckland Transport's financial statements.

5 Property, plant and equipment (continued)

	Opening balance			Movement						Closing balance		
$000	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Impairment / write-off charges	Depreciation	Revaluation surplus / (loss)	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount
2024												
Operational												
Land	750,791	-	750,791	-	(116,000)	15	-	-	(84,428)	550,378	-	550,378
Land - finance lease	29,440	-	29,440	-	-	-	-	-	-	29,440	-	29,440
Properties held for roading purposes	435,191	-	435,191	-	(378)	33,190	-	-	-	468,003	-	468,003
Buildings	193,899	(6,532)	187,367	-	(5,884)	1,193	-	(6,513)	(18,961)	157,202	-	157,202
Leasehold improvements	14,743	(5,494)	9,249	-	-	-	-	(681)	-	14,743	(6,175)	8,568
Rolling stock	592,218	(20,732)	571,486	-	-	2,279	-	(20,742)	-	594,497	(41,474)	553,023
Motor vehicles	5,099	(1,447)	3,652	-	-	12	-	(456)	-	5,112	(1,904)	3,208
Boats and engines	1,215	(649)	566	-	-	2,242	-	(141)	-	3,457	(790)	2,667
Computer hardware	49,967	(24,022)	25,945	-	-	10,204	-	(11,642)	-	60,171	(35,664)	24,507
Furniture and fittings	9,168	(4,881)	4,287	-	-	-	-	(820)	-	9,168	(5,701)	3,467
Plant and equipment	41,326	(22,099)	19,227	-	-	6,078	-	(3,791)	-	47,405	(25,891)	21,514
Wharves	250,913	-	250,913	-	-	11,875	-	(4,683)	-	262,787	(4,682)	258,105
Bus stations and shelters	148,030	-	148,030	-	-	3,844	-	(6,907)	-	151,874	(6,907)	144,967
Train stations	795,227	-	795,227	-	-	2,576	-	(17,198)	-	797,803	(17,198)	780,605
Computer hardware - finance lease	5,336	(2,582)	2,754	2,035	-	-	-	(1,101)	-	7,371	(3,683)	3,688
	3,322,563	**(88,438)**	**3,234,125**	**2,035**	**(122,262)**	**73,508**	**-**	**(74,675)**	**(103,389)**	**3,159,411**	**(150,069)**	**3,009,342**
Infrastructural												
Land	7,380,184	-	7,380,184	-	-	295,696	-	-	-	7,675,880	-	7,675,880
Roads and formation	15,849,014	(424,048)	15,424,966	10,400	(620)	688,243	-	(424,095)		16,547,036	(848,142)	15,698,894
Street gardens	60,768	(31,741)	29,027	903	-	6,084	-	(5,748)	-	67,755	(37,489)	30,266
	23,289,966	**(455,789)**	**22,834,177**	**11,303**	**(620)**	**990,023**	**-**	**(429,843)**	**-**	**24,290,671**	**(885,631)**	**23,405,040**
Work in progress	966,982	-	966,982	1,400,734	-	(1,063,531)	(8,970)	-	-	1,295,215	-	1,295,215
Total property, plant and equipment	**27,579,511**	**(544,227)**	**27,035,284**	**1,414,072**	**(122,882)**	**-**	**(8,970)**	**(504,518)**	**(103,389)**	**28,745,297**	**(1,035,700)**	**27,709,597**

Operational land and buildings disposal primarily related to the downtown carpark reclassified to held for distribution to owner. Refer to Note 7.

5 Property, plant and equipment (continued)

	Opening balance			Movement						Closing balance		
$000	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Impairment / write-off charges	Depreciation	Revaluation surplus / (loss)	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount
2023												
Operational												
Land	757,327	-	757,327	-	(6,543)	7	-	-	-	750,791	-	750,791
Land - finance lease	25,800	-	25,800	-	-	-	-	-	3,640	29,440	-	29,440
Properties held for roading purposes	365,613	-	365,613	-	(1,924)	71,502	-	-	-	435,191	-	435,191
Buildings	193,339	-	193,339	-	-	560	-	(6,532)	-	193,899	(6,532)	187,367
Leasehold improvements	14,743	(4,813)	9,930	-	-	-	-	(681)	-	14,743	(5,494)	9,249
Rolling stock	592,159	-	592,159	-	-	265	-	(20,938)	-	592,218	(20,732)	571,486
Motor vehicles	5,272	(1,302)	3,970	157	(28)	-	-	(448)	-	5,099	(1,447)	3,652
Boats and engines	1,460	(761)	699	-	(22)	87	-	(197)	-	1,215	(649)	566
Computer hardware	85,814	(66,830)	18,984	-	8	19,995	-	(13,042)	-	49,967	(24,022)	25,945
Furniture and fittings	9,455	(4,346)	5,109	-	-	-	-	(822)	-	9,168	(4,881)	4,287
Plant and equipment	75,809	(53,402)	22,407	-	-	1,059	-	(4,240)	-	41,326	(22,099)	19,227
Wharves	214,118	(10,189)	203,929	-	-	15,695	-	(5,753)	37,042	250,913	-	250,913
Bus stations and shelters	135,074	(11,008)	124,066	-	-	12,341	-	(6,196)	17,819	148,030	-	148,030
Train stations	864,596	(45,485)	819,111	-	-	5,606	-	(24,066)	(5,425)	795,227	-	795,227
Computer hardware - finance lease	5,336	(1,549)	3,787	-	-	-	-	(1,033)	-	5,336	(2,582)	2,754
	3,345,915	**(199,685)**	**3,146,230**	**157**	**(8,509)**	**127,117**	**-**	**(83,948)**	**53,076**	**3,322,563**	**(88,438)**	**3,234,125**
Infrastructural												
Land	7,090,528	-	7,090,528	-	(160)	289,817	-	-	-	7,380,184	-	7,380,184
Roads and formation	15,267,964	(13,034)	15,254,930	56,095	(3,552)	528,823	-	(411,329)	-	15,849,014	(424,048)	15,424,966
Street gardens	59,953	(26,816)	33,137	6	-	1,080	-	(5,196)	-	60,768	(31,741)	29,027
	22,418,445	**(39,850)**	**22,378,595**	**56,101**	**(3,712)**	**819,720**	**-**	**(416,525)**	**-**	**23,289,966**	**(455,789)**	**22,834,177**
Work in progress	744,218	-	744,218	1,184,563	-	(946,837)	(14,960)	-	-	966,982	-	966,982
Total property, plant and equipment	**26,508,578**	**(239,535)**	**26,269,043**	**1,240,821**	**(12,221)**	**-**	**(14,960)**	**(500,473)**	**53,076**	**27,579,511**	**(544,227)**	**27,035,284**

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	30 June 2022	Depreciated replacement cost	PEACS Limited

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

5 Property, plant and equipment (continued)

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 for road construction have been used. Where current contracted unit rate information is unavailable, the most recent rates have been adjusted for inflation.
- Assumptions on the remaining useful life for asset depreciation: These assumptions are based on the asset's age, current condition, and its projected future service potential. For roading assets, these assumptions can be influenced by local factors such as ground type, weather patterns and road usage.
- Rolling stock consists of electric train units.
- 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.

5 Property, plant and equipment (continued)

Work in progress by asset class

$000	Actual 2024	Actual 2023
Operational		
Land	65,788	68,250
Rolling stock	91,448	51,539
Wharves	121,869	57,749
Bus stations and shelters	59,976	54,965
Train stations	15,980	23,199
Infrastructure		
Roads and formation	940,154	711,280
Total work in progress	**1,295,215**	**966,982**

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.

6 Intangible assets (continued)

Accounting policy (continued)

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 Auckland Transport on establishment and Auckland Transport's contribution to the costs of constructing railway tracks. The access rights are owned by KiwiRail but Auckland Transport 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 Auckland Transport, 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	14 to 85
Computer software	4 to 10
Designations	Indefinite

There are no restrictions over the title of Auckland Transport's intangible assets, nor are any intangible assets pledged as security for liabilities (2023: $nil)

6 Intangible assets (continued)

	Opening balance			Movement					Closing balance		
$000	Cost	Accumulated amortisation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Impairment write-off charges	Amortisation	Cost	Accumulated amortisation and impairment charges	Carrying amount
2024											
Software	149,341	(89,800)	59,541	-	-	49,042	-	(28,142)	198,383	(117,942)	80,441
Designations	399	-	399	-	-	-	-	-	399	-	399
Access rights	67,942	(6,841)	61,101	-	(20,248)	-	-	(733)	47,693	(7,573)	40,120
	217,682	**(96,641)**	**121,041**	**-**	**(20,248)**	**49,042**	**-**	**(28,875)**	**246,475**	**(125,515)**	**120,960**
Work in progress	43,788	-	43,788	33,102	-	(49,042)	(3,345)	-	24,503	-	24,503
Total intangible assets	**261,470**	**(96,641)**	**164,829**	**33,102**	**(20,248)**	**-**	**(3,345)**	**(28,875)**	**270,978**	**(125,515)**	**145,463**

	Opening balance			Movement					Closing balance		
$000	Cost	Accumulated amortisation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Impairment write-off charges	Amortisation	Cost	Accumulated amortisation and impairment charges	Carrying amount
2023											
Software	258,097	(196,969)	61,128	-	-	23,896	-	(25,484)	149,341	(89,800)	59,541
Designations	399	-	399	-	-	-	-	-	399	-	399
Access rights	67,941	(6,109)	61,832	-	-	-	-	(732)	67,942	(6,841)	61,101
	326,437	**(203,078)**	**123,359**	**-**	**-**	**23,896**	**-**	**(26,216)**	**217,682**	**(96,641)**	**121,041**
Work in progress	40,382	-	40,382	27,885	-	(23,896)	(583)	-	43,788	-	43,788
Total intangible assets	**366,819**	**(203,078)**	**163,741**	**27,885**	**-**	**-**	**(583)**	**(26,216)**	**261,470**	**(96,641)**	**164,829**

7 Non-current assets held for distribution to owner and sale

Accounting policy

Non-current assets are classified as held for distribution to owner and sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are measured at the lower of their carrying amount and fair value less costs to sell, and they are not depreciated. Impairment losses, if any, for write-downs of non-current assets held for sale are recognised in surplus or deficit. Any increase in fair value (less cost to sell) is recognised up to the level of any impairment losses that have been previously recognised.

$000	Actual 2024	Actual 2023
Downtown carpark held for distribution to owner:		
Land	116,000	-
Building	5,884	-
Diesel train spare parts held for sale	1,451	1,451
Total non-current asset held for distribution to owner and sale	**123,335**	**1,451**

The Downtown Carpark has been classified as a non-current asset held for distribution to the owner, in anticipation of its transfer to Auckland Council for sale in the 2024/25 financial year. The transfer is expected to take place in April 2025. Although the property is legally owned by Auckland Council, it is included as an Auckland Transport asset to reflect the operational risks and rewards of ownership. Auckland Transport is not involved in the sale of the Downtown Carpark.

The accumulated property revaluation reserve recognised in equity for the Downtown carkpark at 30 June 2024 is $70.9 million.

This section provides details of Auckland Transport 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:

8. Derivative financial instruments
9. Borrowings and other financial liabilities

8 Derivative financial instruments

Accounting policy

Auckland Transport uses derivative financial instruments to hedge or mitigate risks associated with foreign currency and interest rate fluctuations. In accordance with the treasury policy, Auckland Transport 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 are 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.

$000	Actual 2024	Actual 2023
Current asset portion		
Forward foreign exchange contracts	3	514
Non-current asset portion		
Forward foreign exchange contracts	-	372
Current liability portion		
Forward foreign exchange contracts	4,890	-
Non-current liability portion		
Forward foreign exchange contracts	569	294

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.

8 Derivative financial instruments (continued)

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges is New Zealand dollar $198.1 million (2023: $204.5 million). The foreign currency principal amount is Euro 108.3 million (2023: Euro 114.8 million).

9 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.

$000	Actual 2024	Actual 2023
Current portion		
Finance lease	1,447	1,072
Loans from Auckland Council	10,701	10,171
Total current borrowings	**12,148**	**11,243**
Non-current portion		
Finance lease	2,355	1,811
Loans from Auckland Council	447,462	458,163
Total non-current borrowings	**449,817**	**459,974**
Total borrowings	**461,965**	**471,217**

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

Auckland Transport's 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.

9 Borrowings and other financial liabilities (continued)

Loans from Auckland Council
Auckland Transport's loans from Auckland Council is $458.2 million as at 30 June 2024 (2023: $468.3 million). The interest rate on the loans from Auckland Council as at 30 June 2024 is 4.80% (2023: 4.54%).

Two loan facilities have been drawn down and will be repaid against a schedule of repayments. The first loan of $373.6 million (2023: $383.0 million) has a final repayment date of 21 November 2046 and the second loan of $84.5 million (2023: $85.4 million) has a final repayment date of 27 March 2062.

The fair value of these loans is $453.7 million (2023: $460.8 million). The fair value reflects the present value of expected future cash flows, which have been discounted at a market yield of 5.82% (2023: 6.22%).

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 $3.8 million (2023: $2.8 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% (2023: 1%).

This section provides information about the operating assets and liabilities available to Auckland Transport's day-to-day activities.

This section also contains analysis of the equity of Auckland Transport.

The notes included in this section are as follows:

10. Cash and cash equivalents
11. Receivables
12. Inventories
13. Payables and accruals
14. Employee entitlements
15. Equity

10 Cash and cash equivalents

Accounting policy

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

$000	Actual 2024	Actual 2023
Cash at bank	23,010	4,763
Till floats	218	215
Total cash and cash equivalents	**23,228**	**4,978**

It is a legal requirement to hold retention money separately to ensure that subcontractors are proected and that retention funds are not misused or mixed with other funds. In previous years, Auckland Council held the retention fund on behalf of Auckland Transport, however, starting from October 2023, Auckland Transport manages its own retention fund. An amount of $22.1 milion was transferred to Auckland Transport's retention bank control account in October 2023. As at 30 June 2024, the cash at bank balance includes a retention fund of $18.1 million.

11 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, Auckland Transport applies the simplified approach and record lifetime expected credit loss (ECL) on receivables. Lifetime ECL results from all possible default events over the expected life of a receivable.

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

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

11 Receivables (continued)

$000	Actual 2024	Actual 2023
Receivables from non-exchange transactions		
Current portion		
Trade debtors	9,085	16,967
Infringements receivable	58,043	52,500
Amounts due from related parties	556,271	462,003
Accrued revenue	123,846	137,444
Goods and services tax	7,778	-
	755,023	**668,914**
Less provision for impairment of receivables	(28,784)	(25,535)
Total current receivables	**726,239**	**643,379**

The carrying value of receivables approximates their fair value.

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:

$000	Gross	Impaired	Net
2024			
Not past due	685,476	-	685,476
Past due 1 - 30 days	4,182	-	4,182
Past due 31 - 60 days	3,776	-	3,776
Past due 61 - 90 days	2,769	-	2,769
Past due > 90 days	51,042	(28,784)	22,258
	747,245	**(28,784)**	**718,461**

11 Receivables (continued)

$000	Gross	Impaired	Net
2023			
Not past due	611,631	-	611,631
Past due 1 - 30 days	6,234	-	6,234
Past due 31 - 60 days	5,212	-	5,212
Past due 61 - 90 days	3,247	-	3,247
Past due > 90 days	42,590	(25,535)	17,055
	668,914	**(25,535)**	**643,379**

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:

$000	Actual 2024	Actual 2023
Balance at 1 July	25,535	21,844
Additional provisions made	3,391	3,880
Provisions reversed	(38)	(125)
Provisions relating to receivables written-off	(104)	(64)
Balance at 30 June	**28,784**	**25,535**

12 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.

$000	Actual 2024	Actual 2023
Spare parts for electric trains	12,925	12,022
Others	-	18
Total inventories	**12,925**	**12,040**

Auckland Transport does not pledge any inventory as collateral for liabilities during the year. (2023: $nil).

13 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.

13 Payables and accruals (continued)

$000	Actual 2024	Actual 2023
Current portion		
Payables under exchange transactions		
Creditors	112,069	107,340
Accrued expenses	274,139	206,619
Total payables under exchange transactions	**386,208**	**313,959**
Payables under non-exchange transactions		
Amounts due to related parties	16,616	14,775
Revenue in advance	3,698	622
Goods and services tax	-	1,892
Total payables under non-exchange transactions	**20,314**	**17,289**
Total current payables	**406,522**	**331,248**
Non-current portion		
Payables under non-exchange transactions		
Amounts due to related parties	-	264
Total non-current payables	**-**	**264**

14 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.

$000	Actual 2024	Actual 2023
Current portion		
Accrued salaries and wages	3,877	3,928
Annual leave	15,042	14,856
Sick leave	266	266
Long service leave	-	1
Total current employee entitlements	**19,185**	**19,051**
Non-current portion		
Retirement gratuities	253	253
Long service leave	29	37
Total non-current employee entitlements	**282**	**290**

15 Equity

Accounting policy

Equity is the residual interest in Auckland Transport 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.

Capital management
Auckland Transport 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.

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

15 Equity (continued)

$000	Actual 2024	Actual 2023
Contributed capital	**13,282,546**	**13,272,241**
Accumulated funds	**6,428,845**	**5,525,768**
Asset revaluation reserve		
Balance at 1 July	8,250,782	8,205,263
Change in fair value recognised during the year	(103,389)	53,076
Transfer to accumulated funds on disposal of property	-	(7,557)
Asset revaluation reserve	**8,147,393**	**8,250,782**
Asset revaluation reserve for each asset class consist of:		
Operational assets		
Land	340,274	424,702
Land - finance lease	16,909	16,909
Buildings	32,564	51,525
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	7,321,623	7,321,623
Total asset revaluation reserve	**8,147,393**	**8,250,782**
Total equity	**27,858,784**	**27,048,791**

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

The notes included in this section are as follows:

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

16 Categories of financial instruments and fair value hierarchy

Accounting policy

Auckland Transport 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:

$000	Actual 2024	Actual 2023
Financial assets		
Amortised cost		
Cash and cash equivalents	23,228	4,978
Receivables (excluding goods and services tax)	718,461	643,379
Total	**741,689**	**648,357**
Fair value through surplus or deficit		
Forward foreign exchange contracts	3	886
Total	**3**	**886**
Financial liabilities		
Amortised cost		
Payables and accruals (excluding goods and services tax)	406,522	329,620
Borrowings	461,965	471,217
Total	**868,487**	**800,837**
Fair value through surplus or deficit		
Forward foreign exchange contracts	5,459	294
Total	**5,459**	**294**

16 Categories of financial instruments and fair value hierarchy (continued)

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.

$000	Level	Actual 2024	Actual 2023
Financial assets			
Forward foreign exchange contracts	2	3	886
Financial liabilities			
Forward foreign exchange contracts	2	5,459	294

There are no transfers between the different levels of the fair value hierarchy during the year (2023: nil).

17 Interest rate risk

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

To identify the exposure to movements in interest rates, Auckland Transport 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 and equity (excluding accumulated funds) calculated using loans from Auckland Council exposures at balance date are as follows:

	2024				2023			
	-100bps/-1%		+100bps/+1%		-100bps/-1%		+100bps/+1%	
$000	Surplus/ (Deficit)	Equity	Surplus/ (Deficit)	Equity	Surplus/ (Deficit)	Equity	Surplus/ (Deficit)	Equity
Loans from Auckland Council	4,582	-	(4,582)	-	4,683	-	(4,683)	-

18 Foreign exchange risk

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. Auckland Transport is exposed to foreign exchange risk when it purchases goods and services denominated in a foreign currency.

Auckland Transport 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 2024, Auckland Transport does not have material exposure to foreign exchange risk since all foreign currency denominated material purchases are hedged (2023: none).

19 Credit risk

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

In the normal course of business, Auckland Transport 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.

Auckland Transport 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.

$000	Rating	Actual 2024	Actual 2023
Counterparties with credit ratings			
Cash at bank	AA-	23,010	4,763
Counterparties without credit ratings			
Receivables			
Existing counterparty with no defaults in the past		726,239	643,379

20 Liquidity risk

Liquidity risk is the risk that Auckland Transport 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.

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

Contractual maturity analysis of financial liabilities, excluding borrowings
The table below analysed Auckland Transport's 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.

$000	Carrying amount	Contractual cash flows	Less than 6 months	6-12 months	Later than one year
2024					
Trade and other payables	406,522	406,522	406,522	-	-
Forward foreign exchange contracts					
- outflow		198,094	111,911	71,042	15,140
- inflow		(190,657)	(108,699)	(67,776)	(14,182)
Net settled derivative liabilities	5,459	7,437	3,212	3,267	958
2023					
Trade and other payables	331,512	331,512	331,512	-	-
Forward foreign exchange contracts					
- outflow		209,519	516	43,695	165,308
- inflow		(204,515)	(541)	(43,492)	(160,482)
Net settled derivative liabilities	294	5,004	(25)	203	4,826

20 Liquidity risk (continued)

Contractual maturity analysis of borrowings
The table below analysed Auckland Transport's 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.

$000	Carrying amount	Contractual cash flows	0-10 years	11-20 years	21-30 years	31-40 years
2024						
Finance leases	3,802	4,121	4,121	-	-	-
Loans from Auckland Council	458,163	794,419	321,018	321,018	114,374	38,008
Total borrowings	**461,965**	**798,540**	**325,139**	**321,018**	**114,374**	**38,008**
2023						
Finance leases	2,883	2,920	2,920	-	-	-
Loans from Auckland Council	468,334	804,718	312,819	312,819	137,711	41,369
Total borrowings	**471,217**	**807,638**	**315,739**	**312,819**	**137,711**	**41,369**

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:

21. Commitments
22. Contingent liabilities
23. Related party transactions
24. Major budget variances
25. Reconciliation of surplus after tax to net cash from operating activities
26. Auckland integrated fares system funds
27. Subsequent events

21 Commitments

Capital commitments

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

Auckland Transport's capital commitments are as follows:

$000	Actual 2024	Actual 2023
Property, plant and equipment		
Roads and formation	1,692,528	1,612,412
Rolling stock	213,084	221,332
Wharves	30,581	37,726
Train stations	23,985	20,327
Bus stations and shelters	8,031	41,490
Ferries	20,394	32,065
Computer hardware	8,697	12,886
Plant and equipment	11,592	7,021
Operational land and buildings	54	270
Other operational assets	38	-
Total property, plant and equipment	**2,008,984**	**1,985,530**
Intangible assets	10,383	14,254
Total capital commitments	**2,019,367**	**1,999,784**

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.

21 Commitments (continued)

Accounting policy (continued)

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 Auckland Transport 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
Auckland Transport leases property, plant and equipment in the normal course of its business. These leases have a term of between 5 and 1,465 months.

Leases can be renewed at Auckland Transport's 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 Auckland Transport by any of the leasing arrangements.

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

$000	Actual 2024	Actual 2023
Not later than one year	108,077	110,204
Later than one year and not later than five years	288,571	299,035
Later than five years	74,926	109,306
Total minimum operating lease payments payable	**471,574**	**518,545**

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 1,465 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.

21 Commitments (continued)

Operating leases as lessor
Auckland Transport leases property under operating leases. These leases have a term of between 1 and 747 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

$000	Actual 2024	Actual 2023
Not later than one year	11,192	11,070
Later than one year and not later than five years	27,648	25,546
Later than five years	42,869	32,533
Total minimum operating lease payments receivable	**81,709**	**69,149**

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 $4.1 million (2023: $2.9 million).

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

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

$000	Actual 2024	Actual 2023
Not later than one year	1,567	548
Later than one year and not later than five years	2,554	2,372
Total miminum finance lease payments payable	**4,121**	**2,920**
Future finance charges	**320**	**37**
Present value of minimun finance lease payments payable	**3,801**	**2,815**
Not later than one year	1,547	1,064
Later than one year and not later than five years	2,254	1,751
Total present value of minimum finance lease payments payable	**3,801**	**2,815**

22 Contingent liabilities

As at 30 June 2024, there are no material contingent liabilities that required disclose.

23 Related party transactions

Auckland Transport is a council-controlled organisation of Auckland Council. Auckland Transport 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

	2024 Remuneration $	2023 Remuneration $	2024 FTE	2023 FTE
Board members				
Remuneration	439,839	467,879	1.2	1.3
Leadership team				
Salary and other short-term employee benefits	4,542,176	4,170,686		
Post-employment benefit (Kiwisaver contributions)	110,782	96,481		
Total leadership team remuneration	4,652,958	4,267,167	8.9	10.2
Total	**5,092,797**	**4,735,046**	**10.1**	**11.5**

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.

23 Related party transactions (continued)

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

	2024 $	2023 $
Richard Leggat - Chair (from 1 February 2024)	45,000	-
Mark Darrow - Acting Deputy Chair and Committee Chair (1 July to 31 October 2023), Acting Chair (1 November 2023 to 31 January 2024), Deputy Chair and Committee Chair (from 1 February 2024)	77,625	65,061
Raveen Jaduram (from 1 May 2023), Committee Chair (from 1 November 2023)	59,400	9,000
Henare Clarke (from 1 June 2023), Committee Chair (from 1 November 2023)	59,400	4,500
Andrew Baker (from 17 November 2022)	54,000	33,600
Chris Darby (from 27 July 2023)	50,226	-
Julie Hardake (from 2 May 2024)	8,855	-
Andrew Ritchie (from 9 May 2024)	7,839	-
Wayne Donnelly - Acting Chair (to 31 October 2023), Deputy Chair (to 31 January 2024)	52,875	97,088
Kylie Clegg - Committee Chair (to 31 October 2023)	20,700	62,100
Michael Lee (to 27 July 2023)	3,919	33,600
Adrienne Young Cooper - Chair (to 8 October 2022)	-	29,400
Abbie Reynolds - Committee Chair (to 31 May 2023)	-	54,000
Dr James Mather - Committee Chair (to November 2022)	-	25,530
Darren Linton (to 31 May 2023)	-	49,500
Thomas Parker (to 4 November 2022)	-	4,500
Total Board member remuneration	**439,839**	**467,879**

Richard May is the NZ Transport Agency Waka Kotahi (NZTA) appointee. Under the terms of establishment legislation, the NZTA appointee does 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 (2023: $nil).

Auckland Transport 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.

23 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	
	2024	2023
$0 - $59,999	142	322
$60,000 - $79,999	480	387
$80,000 - $99,999	291	315
$100,000 - $119,999	235	278
$120,000 - $139,999	246	249
$140,000 - $159,999	173	152
$160,000 - $179,999	93	83
$180,000 - $199,999	65	41
$200,000 - $219,999	23	20
$220,000 - $239,999	20	10
$240,000 - $259,999	12	10
$260,000 - $279,999	7	5
$280,000 - $359,000	6	7
$360,000 - $419,999	7	4
$420,000 - $639,999	4	2
Total number of employees	**1,804**	**1,885**

	Number of employees	
	2024	2023
Full-time equivalent		
Number of full-time employees	1,728	1,763
Full-time equivalent number of all other employees	47	66
Total full-time equivalent	**1,775**	**1,829**

Severance payments
For the year ended 30 June 2024, Auckland Transport made 20 (2023: 6) severance payments to employees totalling $1,103,242 (2023: $206,551). The value of each of the severance payments is $299,965, $140,000, $113,860, $106,593, $77,475, $58,160, $45,000, $44,802, $40,000, $28,000, $25,000, $25,000, $20,000, $19,167, $15,604, $12,808, $11,308, $8,000, $7,692, and $4,808.

24 Major budget variances

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

$000	Actual 2024	Budget 2024	Variance
Auckland Council capital funding Lower than budgeted funding mainly due to higher capital funding received from other sources.	459,529	511,990	(52,461)
NZ Transport Agency Waka Kotahi operating funding Higher than budgeted funding mainly due to the unbudgeted 2023 adverse weather remediation costs funded at 91% funding assistance rate, $8.1 million of which relates to costs incurred in 2022/2023.	489,029	476,653	12,376
NZ Transport Agency Waka Kotahi capital funding Higher than budgeted funding mainly due to a catch up of New Zealand Upgrade Programme (NZUP) Eastern Busway funding.	542,569	481,000	61,569
Other capital grants Lower than budgetd funding mainly due to the budgeted NZUP funding from NZTA being received under the NZ Transport Agency Waka Kotahi capital funding above.	40,941	65,000	(24,059)
Other revenue Higher other revenue mainly due to higher than expected assets vested by developers, and higher public transport revenue primarily from higher than budgeted bus patronage.	723,782	600,364	123,418
Other expenses Higher than budget other expenditure primarily due to higher advertising, computer software and licenses, legal costs, electricity, facilities repairs and maintenance.	1,068,433	1,031,955	(36,478)
Depreciation and amortisation Lower than budget due to the mix and phasing of capital expenditure.	533,393	552,450	19,057
Receivables Mainly due to higher than expected related parties receivables.	726,239	643,379	82,860
Capital expenditure Auckland Transport progressed the delivery of asset renewals and new capital infrastructure achieving over 99% of the full year budget. This includes continuing to progress large projects including Eastern Busway, Ferry decarbonisation, new Electric Trains and flood recovery projects.	1,043,039	1,057,990	14,951

25 Reconciliation of surplus after tax to net cash from operating activities

$000	Actual 2024	Actual 2023
Surplus after income tax	**903,077**	**682,038**
Add/(less) non-cash items		
Movement in statement of financial position items		
Receivables	(82,860)	(57,026)
Payables and accruals	23,125	28,628
Provisions	(4,960)	5,229
Other assets	1,861	(3,261)
Inventories	(903)	1,316
Employee entitlements	126	1,565
Non-current assets held for sale	-	(1,451)
Other non-cash items		
Depreciation and amortisation	533,393	526,688
Vested assets revenue	(390,797)	(366,171)
Loss on disposal of property, plant and equipment	20,248	3,567
Gain on disposal of property, plant and equipment	(200)	(1,097)
Write-off of capital works	12,316	15,543
Foreign exchange losses/(gains)	6,048	(3,035)
Other non-cash items	18	-
Net cash from operating activities	**1,020,492**	**832,533**

26 Auckland integrated fare system funds

Auckland Transport operates a restricted bank account for Auckland Integrated Fares System (AIFS) with a balance of $28.1 million at 30 June 2024 (2023: $26.0 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.

27 Subsequent events

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

Independent auditor's report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Auckland Transport's financial statements and performance information for the year ended 30 June 2024

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

Opinion

We have audited:

- the financial statements of Auckland Transport on pages 56 to 86, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expenditure, statement of changes in equity, statement of cash flows, and summary of capital expenditure for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of Auckland Transport on pages 33 to 36.

In our opinion:

- the financial statements of Auckland Transport:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information of Auckland Transport presents fairly, in all material respects, Auckland Transport's actual performance compared against the performance targets and other measures by which performance was judged in relation to Auckland Transport's objectives for the year ended 30 June 2024.

Our audit was completed on 29 August 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to inherent uncertainties in the measurement of greenhouse gas emissions. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of Matter - inherent uncertainties in the measurement of greenhouse gas emissions

Auckland Transport has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to page 35 of the Annual report, which outline the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards.

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.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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 the performance information

The Board of Directors is responsible on behalf of Auckland Transport for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for Auckland Transport.

The Board of Directors is 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 the performance information, the Board of Directors is responsible on behalf of Auckland Transport for assessing Auckland Transport's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate Auckland Transport or to cease operations or has 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 the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the 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 the performance information.

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

We did not evaluate the security and controls over the electronic publication of the financial statements and the 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 the 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 Auckland Transport'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.

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- We evaluate the appropriateness of the reported performance information within Auckland Transport's framework for reporting its performance.
- 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 Auckland Transport'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 financial statements and the performance information 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 Auckland Transport to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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 is responsible for the other information. The other information comprises the information included on pages 2 to 32 and 37 to 55, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the 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 the 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 the 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 Auckland Transport in accordance with the independence requirements of 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) (PES 1), 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 the audit and this engagement, we have no relationship with, or interests in, Auckland Transport.

Carl Wessels
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

We tiaki all those who use transport in Tāmaki Makaurau