

AUCKLAND TRANSPORT  
2019 ANNUAL REPORT

# Travel choices



# WELCOME TO AUCKLAND TRANSPORT'S 2019 ANNUAL REPORT AGAINST OUR STATEMENT OF INTENT TO AUCKLAND COUNCIL

We enable our customers to move freely with confidence by:

- › Taking the community on a journey
- › Creating a safe, innovative and sustainable transport network
- › Creating options and choices.



E ngā iwi whānui ki ngā  
topito o Tāmaki Makaurau  
He mihi manahau ki a koutou katoa  
Topuni ki te Raki  
Rakitu ki te Rāwhiti  
Puketutu ki te Tonga  
Oaia ki te Uru  
Tāmaki herehere o ngā waka e!  
Tihei Mauri ora ki te whai ao,  
ki te ao mārāma

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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This annual report contains various references to AT HOP cards. Terms of use and the registered prospectus for the AT HOP cards and other information regarding the AT HOP cards are available on [AT.govt.nz](http://AT.govt.nz) or at the Auckland Transport Customer Service Centre, Britomart. The obligations of Auckland Transport under the AT HOP cards are unsecured.

FRONT COVER: Franklin Rd in Autumn. The Tohu celebrates the wider cultural landscape.

## 2019 HIGHLIGHTS AND ACHIEVEMENTS

**100.8m**  
bus, train and  
ferry passenger trips  
recorded in the year  
to June 2019 – the  
highest annual  
total since 1951

**11,719**  
submissions  
on proposed  
Safer Speeds  
bylaw

**95.2%**  
of Auckland public  
transport trips **were**  
made by customers  
using an **AT HOP**  
**card** in June  
2019

**Te Reo  
Māori**  
launched  
on trains

**\$1.4b**  
Eastern Busway  
construction  
begins

**21.4%**  
growth  
on the Rapid  
Transit  
Network

**NEW**  
Bus Network  
rollout attracts  
**12,700**  
more passenger  
trips each  
week

New  
Customer  
Experience  
Blueprint puts  
**people at  
the heart**

**Favourable**  
net operating  
**result**

**\$60m**  
investment in Puhinui  
Station Interchange  
linking the Airport  
with Botany  
Rapid Transit

**49 Level Rail  
Crossing  
upgrades** and  
**12 new automatic  
pedestrian rail  
crossing gates**

Half Moon  
Bay bus  
interchange  
**opens**

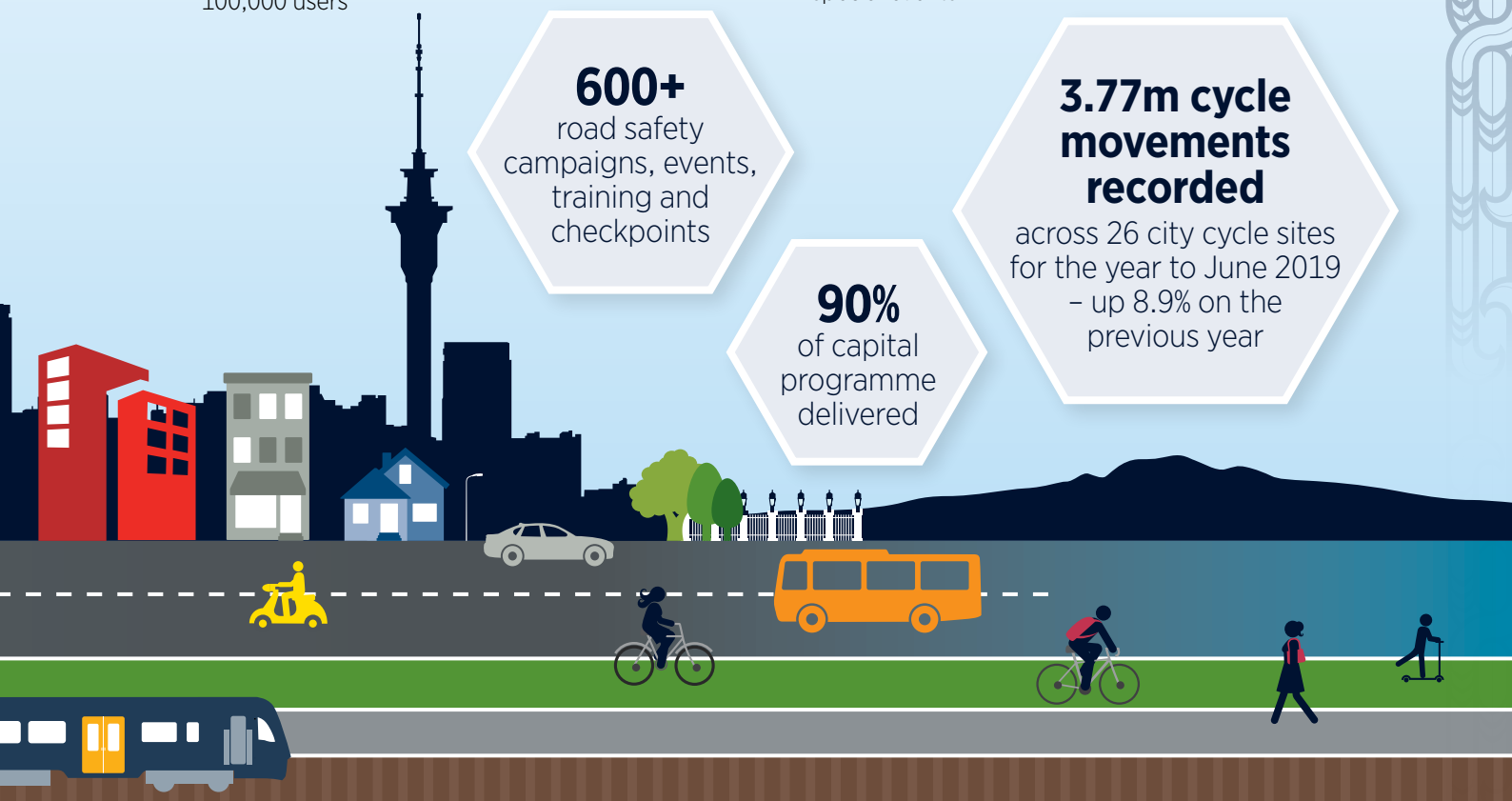


- First road patrol conducted in Te Reo Māori in Tamaki Makaurau launched in March
- Work on Regional Fuel Tax enabled projects begin
- Three new electric buses added to the Public Transport Network
- Eight more red light cameras implemented
- Work begins on Downtown and seawall upgrades
- West Harbour ferry celebrates one million passengers
- TāmakiLink joins CityLink, InnerLink and OuterLink
- Electric Vehicle charging stations installed at Council-owned city carparks
- AT Local Rideshare service introduced to Devonport Peninsula
- Three new cycleways: Ian McKinnon Drive, the Quay Street extension and links to New Lynn
- Three new bus services funded by the Rodney Transport Targeted Rate delivered within three months: 998, 128 and 126
- AT Park celebrates 100,000 users
- Worked with 357 school communities to increase safety awareness, active travel and public transport use
- The Auckland Transport Operations Centre (ATOC) worked with emergency services to respond to more than 30,000 unplanned incidents on the road network
- New Hobsonville Point weekend ferry services
- New Low Emission Bus Roadmap for a zero emission bus fleet by 2040
- We approved around 29,000 corridor access requests, each of which had anywhere from one to 20 Traffic Management Plans (TMPs) attached.
- Parking Compliance Officers walk more than 250,000 kilometres each year to help keep the transport network moving
- Transport Officers undertake approximately 200,000 AT HOP card checks on trains in a month
- Downtown enhancement begins
- Supported traffic management plans for 1,600 special events.

**600+**  
road safety  
campaigns, events,  
training and  
checkpoints

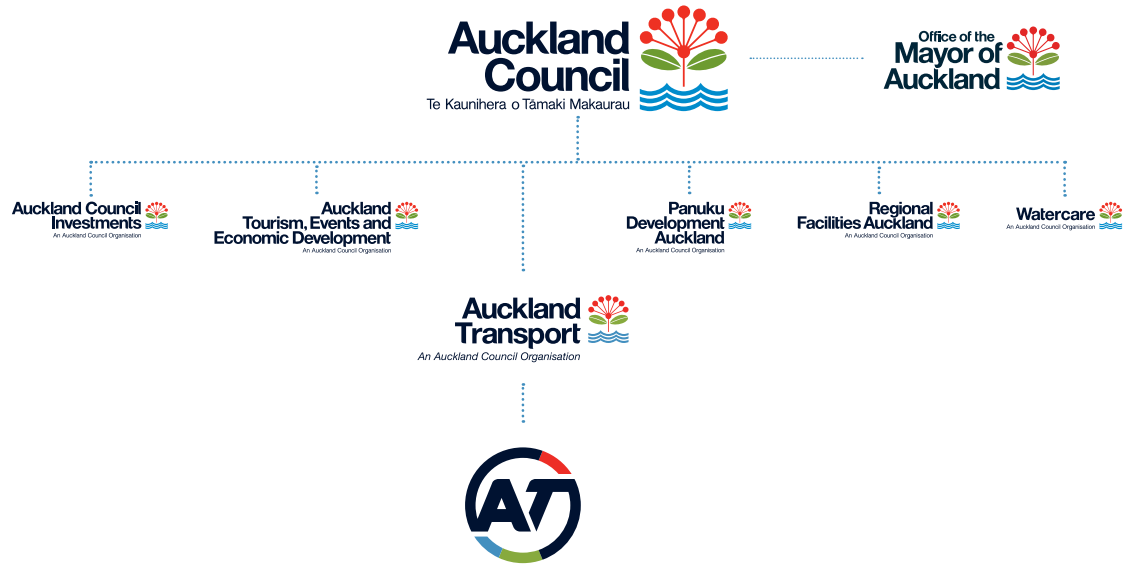
**90%**  
of capital  
programme  
delivered

**3.77m cycle  
movements  
recorded**  
across 26 city cycle sites  
for the year to June 2019  
– up 8.9% on the  
previous year




## WHO WE ARE AND WHAT WE DO

Auckland Transport (AT) is one of six Council Controlled Organisations (CCO) of the Auckland Council and was established in 2010 to contribute to an efficient, effective and safe Auckland land transport system.



- AT manages and runs the region's transport network (excluding state highways) on behalf of Auckland ratepayers and taxpayers for the benefit of 1.7 million residents.
- At ATOC we manage both the local as well as the State Highway and Motorway Network from Taupō to Cape Reinga, a total of 15,000 kilometres of road network.
- We deliver a safe marine environment and manage assets such as wharves, moorings and navigation aids.
- Our day-to-day activities keep Auckland's transport systems moving. We plan and fund public transport, promote travel choices and operate the local roading network.
- Our call centres respond to more than 600,000 transport-related phone calls and our on-site customer service centres provide face-to-face support to more than 1.5 million customer interactions.
- We maintain 7,550 kilometres of arterial and local roads, 325 kilometres of cycleways and 7,321 kilometres of footpaths.
- We design, build, manage and promote most of Auckland's public transport infrastructure and services, systems, facilities, customer apps and the region's integrated passenger transport ticketing system, AT HOP.
- We work with the NZ Transport Agency to manage Auckland's traffic flows, manage on and off-street parking and to deliver cycle infrastructure.
- AT is the regional guardian of \$20.5 billion publicly owned assets.



# Delivering transport choices for a growing vibrant Auckland

1: Overview

## › Vision, Mission and Values

Our vision, mission and values go to the heart of our culture – what Auckland Transport is as an organisation, how we want to behave, our aspirations and what we want to achieve together for Auckland.

**VISION:** What we are striving for  
Transport choices for a growing, vibrant Auckland

**MISSION:** Why Auckland Transport exists  
Working together to deliver safe, innovative and sustainable transport for a great city

**VALUES:** How we do business  
On Board, One Team, Straight Up, Take Action, Be Safe

## CHAIRMAN'S REPORT

**This is the final Annual Report to be produced while I am Chair of Auckland Transport with my seven-year tenure ending in October 2019. Reviewing this Annual Report has given me cause to reflect on both the progress made by Auckland Transport and the ongoing transport challenges the region faces.**



Dr Lester Levy

One of my first meetings as Chair was in November 2012 with the then-Mayor, Len Brown, the first political leader of the still relatively new 'Super City.' He set very clear expectations, for what was then still a comparatively new organisation, to achieve in the next ten years (by 2022), which included:

- › **The successful implementation of the electric trains** **DONE**
- › **The successful implementation of the ticketing smart card (AT HOP)** **DONE**
- › **The successful implementation of integrated ticketing** **DONE**
- › **The successful implementation of the new bus network (including bus-train interchanges)** **DONE**
- › **The successful implementation of the public transport operating model (PTOM)** **DONE**
- › **Helping to get the City Rail Link (CRL) supported and fully funded** **DONE**
- › **Getting AMETI funded and underway** **DONE**
- › **Doubling public transport patronage** **DONE**

We have already exceeded 100 million trips this year and with three years to go, at current rates of growth, will get close to achieving a target which was met with much shaking of heads and rolling of eyes, both within Auckland Transport at the time and from political and community commentators as well as experts. This is particularly salient as Auckland Transport has never been properly funded, based on benchmarks in other jurisdictions, to double public transport patronage. Indeed, the percentage growth in public transport trips in Auckland last year was amongst the top three cities in the world.

- › **Delivering business as usual** (particularly maintenance) as well as literally hundreds and hundreds of other projects (small, medium and large), which we have done year in and year out within the constraints of budgets and approval timeframes (engagement, consultation, hearings, consenting, legal challenges, land purchases, procurement processes, approval processes, contractor performance and the weather). This is a challenging area where it is not always possible to satisfy all stakeholders as there is insufficient resource to meet all the needs (and sometimes wants).



As an organisation, when there has been clear political direction, alignment and associated funding, we have by and large delivered (including some very large, complex projects) and the 2018/19 year has been no different in that regard.

But to really understand the challenge of the past seven years, the number to fully appreciate is 245,000, which is the magnitude of the population growth in Auckland between 2012 and 2017. Clearly there have been tens of thousands more since then – but latest Census figures are not currently available. Population growth, particularly in the context of the inherited transport infrastructure deficit, is the single most critical challenge for Auckland Transport as population growth is the main driver of transport needs. For a sense of proportion 245,000 is more than the population of Wellington City and almost twice the population of Dunedin.

This relatively sudden population growth, which is clear for all to see on Auckland's roads daily, really does tell the story of the challenges of Auckland, with an additional 29,000 vehicles, or 550 each week, registered in Auckland in the 12 months to May 2019. This flood of vehicles onto our roads is simply not sustainable from either a traffic congestion or parking perspective.

In the near to medium term there will continue to be a need for sustained investment in more and more infrastructure and for it to be built as quickly as possible.

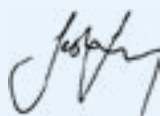
The opportunities and challenges Auckland faces over the next decade are exciting, but also demanding. For Auckland to reach its potential and to make an even greater contribution to economic, social and cultural outcomes for New Zealand, we will need several ingredients:

- A clear and unwavering political commitment to, at minimum, medium-term transport priorities and strategies. For the first time ever, Auckland Council and the Government are aligned and have provided funding for further growth in public transport, safety (and road safety in particular) and more emphasis on walking and cycling.

- A system that focusses more strongly on the customer. Too often in the past we have made the mistake of focusing on modes, rather than offering real choices and I am excited about Auckland Transport's refresh of its vision and values which, once we have completed engagement with staff in particular, will aim to prioritise movement over mode.
- Turning the masses of daily data we collect from systems such as the hugely successful HOP card into insights, to be able to better plan services and provide real time information to customers.
- Moving away from the traditional 'predict and provide' model for transport planning. As can be seen from the unprecedented population growth in Auckland, it is almost impossible to look too far into the future with any degree of certainty. We need to be in a position to quickly and flexibly make decisions and deliver, as endless refreshing and reviewing of plans, policies, priorities and structures will get us nowhere fast (pun intended).
- Looking to new and innovative ways of funding infrastructure development as ratepayers and taxpayers (remembering that the same people are often both) simply cannot be asked to shoulder the financial burden year after year.
- Innovative (and acceptable) methods of road pricing that provide choices and incentives and actively contribute to the reduction of traffic congestion.

Finally, I take this opportunity to sincerely thank Directors of the Board of Auckland Transport (both past and present) and management and staff for the invaluable contributions you have made.

You have my very best wishes as you continue with the very important work of getting (and keeping) Auckland moving.



**Dr Lester Levy** CNZM  
CHAIRMAN

## CHIEF EXECUTIVE'S REPORT

**It's been a big year for Auckland Transport. This 2019 Annual Report is the first following the development of the 30-year Auckland Transport Alignment Plan (ATAP), the year in which the Auckland Regional Fuel Tax (RFT) came into effect and the first year more than one hundred million passenger trips were recorded on our buses, trains and ferries.**



Shane Ellison

ATAP sets clear investment direction to accelerate the delivery of more transport choices for Aucklanders through public transport and encouraging walking and cycling. In addition, \$4.5 billion of funding will also support the creation of new arterial road capacity and road safety improvements.

The introduction of the RFT not only allowed for ATAP to be fully funded but it also provides for certainty around the delivery of long-term priority projects. Auckland has an unprecedented programme of activity ahead of it. The Government and Auckland Council's \$28 billion funding commitment to transport over the next ten years can only be delivered if we, and partners such as the NZ Transport Agency, work collaboratively with the sector, stakeholders and the various communities we serve.

During the last financial year we geared up to complete projects already underway and to prepare for the massive workload ahead. We introduced a new way of working to improve capacity and capability, and focussed on making the best use of our existing infrastructure and networks. Early in 2019 we also designed a Customer Experience Blueprint that puts Aucklanders at the heart of everything we do to improve customer responsiveness and experience. Operational changes can only go so far if we're not taking the hearts and minds of the community with us, and over the next year we will continue to focus on improving our internal culture to better communicate and engage with Local Boards and the communities they represent.

The only way to really grow public transport is to provide rapid and frequent services. This year we rolled out the penultimate piece of the new bus network, redesigned around a hub-and-spoke model.

Instead of long, direct routes, there are now shorter, more frequent routes which connect with other bus, train and ferry services at interchanges. The spine is the developing Rapid Transit Network – the rail network plus the Northern Busway. Local bus and emerging on-demand offerings and improved cycling facilities will increasingly carry people to these high frequency services.

Continuing improvements to our Rapid Transit Network resulted in a 20.1 percent increase in patronage on these services, and the new network rollout collected another 12,700 passenger trips each week. More than half a million of Aucklanders now live within 500 metres of a frequent bus service and more than 95 percent of public transport trips are made using an AT HOP card.

In May we clocked one hundred million public transport trips in a calendar year and by the end of June that number was up to 100.8 million, a 9.1 percent increase on the previous year. This is the first time Auckland has recorded this degree of patronage since 1951 and it comes after years of strategy, planning and effective delivery. It's terrific to see AT staff also 'walking their talk' with 93 percent of city centre based staff choosing sustainable travel options.

The number of people on bikes is also up with 3.77 million cycle movements recorded across 26 city cycle routes in the year to June – up 8.9 percent on the previous year. We opened three new cycleways this year and will continue to focus on unlocking key parts of our planned cycleway network.

Early signs are that the growth in the use of public transport and walking and cycling along with strategic investments in roading, such as the Waterview Tunnel,

is contributing to and, at a regional level, holding congestion. This will only continue if we keep rolling-out new transport infrastructure and make it attractive to use sustainable modes of transport.

As an avid early adopter of alternative travel modes, it's heartening for me to see Aucklanders taking advantage of the many travel choices available and choosing to take the bus, ferry, train, walk, or cycle to get around. Aucklanders have more travel options than ever before and the choices we make have a cumulative effect. A personal decision to take public transport, flexi-working or carpooling has the potential to make those that have to make a journey by car just that little bit easier. It reduces congestion and CO<sub>2</sub> emissions and makes it easier for those that genuinely have no other option but to use private vehicles to get around. Choosing to walk, cycle, scooter or skate directly to work or a public transport stop also promotes a healthy environment and lifestyle.

Over the last year we have continued to support CRL as they deliver the City Rail Link (CRL), and worked with the NZ Transport Agency on plans for fast growing areas and Auckland light rail, and with Panuku Development Auckland to progress redevelopment in town centres. We began work on the Downtown redevelopment programme – part of the Auckland Council's City Centre Masterplan and pledged \$60 million with the Government to upgrade the Puhinui Interchange to improve the rapid transit link to Auckland airport. We also marked the beginning of construction for the first stage of AT's largest ever project, and Auckland's second biggest project after the CRL, the \$1.4 billion Eastern Busway.

And last but not least, we reopened one of Auckland's best loved roads. A long and complex project, the Franklin Rd transformation has been hugely successful in terms of the number of utility providers involved and the lengths we and the community have gone to hear each other and work together. The result is something we can all be proud of and a model to carry forward as we upgrade and revitalise other key arterials connecting our communities.

Over the next financial year we will continue the Eastern Busway and the Puhinui Interchange,

progress the development of a city centre bus infrastructure and Downtown ferry terminal, upgrade Karangahape Rd, build more cycling infrastructure, engage with our communities on planned upgrades to major transport corridors and routes, and introduce additional electric trains to increase rail capacity and frequency. All of these things will be done while enabling many other benefits such as employment and growth of local business owned by Maori and Pasifika through initiatives such as social procurement.

In conjunction with our partners we are also progressing with our 'safe system' approach to addressing Auckland's 'road safety crisis'. Increased education, increased enforcement, safer roads and safer speeds are all pillars of this approach. While in 2018 22 percent less people died or were seriously injured than the previous year the number of people and whanau affected, the amount of trauma and the socio-economic costs are still too high. It's a crisis that does not discriminate - it is affecting the rural and urban parts of our region, people who use our network in vehicles, on foot, on bikes, or on motorbikes. Our efforts to address the number of deaths and serious injuries on our road will increase over the next two years.

The 2018/19 financial year has been my first full year at AT and I continue to be impressed by the passion and desire of our combined team to make a positive difference for Auckland. It's a huge challenge that the team have been given. AT is on a journey to create a safe, innovative and sustainable transport network and we're committed to taking our many diverse communities on a journey too. There is a lot of work still to do, and I'm confident Auckland is well on the way to getting the transport options and networks it deserves: ones that contribute to successful placemaking, improve our communities, give greater opportunities for productivity gains for business, and increasingly provide successful transport choices for all.



**Shane Ellison**  
CHIEF EXECUTIVE

## REGIONAL FUEL TAX

On 1 July 2018 a Regional Fuel Tax (RFT) was introduced across the Auckland region. The RFT applies to petrol and diesel and is paid by fuel distributors when they deliver fuel to service stations and commercial users inside the Auckland region. The projected revenue from the RFT is \$150 million per annum, or \$1.5 billion over 10 years paid to Auckland Council which allows Council to increase the capital funding provided to Auckland Transport to deliver infrastructure projects.

The core of AT's capital programme is a package of 14 projects and programmes approved through the RFT scheme. The RFT will meet \$1.35 billion of the \$4.27 billion total cost of these projects with the remainder funded by the National Land Transport Fund and other Council funding.



- 1. Bus priority improvements** to increase bus network reliability and improve bus travel times, and deliver a new bus station and route at Sylvia Park.
- 2. City centre bus infrastructure** to include new dedicated bus terminals at Downtown and along the Wellesley St corridor.
- 3. Improving airport access** with enhanced bus services from New Lynn, Mt Roskill, Onehunga and Botany to the airport precinct, and a new Puhunui bus/rail interchange.
- 4. Eastern Busway** (AMETI) stages 2, 3 and 4 to complete the busway between Panmure and Botany including key stations at Pakuranga and Botany, the Reeves Rd flyover at Pakuranga town centre and pedestrian and cycle facilities.
- 5. Park and Ride** facilities to maximise access to public transport by providing additional park and ride capacity.
- 6. Electric trains and stabling** to provide additional capacity and frequency on the rail network.
- 7. Downtown ferry redevelopment** to increase capacity and customer experience.
- 8. Road safety** programme to deliver both transformational and low cost safety projects at high-risk locations to reduce death and serious injury.
- 9. Active transport** to deliver the next generation of walking and cycling improvements.
- 10. Penlink** to provide a new connection between the Northern Motorway and the Whangaparaoa Peninsula to accommodate growth.
- 11. Mill Road corridor** to provide an additional strategic North South corridor for southern Auckland connecting Manukau with Drury.
- 12. Road corridor improvements** focussed on safety, amenity and connectivity with existing road corridors.
- 13. Network capacity and performance improvements** involve small to medium-scale initiatives to make better and appropriate use of the existing network.
- 14. Growth-related transport infrastructure** to support major greenfield growth areas in the south, north and north-west.

AT's initial focus has been on completing existing committed projects while planning and designing new projects prior to construction. We've introduced new double-decker buses on Dominion Rd and Remuera Rd, proposed a Safer Speeds Bylaw and are preparing to launch into Connected Communities (Bus Priority Improvements), Airport Access Improvements and the next stage of the Eastern Busway. An updated Penlink business case is currently being considered by the Board, and AT is developing a proposal for dynamic land controls on the northern section of the Mill Rd corridor at Redoubt Rd Manukau.

Auckland Transport's activities are directed and guided at a strategic level by the Board of Directors, and delivered by the Executive Leadership Team.



**SHANE ELLISON**  
Chief Executive Officer



**MARK LAING**  
Executive General Manager  
Finance  
(Commenced July 2018)



**MARK LAMBERT**  
Executive General Manager  
Integrated Networks



**NATASHA WHITING**  
Executive General Manager  
Culture & Transformation  
(Commenced November 2018)



**VANESSA ELLIS**  
Executive General Manager  
Customer Experience  
(Commenced September 2018)



**WALLY THOMAS**  
Executive General Manager  
Stakeholder, Communities  
& Communication



**ROGER JONES**  
Executive General Manager  
Business Technology



**BRYAN SHERRITT**  
Executive General Manager  
Safety  
(Commenced November 2018)



**RODGER MURPHY**  
Executive General Manager  
Risk & Assurance



**ANDREW ALLEN**  
Executive General Manager  
Service Delivery



**CYNTHIA GILLESPIE**  
Executive General Manager  
Planning & Investment  
(Until May 2019)

## FINANCIALS AT A GLANCE

### A summary of Auckland Transport's financial performance for the year ended 30 June 2019

Total revenue for the year is \$1,869 million against a budget of \$1,791 million. Auckland Council and the NZ Transport Agency are the primary sources of funding. However, 34 percent of revenue was received from various other sources including public transport fares, user charges and fees, rental, other subsidies and vested assets. Compared with the last financial year, public transport revenue increased by 18.7 percent due to increased public transport patronage.

Total expenditure is \$1,231.6 million against a budget of \$1,214.4 million. The pie chart below provides a breakdown of the expenditure.

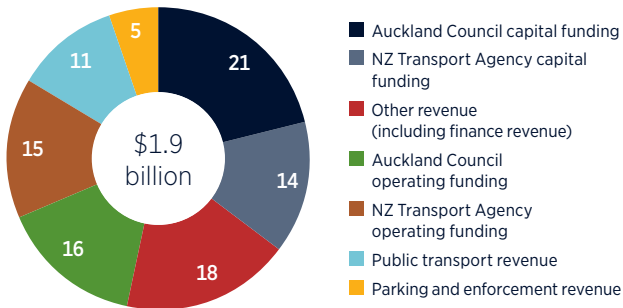
The surplus before tax of \$637.5 million is higher than budget mainly due to: higher than planned vested asset revenue of \$125.2 million; higher than budgeted Auckland Council capital funding of

\$15.3 million; and the NZ Transport Agency operational funding of \$14.1 million; and lower than expected depreciation and amortisation of \$11.8 million, due to lower than planned asset capitalisation and longer useful lives than forecasted. This is offset by lower than expected NZ Transport Agency capital funding of \$95.1 million.

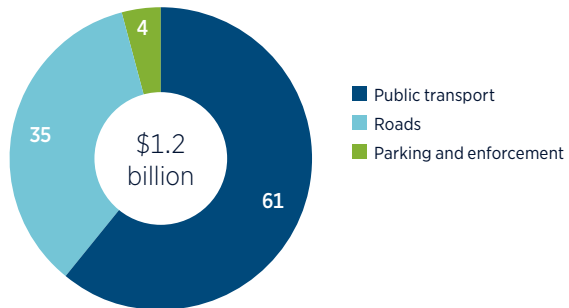
Investment in the city's infrastructure was \$667.5 million against a budget of \$744.3 million. A significant level of new infrastructure was delivered last year and a substantial programme of asset renewals was undertaken. Investment in capital projects was below budget due to time taken in consenting, consultation, business case and funding processes.

The net asset position that Auckland Transport manages is \$19.7 billion, up \$0.6 billion from the 2018 position.

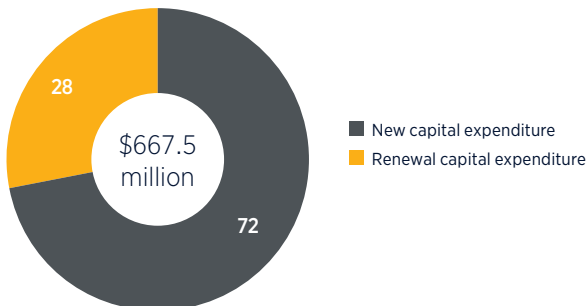
#### REVENUE PERCENTAGES



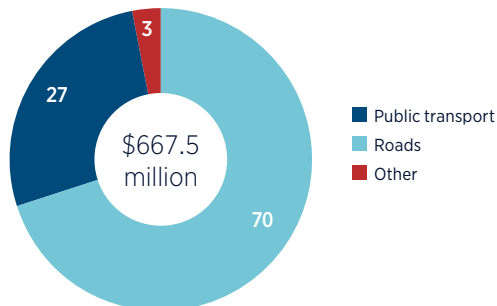
#### EXPENSE PERCENTAGES



#### CAPITAL EXPENDITURE PERCENTAGES



#### CAPITAL EXPENDITURE PERCENTAGES



ALL IN \$000'S	ACTUAL 2019	BUDGET 2019	ACTUAL 2018
<b>What was received? What was spent?</b>			
Capital funding	664,572	744,344	685,716
Operating funding	569,276	555,159	536,072
Other revenue (including finance revenue)	635,186	491,481	617,412
<b>Total revenue</b>	<b>1,869,034</b>	<b>1,790,984</b>	<b>1,839,200</b>
<b>Expenditure on activities</b>	<b>1,231,554</b>	<b>1,214,430</b>	<b>1,146,579</b>
<b>Surplus before tax</b>	<b>637,480</b>	<b>576,554</b>	<b>692,621</b>
Income tax benefit/(expense)	1,468	-	1,597
Other comprehensive revenue	-	-	198,103
<b>TOTAL COMPREHENSIVE REVENUE</b>	<b>638,948</b>	<b>576,554</b>	<b>892,321</b>
<b>New capital expenditure</b>			
Roads	290,045	441,983	274,355
Public transport	169,243	103,378	145,880
Other	20,883	11,494	24,920
<b>Total new capital expenditure</b>	<b>480,171</b>	<b>556,855</b>	<b>445,155</b>
<b>Renewal capital expenditure</b>			
Roads	176,012	174,715	220,757
Other	11,313	12,774	21,069
<b>Total renewal capital expenditure</b>	<b>187,325</b>	<b>187,489</b>	<b>241,826</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>667,496</b>	<b>744,344</b>	<b>686,981</b>
<b>Funding of capital expenditure</b>			
NZ Transport Agency capital funding	264,214	359,268	205,231
Auckland Council capital funding	400,358	385,076	480,485
Other capital grants	968	-	1,265
Auckland Council capital funding through equity	1,956	-	-
<b>TOTAL FUNDING OF CAPITAL EXPENDITURE</b>	<b>667,496</b>	<b>744,344</b>	<b>686,981</b>

Non-financial performance summary for the year ended 30 June 2019

In the year to June 2019 Auckland Transport recorded 100.8 million public transport trips – the highest number since 1951, an increase of 9.1 percent, or seven million boardings. Our new bus network, completed in September 2018, was a strong performer.

Aucklanders continue to exercise their travel choices across the region, with cycling counts continuing to grow where infrastructure is provided. One million cycle movements were recorded across 26 cycle count sites during the month of April 2019, and 3.77 million cycle trips were recorded in the year to June 2019, an increase of 8.9 percent.



**HIGHLIGHTS:** Key performance measures from Auckland Transport’s Statement of Intent

PERFORMANCE MEASURE	TARGET	ACTUAL	RESULT
Total annual public transport boardings	96.3m	100.8m	EXCEEDED
Number of cycle movements past selected count sites	3.644m	3.771m	EXCEEDED
Average AM peak arterial activity	21,000	32,863	EXCEEDED
Proportion of the freight network operating at Level of Service C or better during the inter-peak	85%	93%	EXCEEDED
Percentage of public transport passengers satisfied with their public transport service	85%	91%	EXCEEDED
Public transport punctuality (weighted average across all modes)	94.5%	97%	EXCEEDED
Change from previous year in number of fatalities and serious injury crashes on the local road network expressed as a number	Reduced by at least nine (681)	Reduced by 137 (553)	EXCEEDED
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all rural roads	92%	94%	MET

**KEY TO TARGETS:**

▲ Result above target by more than 2.5% = EXCEEDED    ▲ Result within +/- 2.5% of target = MET    ▼ Result below target by more than 2.5% = NOT MET

See page 52 for Notes 1 to 7 to the performance measure targets.



Transport in Auckland is primarily funded by both central government and Auckland Council. Auckland Transport strategic priorities are largely defined by and aligned with priorities and expectations set out in the following suite of documents.



Government Policy Statement on Land Transport (GPS)

National Land Transport Programme (NLTP)



Auckland Plan 2050

Auckland Long Term Plan 2018-28 (ALTP)

Auckland Transport Statement of Intent (SOI)



Auckland Transport Alignment Project (ATAP)

Auckland Regional Land Transport Plan 2018-28 (RLTP)

Regional Public Transport Plan (RPTP)

The Statement of Intent 2018/19-2020/21 (SOI) that Auckland Transport agrees annually with Auckland Council is the basis for this annual report. The following pages report on the SOI's three-year workplan and performance measures, structured around five strategic themes:

**1:**  
Deliver an efficient and effective transport system



**2:**  
Focus on the customer



**3:**  
Improve the safety of the transport system



**4:**  
Ensure value for money across AT's activities



**5:**  
Urban regeneration and placemaking





Auckland Transport has adopted the Vision Zero approach to road safety: **no loss of life on our roads is acceptable.**

In 2018, 43 people died and 510 others were seriously injured on our road network. This represents a 20 percent reduction in road deaths and serious injuries (DSi) from the previous 2017 year.

A 20 percent drop means there were 13 fewer deaths on Auckland roads in 2018 compared with 2017, and 124 fewer serious injuries. But the numbers are still high: 553 people were killed or seriously injured on our roads in 2018.

## Improve the safety of the transport system



Improving the safety of Auckland's transport system is a major priority for Auckland Transport, as it is for Auckland Council and Government. We have committed \$700m over the next 10 years to a safety programme designed to dramatically reduce death and serious injuries Death and Serious Injury (DSi) on Auckland's roads and adopted the Vision Zero approach to road safety: no loss of life on our roads is acceptable. The Vision Zero approach acknowledges that people are human and make common road user mistakes on our roads.

The five year trend DSi trend from 2014-2018 remains on an upwards trajectory, increasing more than the rate of travel or population growth, and more than the rate of the rest of New Zealand. Compared to other international cities, Auckland has one of the highest rates of pedestrian, cyclist and motorcyclist road deaths.

Alongside our Auckland road safety partners (NZ Transport Agency, NZ Police, ACC, Auckland Council, MoT, Auckland Regional Public Health Services), AT has identified and committed to the following actions:

- › Improved Vision Zero/Safe System road safety governance structures and knowledge transfer
- › Accelerated speed management, technology and enforcement of safe driving behaviours
- › Accelerated safety engineering investment at high-risk intersections and corridors
- › Mass action safety improvements for urban vulnerable road users and on rural roads
- › Ensuring Safe System design improvements through capital, maintenance and renewals through a Safety Management System
- › Support for investment in Auckland Road Policing activities and technology.

These actions sit alongside existing road safety programmes including:

- › Local road regional and minor road safety engineering improvements on high risk road corridors and intersections
- › State Highway road safety improvements
- › Safer Communities (with a focus on pedestrian accessibility and safety)
- › Speed management, including review of speed limits in high-risk areas
- › Road safety promotions (in combination with the NZ Road Policing programme) including advertising, promotion and community education incentives to address high risk safety themes and enforcement messages.

This year AT embarked on an ambitious safety infrastructure acceleration programme estimated to reduce deaths and serious injuries by up to 150 DSi (18 percent over three years). It included setting safe and survivable speed limits on 10 percent of Auckland's high-risk roads and intersections, installing traffic calming treatments, safe pedestrian infrastructure (e.g. crossings) and more safety cameras.

Recognising the DSi statistic is still too high, AT has proposed a Speed Limits Bylaw to reduce speeds on 10 percent of the roading network – some 700 kilometres of high-risk roads around the region of which 90 percent are in rural areas.

We worked hard to ensure as many people as possible across the Auckland region were aware of the road safety crisis and ran a comprehensive engagement and public consultation exercise. We received 11,719 submissions along with requests for speed limit reductions on 876 kilometres of roads which were not part of the proposal that we consulted on.

Further road safety investigations on site specific areas are being carried out and submissions will be carefully analysed before recommendations are made to Auckland Transport's Board.

### Accelerated road safety engineering programme

This year AT developed an accelerated road safety programme in response to the rapidly increasing Death and Serious Injury (DSi) trend, focusing on expenditure to deliver major, minor and mass-action safety engineering projects on high risk roads and intersections, speed management and vulnerable road user locations. It includes improvements to urban and rural high-risk intersections and routes, through roundabouts, red light cameras, separated facilities, raised pedestrian crossings, and rural signage and markings. It also forms the basis of the Safe Speeds initiative to introduce a new Speed Limits Bylaw.

### High risk roads and intersections

Safety improvements have been made to 7 high risk urban roads and 4 high risk rural roads and 26 pedestrian infrastructure upgrades. We have delivered 235 kilometres of new signage (mostly in Franklin), 150 high risk bend treatments and a further 11 intersection upgrades.

### Targeted safety improvement programme

By the end of May 2019 AT had delivered 54 targeted safety improvement projects with a further 25 in construction. Targeted safety improvements in this instance means any project in the Road Safety programmes (including minor improvements programme) that is not claimed against high risk intersections and corridors SOI.

### Speed management programme

Speed management safety initiatives were applied to areas identified as posing the greatest risk to people. In March, AT publicly consulted on a Proposed Speed Limit Bylaw which proposes speed limit changes to 10 percent (700 kilometres) of roads in Auckland.

### Red light camera programme

Eight red light cameras were installed at high risk intersections to reduce crashes. These are being commissioned in collaboration with the NZ Police. Unfortunately events in Christchurch in March has delayed the testing and certification of operations at those sites as Police resources were redeployed.

The eight new camera sites are expected to be operational by September 2019. This will bring the number of red light running enforcement cameras operating in Auckland to a total of 20. Over the coming years it is planned to install and put into operation a further 22 cameras bringing the grand total to 42 in Auckland. In addition to the enforcement cameras, AT has successfully developed and trialled red light running CCTV camera analytics for the purposes of gathering data and evidence to support further safety interventions at a number of intersections. Eleven sites are operating red light analytics and a further 25 sites are planned for a progressive roll out of new cameras and analytics between May and November 2019.

### Safety Camera Programme

AT has built and refined speed detection analytics using a single CCTV camera on Grafton Bridge, improving accuracy dramatically from 65 percent to 95 percent. The use of a single camera in the AT speed detection system is different to the conventional way of using radars to detect speed. Single camera CCTV analytics are significantly cheaper and quick to deploy which means the solution could be rolled out across wider Auckland and collect better data. Grafton Bridge is the first trial site.

The expansion of bus lane CCTV enforcement to deliver better compliance and safety outcomes is on track with 7 new zones operating currently and more programmed for 2019/20.

### Auckland Road Safety Strategy, Governance and Training

AT has developed a draft Vision Zero road safety strategy with partners NZ Police, NZ Transport Agency, ACC, Auckland Council, Auckland Regional Public Health Services and Ministry of Transport. This strategy will influence the delivery of the road safety investment across all partners for the next ten years through a Road Safety Programme Business Case. This joint-strategy is being led by the Tamaki Makaurau Road Safety Governance Group.

### Rail pedestrian crossing improvements

Pedestrian rail level crossings have been installed mainly on the Southern Line to improve pedestrian safety. Tironui Rd, Walters Rd and Manaroa Rd and Takānini Station have been completed and commissioned. Spartan Rd, Te Mahia and Glen Innes are planned to be commissioned by the end of July 2019. Four crossings on the Western Line between Avondale and New Lynn have also been completed.



### Improve public transport safety

AT continues the rollout of warranted Transport Officer staff to improve fare enforcement, reduce incidents on the rail network and improve customer satisfaction. Where transport officers have been deployed on the rail service, reported safety and antisocial behaviour has reduced by 10.9 percent compared to 2017/2018 and fare evasion has reduced to less than two percent.



### Parking facilities

Vehicle safety barriers at the Downtown and Fanshaw Street carparks have been upgraded. Personal safety barriers have been installed at the Downtown carpark.

### Maritime Safety

Last year Auckland Council’s statutory function for ensuring Maritime Safety, together with the Harbourmaster function, was delegated to AT. We are committed to complying with the national Port and Harbour Safety Code and delivering safety patrols and enforcement of the Navigation Safety Bylaw across the region’s navigable waters. Over the last year we responded to three Tier 2 oil spills. A Moorings Web Map has been implemented from AT’s Azure GIS Platform and is now publicly available for boaties to view and search for all moorings available in the Auckland region.



### Road safety education

AT partners with the NZ Police and other key agencies to deliver Young Driver Education campaigns, Driver Licence education, targeted enforcement and behaviour change programmes to reduce the number of deaths and serious injuries on our roads.

Over the past year we expanded the use of Virtual Reality in the Learner Licence workshops to the Restricted workshops, delivered child restraint checkpoints with the NZ Police and Plunket, and collaborated with key influential figures through social media to drive road safety Alcohol, Distraction and Cycling themed campaigns. The Driver Distraction social media campaign was very successful, reaching more than 2.2 million people, and with more than 500,000 views of 100 percent.

We worked with ACC, Police, Ride Forever, Pass Masters, Pro Rider and other key agencies to run motorcycle and scooter rider workshops.

A Safe Schools Street Pilot Programme proved that traffic flow can be managed, and safety is of paramount importance when designing traffic environments for schools.

AT works with schools, Mana whenua, Mataawaka and community groups to increase road safety awareness, promote active travel and public transport use and assist young drivers with the Graduated Licensing System. We also work closely with schools to lower speed limit and deliver improvements around schools.

### The Te Ara Haepapa Māori Programme

Road Safety Education in Marae and Te Kura o te Kaupapa Māori communities has grown significantly this year and has been well received with increased engagement with Mana whenua and Mataawaka Māori. There was great success with Kaihau Rāihana Akonga (Learner Licence) Rāihana Whītiki/Tuturu (Restricted and Full) when the partnerships were with community providers resulting in 100 percent pass rates in these areas. We delivered 50 road safety interventions targeted at risk communities, school interventions, a social media campaign and one local speed campaign. Using bilingual messages in Te Reo Māori attracted much higher positive interaction and engagement from Māori as well as other ethnicities.



TOP: Child Restraints Checkpoint Awareness campaign poster

MIDDLE: Drink Drive Free Campaign undertaken alongside the NZ Police and the NZ Warriors

BOTTOM: Increasing road safety awareness around our schools

**Travelwise in Schools**

The Travelwise and Walking School Bus (WSB) Programmes have an important role in improving pedestrian safety around schools, increasing walking, cycling and scootering to school, instilling lifelong pedestrian safety skills and reducing vehicle congestion.

This year AT worked with 357 school communities to develop, deliver and implement Safe School Travel Plans that reflect and address congestion and safety issues in their community, and to increase active transport modes by implementing and designing location specific, targeted community interventions.

Safe School Travel Plans were delivered in all and participating Travelwise schools and more than 2,755 activities and events were held.

We promoted the benefits of active transport to whole-school communities by holding a Travelwise Conference for 140 teachers and delivering student leader training to students from 43 schools. We delivered BikeReady cycle safety training to at least 7,927 students across the region, the Bikes in Schools programme and Safety and School Gate parking enforcement programmes to over 300 schools, and scooter safety training to 55 schools with 10,967 participants.

The Travelwise Annual Survey data showed that work in the Travelwise schools led to the reduction of 16,972 vehicles on the road each morning peak.

**Walking School Bus**

While vulnerable road users (people walking, cycling and motorcycling) Death and Serious Injury (DSi) decreased slightly in 2018, it increased as an overall percentage of all DSi whereby 47 percent of all DSi is now made up of vulnerable road users, continuing a rising five-year trend. For the third year running there has been zero deaths of active school aged road users (5-18 years) during weekdays, 7am-9am and 3pm-5pm. Despite this, focus is still required in this space in order to reduce the number of serious injuries to this group (16 serious injuries in 2018).

There are 408 active Walking School Buses across the region with 4,502 children and 1,605 volunteers participate in the programme. Twelve new schools were added to the programme this year and 78 new routes added at new and existing schools.

Recruiting and retaining volunteers is essential to the delivery of the Walking School Bus programme and this year more than 470 attended a Megastars evening to recognise their contribution.

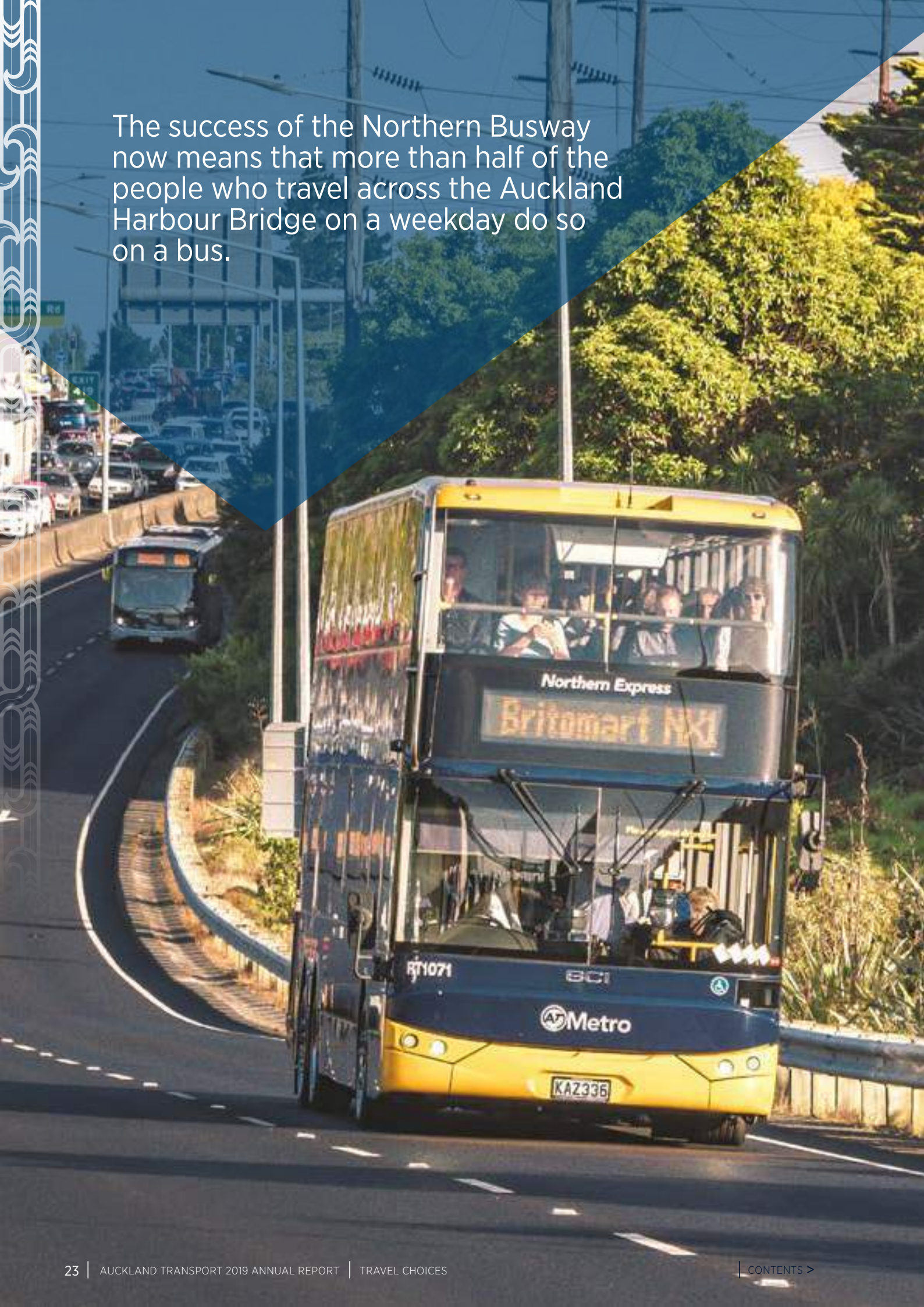
During Walking School Bus month, a safety audit competition was run to encourage coordinators and volunteers to do an additional check of their route. The month involved 1,775 children from 182 registered buses and attracted 12 new buses.

**LEFT: Walking School Bus children from Birkenhead Primary School with the Winter Wizard**

**RIGHT: The Meadowbank School Walking School Bus arriving at school**



The success of the Northern Busway now means that more than half of the people who travel across the Auckland Harbour Bridge on a weekday do so on a bus.





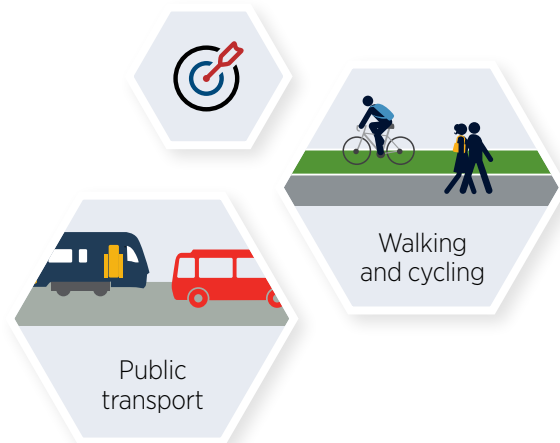
## Deliver an efficient and effective transport system

Auckland Transport continued to focus on improving public transport services and options to increase patronage and mode share last year, particularly in areas where congestions could be eased to provide Aucklanders with greater travel choices.

We rolled out the last stages of the new bus network, introduced new bus lanes and bus priority improvements, increased train and ferry services, progressed the next stage of the Eastern Busway between Panmure and Pakuranga, and worked with the NZ Transport Agency to accelerate the development and route protection for key components of the rapid transport network.

We participated in a joint agency governance group being established to support the NZ Transport Agency to plan, design, supervise, construct and maintain Auckland's rapid transport network, including light rail. We also worked with the NZ Transport Agency and Auckland Council to implement a comprehensive network optimisation programme incorporating improvements to the wider transport system, and building on the work already underway on the Auckland road network and traffic management system.

We have continued to place high priority and emphasis on encouraging the use of active modes with the rollout of the Urban Cycleways Programme, cycle campaigns and bike training, together with new and improved footpaths and cycleways.



### › Rapid Transit Network – Eastern Busway

Construction on the first stage of a \$1.4 billion Eastern Busway Panmure to Pakuranga (EB1) began on 19 April 2019. Public consultation around the next stage from Pakuranga to Botany has been completed and land acquisition requirements identified.

The Eastern Busway (AMETI) is Auckland Transport's largest project, and Auckland's second biggest project after the City Rail Link. The seven kilometre rapid transit busway includes integrated cycling and walking connections, improvements for general traffic, a new flyover connecting Pakuranga Rd with South Eastern Highway, urban design enhancements, new community reserves and public spaces. The project will be constructed in four stages by 2025.

This transformational project offers many long-term economic and customer benefits from big reductions in journey times, less congestion, the provision of a connected public transport system, a separated cycleway allowing bike and scooter riders to travel around east Auckland safely, and the knock-on effect these will have for East Auckland.

The first stage includes transforming Panmure Roundabout into a safer, signalised intersection, construction of the busway along Lagoon Drive and Pakuranga Rd, a new bridge across Tamaki River, shared cycling and walking paths, a new reserve at the end of Bridge Street in Panmure and improvements for general traffic at key intersections. The next three stages will extend the project to the Pakuranga Town Centre (including construction of the Reeves Rd Flyover), and then onward along Ti Rakau Drive to a new station at Botany Town Centre.

A number of travel choices are available to the public during construction and AT has worked hard to mitigate disruption by continuously monitoring and improving traffic performance, utilising VMZ live public communication and working with ATOC to manipulate related intersection signals. Key performance indicators linked to financial incentives have been agreed with the main construction contractor to minimise the impact on traffic and the local community, and a comprehensive Travel Demand Management campaign has been rolled out to help commuters personalise their journey planning and encourage travel alternatives. A new T2 lane has been introduced on the Pakuranga highway and an Express Bus Service from Howick and Lloyd Elsmore Park operates during peak travel times supported by the launch of a proposed temporary Park and Ride facility at Lloyd Elsmore Park during construction.



**Let's get  
East  
Auckland  
Moving**

### Completion of new bus network rollout

The three year rollout of Auckland’s new bus network continued this year with simplified, better connected services being introduced to Central Auckland and the North.

The completion of the new public transport network to date has seen a 32 percent increase in the total distance travelled by Auckland buses and a 163 percent increase in people living within 500 metres of a frequent and/or rapid public transport stop or station. In the year to June 2019, patronage on the rapid transit network grew 21.4 percent.

The project will be completed with the introduction of changes on Waiheke Island in October 2019.



### Purchase of new trains

AT has purchased 15 new electric trains to increase capacity bringing ATs fleetsize to 72 x 3 car trains. The first will be commissioned early 2020 with others to follow and the entire fleet in service late 2020.



### Ferry services

6.3 million passengers took the ferry this year, exceeding the SOI target by approximately 20,000 people. Positive growth was experienced by all contracted routes except for the Bayswater and Birkenhead services, which were down 3.7 percent and 14.7 percent respectively.

The top three ferry service routes for growth remain the same; West Harbour, Pine Harbour and Hobsonville Point. Both West Harbour and Pine Harbour narrowly missed the 10 percent growth milestone. Hobsonville Point far exceeded 50 percent year-on-year growth thanks to the introduction of weekend services in January funded in a joint partnership with the Hobsonville Point Residents’ Society, HLC, Willis Bond & Co, AV Jennings, Classic Builders, Jalcon Homes, Universal Homes, Auckland Transport and the NZ Transport Agency.



## Deliver an efficient and effective transport system continued

### Rapid Transit Network

The train/rail and Northern Express Rapid Transit Network (NEX) provides significant travel time savings for commuters during the peak periods. In April 2019, the NEX represented a travel time saving of up to 30 minutes from Albany to the city centre during the AM peak relative to cars, and up to 10 minutes saving during the PM peak.

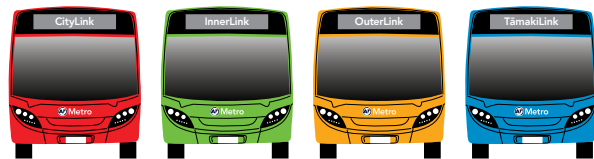
Rail/train provides the most reliable travel time across all modes and achieves significant travel time saving of up to 20 minutes or more across all routes available to a train option during peak periods. This is especially the case for the Panmure to the city centre route where the train is up to 20 minutes quicker than both car and bus alternatives throughout the day.

### Bus priority improvements

Mitigating works have been carried out on Dominion Rd and Remuera Rd to facilitate double decker bus operations designed to increase public transport capacity. Another 43 double decker buses were introduced bringing the total number operating to 193.

We also introduced new and extended bus lane hours on key transport corridors to improve customer journey times. Bus priority improvements were made on 5.7 kilometres of frequent network corridors along Sandringham, New North, Mount Eden and Manukau roads.

In July 2018 a fourth bus service – TāmakiLink – joined the Link bus services family alongside CityLink, InnerLink and OuterLink.



### Improvements to rail services

New and improved train timetables were introduced for Friday evening and weekend services, and changes have been made to other services to reduce journey times on the eastern, western and southern lines. AT is also working with key agencies to progress the development of electrification between Papakura and Pukekohe.

### › Rapid Transit Network – Airport to Botany and Puhinui Interchange

The Southwest Gateway Programme and Airport to Botany Rapid Transit Project was open to public consultation during November and December 2018. Nine community open days were held across south and east Auckland and feedback was also received via websites. Approximately 850 people were spoken with and about 500 written comments recorded. Key themes captured in the engagement feedback included: safety, connectivity and integration of projects with other infrastructure (current and proposed future) in southeast and southwest Auckland, and growth and development.

In May 2019 the NZ Transport Agency and Auckland Council committed to a \$60 million investment in a new rail and bus interchange at Puhinui. Construction will begin late 2019 and the new interchange will provide direct and frequent connections to the airport with buses running every 10 minutes along priority lanes.



## Cycling

AT has delivered Cycle Safety Skills Training to approximately 8,644 students over the year at 40 events and activities, including wheels days, bike breakfast promotions, bike and helmet checks, cycle assembly promotions and active reward initiatives. Over 1,800 students participated in a helmet fitting session in stand-alone helmet checking sessions (not part of a larger cycle activity).

A Cycle Ambassador Programme was delivered at 17 schools. We also facilitated five Cycling NZ Ride Leader training courses, delivered cycle instructor training for Bikes in Schools teachers to 205 teachers and ran Adult Learn to Ride and Urban Bike Skills 'Drop in' sessions.

Our Community Cycle Safety team reached 16,180 people at 98 community events promoting bike safety and distributing maps, backpack covers, lights and bells to normalise cycling and cycle safety.

The AT regional cycle maps were refreshed and 81,000 maps were distributed to Aucklanders. The AT Cycling Facebook page grew to over 16,000 followers sharing stories, videos and promotional material.



The Ian McKinnon Cycleway provided a missing link between the North Western shared path and the city centre.

## Cycle campaigns

The Spring Cycling Campaign (2018) reached 639,442 Aucklanders 18-64 approximately 4.5 times. This represents 58 percent of the 18-64 year old Auckland population. Cycle counter numbers for Spring showed a 9 percent growth on 2018.

The Summer Cycling Campaign (2019) - Live the Bike Life - reached 831,536 Aucklanders approximately 6.27 times. Cycle counter numbers reached a record high of one million over summer, representing an 8 percent increase on the previous year. The post campaign survey showed that nearly half of Aucklanders were aware of it.

During Autumn cycle counter numbers exceeded one million, representing an increase of eight percent on the previous summer.

This year's Auckland Bike Challenge exceeded all targets with 5,359 participants, 531 organisations and 118 new riders. 69,188 trips were logged - covering 995,891 kilometres (almost a million!). This year AT partnered with Variety - the Children's Charity to raise funds to provide 80 new bikes and helmets to children in need.



### Walking

The third Auckland Walking Challenge attracted 5,807 people with 66 percent walking more than a year ago. Seventy-seven percent credit the Walking Challenge with helping them to walk more and 71 percent are replacing previous car trips with walks.

The Pedestrian Analytics Solution initiative, a joint project between AT and Auckland Council, identified 58 sites to receive CCTV analytics to deliver insights into pedestrian movements in and around the city centre and support planning initiatives.

### Park and ride

AT manages 26 Park and Ride facilities. Over the past year:

- › Albany Park and Ride has been extended by 135 new parking spaces
- › A new Park and Ride was constructed at Takanini with 270 parks, four pick-up/drop off and seven mobility space
- › A business case supporting additional park and ride capacity at Papakura Rail Station has been prepared and is with the Papakura Local Board
- › A strategic business case (including Park and Ride) for the Matiatia ferry terminal has been completed and endorsed by the NZ Transport Agency, with NZTA funding decisions to follow
- › New park and ride sites are being investigated at Warkworth and Kumeu/Huapai in association with the Rodney Local Board.

### Parking improvements

Auckland is growing and with limited parking supply is under increasing pressure, we need to ensure that the space we dedicate for parking is being used effectively. This year AT introduced new Paid Parking Zones (PPZ) within four town centres: Albany, City Centre, Kingsland and Takapuna. We also upgraded the AT Park app in response to customer feedback.

Last year AT launched E-permits to enable residents and business owners to apply for their residential parking permits online. This new system provides AT customers with a more proficient process to apply for on-street permits. Customers can use their existing MyAT and AT Park account (or register for either app), submit documentation and pay online. The first customers able to apply for E-permits were within the St Marys Bay Residential Parking Zone.



### Parking improvements continued

Residential Parking Zones (RPZ's) were initiated at the request of residents in Parnell, Grey Lynn and Arch Hill. In addition AT held RPZ public consultations in Eden Terrace.

Parking Services and Business Technology teams have been working together to roll out a new carpark parking management system which uses licence plate recognition technology, allowing customers to enter and exit carpark buildings without taking any tickets or using any access cards. The system is currently being trialled at Victoria Street carpark and, if successful, will be rolled out across the rest of AT carpark buildings including Downtown, Civic, Fanshawe Street and Ronwood. The next step involves integrating the AT Park app with the new system, enabling customers to pay for casual parking using the app.



**Parking Officers help customers with wayfinding, event information and new parking operating systems. As they are first aid trained, they are often first on the scene for pedestrian versus vehicle incidents.**



The customer is at the centre  
of the new and expanded  
public transport system





## Focus on the customer

Improving customer experience is critical to Auckland Transport's successful delivery of transport services, infrastructure and information and for maintaining positive and constructive relationships with Local Boards, elected members and a wide range of stakeholders including transport users, Mana whenua and local communities.

AT conducted 406 consultations in the 2018/2019 financial year. Of these consultations, 376 were small projects like pedestrian crossings, parking changes or bus stop changes.

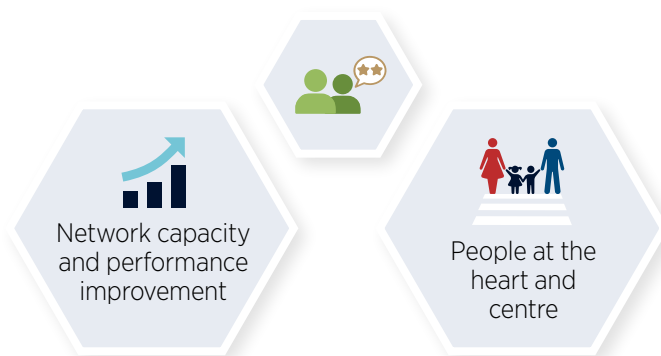
The Customer Focus Team managed 264 external consultations this year with an additional 29 run by the Engagement and Consultation team. Fifty-two projects were notified externally.

AT is focused on placing the customer at the centre of the new and expanded public transport system, and over the past year has introduced route-dynamic on-demand rideshare schemes, improved the connectivity to and within the core public transport system, and worked to enhance the efficiency and effectiveness of shared mobility services at the periphery of the core public transport system and in low density areas.

During the year AT looked at the way we worked, and how we are organised, and focussed on activities where there is the most opportunity to increase value for the community. This review resulted in structural changes including new customer and safety executive leadership positions to ensure the customer and people are at the heart of what we do.

We have focused on improving the AT HOP customer experience by making AT HOP card services more accessible through initiatives such as a reduction in the previously set \$5 top up, automating the renewal of super gold concessions for six years and easier replacement of faulty cards. Improvements have been made to the MyAT website pages and the AT Mobile app and simplified the discount fare concession process.

Through our Travelwise Travel Planning Programme, AT has engaged with schools and businesses across Auckland to provide advice on optimal and safe travel choices and promoted a shift to public and active transport modes. We have focused on improving the public visibility of Auckland's road safety performance and delivering more responsive customer services to meet the growing number of traffic and road safety requests we receive each year.



## Focus on the customer continued

### Customer Experience Blueprint

The Customer Experience team has designed a Customer Experience Blueprint which puts customers at the heart of decision making and prioritisation. As part of the strategy the team has started working on two prioritised mobility experiences; that is, journeys that customers make covering the whole of the journey and all of the services, touchpoints and products they engage with.

Journey mapping determines all of the customer pain points, barriers and needs. This work will be integrated and aligned with business plans. There has been good progress within the community living experience in the LGOIMA area and in case management, where the Customer Services group has been able to make significant improvements to customer response times.



The Customer Central team works through everyday challenges for our customers and finds solutions

### › Newmarket Development Response

Later this year a major shopping centre is opening in Newmarket with 2,800 car parks, 230 shops, roof-top dining, cinemas and leisure facilities. The developer for the Broadway shopping complex expects between 25,000 to 60,000 visitors per day, with peak visitors on major launch days from August to October 2019.

The location of this development intersects with some key arterial routes across Auckland and AT has formed a development response team to look at the impact of increased travel demand in the area, and the impact on customer experience across all modes (including walking, public transport and road users).

Building on existing AT plans for community transport hubs and key corridor improvements in the wider ecosystem, the team is developing a plan to accelerate mode shift and travel planning for retailers, businesses, schools and visitors to the area. The team has taken a customer centred

approach using customer interviewing, testing and human centred design principles to all aspects of the research and investigation phase, and is now focussed on activities to support AT's customers and visitors to the area.



### AT HOP improvements

More than two million AT HOP cards are in circulation and 95 percent of Auckland public transport trips are made by customers using an AT HOP card.

In the year to April 2019 the AT.govt.nz website had 20 million website sessions and the AT Mobile app recorded 300,000 information downloads.

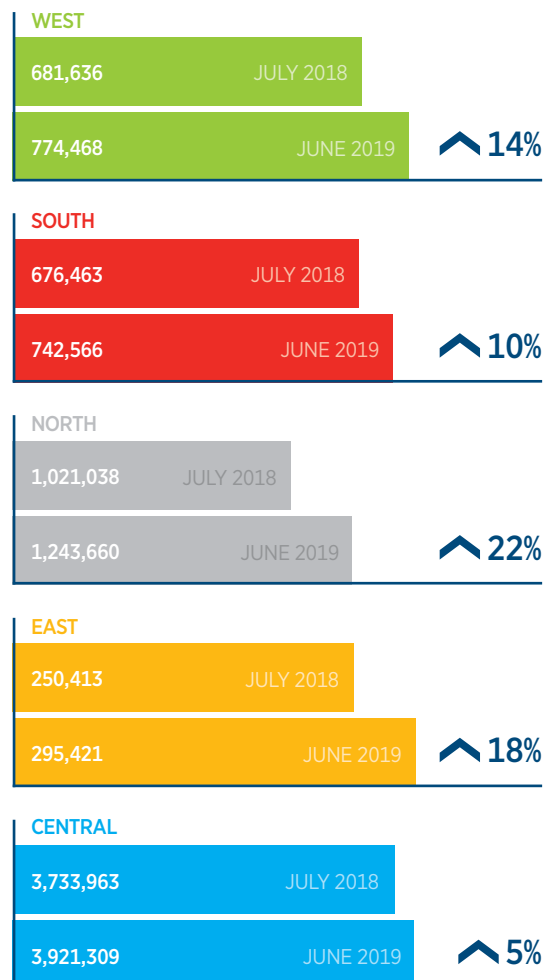
AT has continued to improve the customer experience with AT HOP, introducing the ability for customers to check their balance on the AT Mobile app. Future developments will introduce the customer transaction history, linked accounts and Top Up features.

## There are 160,000 monthly AT Mobile app active users.

This year, an improved HOP tertiary concession application process was trialled with the University of Auckland (UoA) to allow able tertiary students to apply for their HOP concession (for up to three years) using AT Mobile. It was successfully rolled out to Auckland University of Technology (AUT) and Massey University, with over 85 percent uptake by students and a 4.25/5 satisfaction rating. Over 51,000 students applied using AT Mobile, 21,000 in 2018 and 30,000 in 2019. This reduced the workload for Customer Service Centres by around 30 percent.



#### AT HOP JOURNEYS



## Focus on the customer continued

### Omni Channel Strategy and Programme

The AT Omni-channel strategy for customers to interact confidently with AT has been developed and delivery is underway. It includes a separate Retail Strategy (in draft), development of a simplified telephony system, and a lean process review to manage core processes for roading, parking and AT Metro Operator Cases. New customer complaint management policies and processes are being developed and work to publish responses to Local Government and Official Information Act requests is in its final stage.

### CRM Case Management

An organisation-wide case management system has been designed to improve responsiveness and timely resolution of customer requests. A new case management tool is expected to go live late 2019.

### Marketing

Marketing is an important lever to increase public transport patronage, accelerate modal shifts, improve the use of transport assets, make our roads and services safer, and provide timely information on major projects and consultations.

### Accessibility improvements

AT continues to improve accessibility to the public transport network for sight-impaired customers. This year, a trial of 'Next Stop' audio announcements ran on two buses (Airporter and Northern Express) with monitors at the front and back of the bus providing visual next stop and transfer information to customers. A trial of public Wi-Fi connectivity limited to 50MB per device is underway.




**student rates.**

**Save at least 20%\* on your fare with an AT HOP tertiary concession.**

Apply for an AT HOP tertiary concession and get cheaper bus, train and ferry travel.

Check out [AT.govt.nz/tertiary](https://www.at.govt.nz/tertiary) for more details.

Go Metro. 

\*20% savings off the equivalent AT HOP adult fare or up to 30% off the equivalent adult cash fare. Excludes SkyBus and Waiheke ferry services. Terms of use for AT HOP cards are available at [AT.govt.nz/tertiary](https://www.at.govt.nz/tertiary)

### Innovation and trials

AT Local, a 12-month trial of a high quality, low cost, on-demand rideshare service in the lower Devonport peninsula area, was launched in November. The service enables customers to book trips for up to six passengers using the AT Local app, is cashless and operates within a rideshare zone incorporating the Devonport, Bayswater and Stanley Bay ferry terminals.

At the end of March, over 1,800 customers had signed up and 2,816 rides were completed for the month, 42 percent higher than the previous month. Customer feedback continues to be very positive with 96 percent rating the service 5/5 stars. The trial is being assessed to determine longer term options for 'on-demand' ride share services around Auckland.



95.2% of Auckland public transport trips are made by customers using an AT HOP card



## Ensure value for money across AT's activities

Auckland Transport is committed to making the most of available funding and resources to deliver the transport system Auckland needs. We continuously review and improve our operations and are committed to the robust value management of projects and procurement processes to ensure we are investing ratepayer and taxpayer money wisely.

We participate in value for money reviews with Auckland Council and work to optimise efficiencies by removing duplication and different approaches to core systems, and pursuing shared back-office delivery opportunities including, where appropriate, investment in information and communications technology.

Joint Council Group procurements generate economies of scale and savings across the group, and we work with the NZ Transport Agency to optimise the funding of its programme, both capital and operating.



## Ensure value for money across AT's activities continued

### Performance management

AT has increased services and provision of the customer experience this year with more passenger trips supported by the new bus network, rail timetable enhancements, and new ferry services. We have delivered the capital programme while managing operating costs within one percent of budget in an environment of increasing cost pressures. Our continuing focus on managing performance and optimising expenditure has also resulted in reductions in discretionary spending including professional services, and domestic and international travel.

### Renewal optimisation

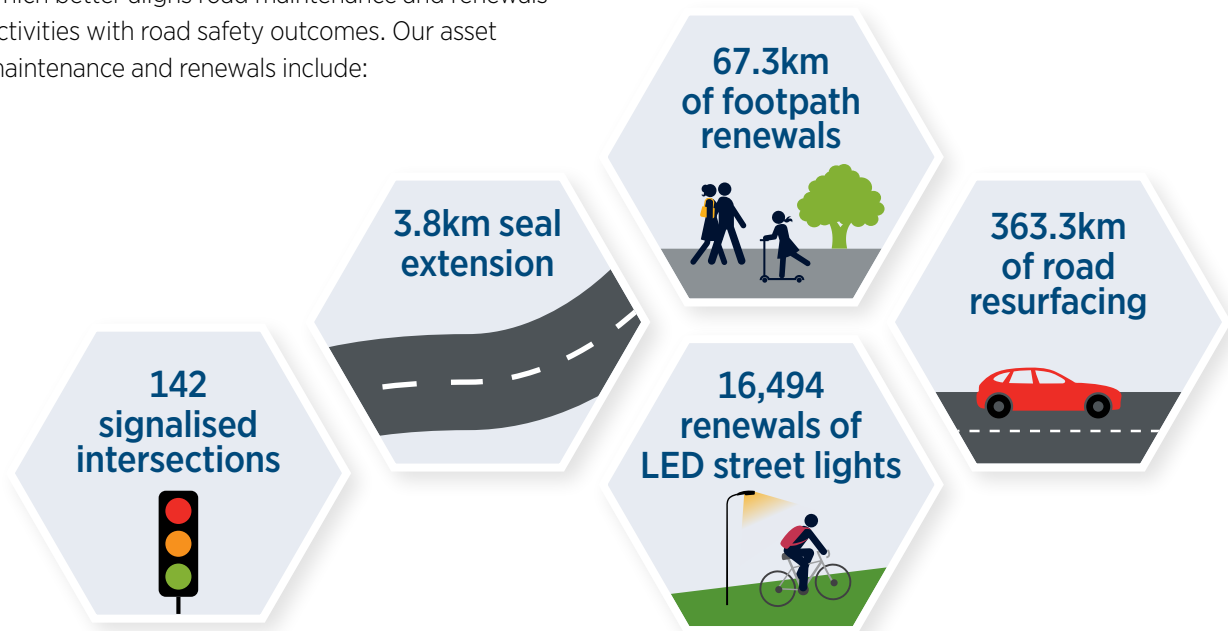
AT continues to optimise the timing of renewals to minimise lifecycle costs and provide fit for purpose levels of service, pavement rehabilitation and resurfacing, public transport renewals, drainage/kerb and channel works, streetlights, and footpath and cycleway renewals.

### Network renewal

We are developing a Safety Management System which better aligns road maintenance and renewals activities with road safety outcomes. Our asset maintenance and renewals include:



One of Auckland's 16,494 LED street lights is installed





### Asset transfer

AT is preparing to assume ownership and maintenance of around 200 navigation aids within the former Harbour Board limits presently owned by Ports of Auckland. This will be accomplished once the system used to manage navigation aids is operational.

### Integration and collaboration

We work closely with local and central government agencies to achieve integrated project planning and delivery, improve safety outcomes and enhance alignment of priorities and funding.

We participate in joint Council Group procurements to generate economies of scale and savings across the Group and work with the NZ Transport Agency to optimise programme funding.

### NZ Transport Agency co-funding

We also work closely with the NZ Transport Agency and MoT to optimise co-funding of our capital and operation programmes, consistent with ATAP commitments made by central and local government.

The Glen Innes to Tamaki Drive Shared Path, Te Ara Ki Uta Ki Tai, is a joint project between AT and NZ Transport Agency



ARTISTS RENDERING

### Network management/operation

**Incident management:** The Auckland Transport Operations Centre (ATOC) uses hundreds of CCTV cameras and other sources to monitor approximately 7,500 kilometres of arterial/local roads in Auckland, dozens of public transport facilities across the region, including rail and bus stations plus more than 3,000 kilometres of state highways from Cape Reinga to Taupō. This year, staff worked with emergency services and others to coordinate the response to approximately 30,000 unplanned incidents on the road network to over 550 categorised as serious. Some teams also directly or indirectly involved in responding to incidents on the Auckland public transport network.

ATOC also helped manage the impact of thousands of planned roadworks plus utilities work, public events and other activity affecting the road corridor within its area of operation, provided real-time travel information 24/7 to keep customers informed and ensured traffic signals were optimised to improve traffic flow and/or safety.

#### **Collaboration with Auckland International Airport**

**Limited:** On behalf of AT and the NZ Transport Agency, ATOC has actively collaborated with Auckland International Airport Limited (AIAL) to develop and implement a joint operation to manage high travel demand in the airport region in the peak 2018/19 Christmas holiday period. The two teams worked together as one with a common objective to proactively manage the traffic flows in and out of the airport and to have a rapid response to incidents on the network. This included developing a detailed plan of action for achieving the desired customer outcomes, sharing a common operating picture, leveraging off all the available technology, and having AIAL staff based at ATOC during some periods and vice versa. These collaborative efforts resulted in a highly successful summer season at the airport.

**Active monitoring of the city centre:** ATOC's dedicated City Centre Network Operations team, supported by colleagues in numerous other teams across ATOC Central and Smales, have continued to actively monitor and report on the operation of the inner city road network. With a dual focus on efficiency and safety, the CCNO team plays a key role in ensuring traffic management plans will minimise delays for priority modes and maximise safety for all customers. They make real-time adjustments to traffic signals to improve flow and, when appropriate, work with relevant parties to enhance the design of signalised intersections. Pleasingly, despite record levels of development in the city centre, the team has helped ensure network performance measurements are being met.

#### **Amalgamation of ATOC Smales and ATOC**

**Central:** In December 2018 the business case for the amalgamation of our two ATOCs into a single integrated transport operating centre to be based at Smales Farm in Takapuna was approved by the Auckland Transport Board and the NZ Transport Agency Chief Executive. The amalgamation will enable the teams based there to work much more closely and collaboratively together, resulting in a further improved service to our customers across the transport network. Benefits of the amalgamation will include:

- Multi-modal, multi-organisation transport operations
- Better co-ordination between different functions and modes and more standardised systems and processes
- More integrated customer journey information
- Expanded capability (via increased internal and external resourcing).

Work is well underway on the amalgamation project to be completed over the next year.

### Network capacity and performance improvement

AT is developing a new Freight Plan for Auckland, incorporating a new strategic freight network. This work includes the establishment of two new groups: The Freight Reference Group (made up of executives from the freight industry as well as local and central government) and the Freight Working Group, which coordinates internal AT actions related to freight.

### Real-time information improvements

The Real-time Programme has been underway since 2018 and consists of two major concurrent projects:

- The Command Centre provides a real-time situational awareness tool showing bus, train and ferry services. This tool is used by AT's Day of Operations, Operational Performance, Contact Centre Teams and also AT's Operators. It has been rolled out to all operational groups and plans are underway to enhance it with service alerting, disruptions management and congestion information. During the year we achieved the milestone of being able to see all three key public transport services (bus, train and ferry) concurrently, as a result of the ferry operators providing AT with Trip-to-Vessel information in real-time.
- The Real-time Programme is replacing RAPID, the current legacy and proprietary real-time platform, which is over 15 years old. A new system is being built and tested to enable AT to better monitor service delivery, operator schedule adherence, improve fleet operating efficiency, provide more accurate prediction times for services, and help improve first call resolution rates for AT's contact centre.

Further programme improvements includes refurbishing older LED Passenger Information Displays (PIDs) to extend their useful life.





## Urban regeneration and placemaking

Auckland Transport has a key role to play in supporting the wider Council group to facilitate urban regeneration and placemaking.

We work with Auckland Council to develop structure plans and plan changes to ensure integrated transport and land use development in greenfield areas, and support redevelopment in brownfield areas through our relationships with Homes, Land and Communities (HLC) and Housing New Zealand in the Auckland Housing Programme.

We also work with the NZ Transport Agency to confirm and route protect the transport networks required for Future Urban zoned locations to support development and new housing construction through the Supporting Growth Alliance. Indicative business cases for each of the four growth areas (North, North West, Southern and Warkworth) have been completed and endorsed by our respective Boards , and further investigations are underway to progress the route protection of some corridors.

AT works with Panuku Development Auckland on priority urban regeneration and placemaking areas, including Takapuna, Panmure, Northcote, Manukau, Henderson and Onehunga. In Wynyard Quarter, a significant amount of work continues to transform Daldy St and Gaunt St. Footpath and carriageway resurfacing works are substantially complete on Daldy St with rain garden planter beds continuing to the south. The boardwalk surrounding Wynyard Common is complete and works are underway on the Common.



### › Franklin Road

The \$16 million transformation of Franklin Rd was completed this year. The culmination of a three-year programme incorporating utility service upgrades, repairs and streetscape construction, AT has worked with Watercare, Vector, Chorus and Auckland Stormwater to virtually rebuild the road from the underground up.

Franklin Rd is one of Auckland's most loved streets, famous for its Christmas lights and its London plane trees, some of which are more than 100 years old.

It is also an important connection between Ponsonby and the city centre, accommodating more than 14,000 vehicle trips daily.



**Taking a 'dig once' approach, the final result is testament to the patience, goodwill and support provided by the local community, especially residents, businesses and the Community Liaison Group who helped shape the final design while retaining the road's natural heritage.**

Before the rebuild, Franklin Rd and footpaths were in a terrible state. The underground infrastructure needed upgrading or replacing, stormwater got into the wastewater system, and tree roots damaged the footpaths and road creating hazards for pedestrians, drivers and people on bikes. A complex and challenging project, Franklin Rd now boasts even footpaths, a new roundabout at the Wellington Street intersection, and new cycleways on both sides of the road while tree root zones have been protected from vehicles by redefining the berm area. The underground aged sewerage system has been replaced, new drain catch pits installed and improved street lighting and well-defined parking spaces contribute to the safer movement of all.



> Downtown improvements

## Auckland Council has a vision to transform the Downtown waterfront over the next 10 years into an attractive, people friendly environment.



AT is delivering the first part of this vision from 2018-2021 in time for three major upcoming events – the 36th America’s Cup, the Asia-Pacific Economic Forum (APEC) and Te Matatini in 2021.

The Downtown programme begins with seismic strengthening of the Seawall to protect Quay Street and the utility services that run beneath it. Getting these foundations sorted will secure the area for the next 100 years. This lays the foundations for the other elements of the Downtown programme including enhancing the streetscape, redeveloping the Ferry Basin and constructing a new Downtown bus interchange.



The programme is progressing well with enabling works and investigations on service location started and design progressing to detail phase. Stakeholder engagement will continue throughout the project.



## KEY PERFORMANCE MEASURES AND RESULTS

Auckland Transport has a total of 22 SOI key performance measures for 2019 of which 16 are also LTP measures. In the 2018/19 financial year 16 measures have been met or exceeded (11 measures were exceeded, 5 met) and 6 have not been achieved.

### Deliver an efficient and effective transport system

MEASURE	SOI TARGET	2018/19 ACTUAL	2017/18 RESULT	RESULT
Total annual public transport boardings	96.3 million	<b>100.8 million</b>	92.36 million	<b>EXCEEDED</b>

In the 12 months to June 2019 Auckland public transport patronage totalled 100.8 million passenger boardings, an increase of 9.1% on the previous year. This was supported by the introduction of the New Network Central and North rollouts.

Total annual rail boardings	21.11 million	<b>21.39 million</b>	20.15 million	<b>MET</b>
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In the 12 months to June 2019 there were 21.39 million boardings on the rail network. This was 6.4% higher than last year and 1.3% above the SOI target of 21.11 million.

Boardings on rapid or frequent network (rail, busway, FTN bus)	Increase at faster rate than total boardings	<b>21.5% growth compared with 9.1% total boardings</b>	14.2% growth compared with 4.4% total boardings	<b>MET</b>
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Boardings on Rapid and Frequent services totalled 49.2 million in the 12 months to June 2019, an increase of 21.5% on the previous year. Strong growth has followed the introduction of the New Network, which increased the extent of the frequent bus network.

New cycleways added to regional cycle network	10 km	<b>9.65 km</b>	6.5 km	<b>NOT MET</b>
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Several cycleway projects were delayed from 2018/19. Northcote Safe Routes bridge required further structural designs. Westhaven to the city centre section 2 and Victoria Street East West has been delayed pending additional assessment in relation to the interface with the Victoria Linear Park.

Number of cycle movements past selected count sites <sup>1</sup>	3.644 million	<b>3.771 million</b>	New measure	<b>EXCEEDED</b>
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Although this is a new SOI measure, we have been recording cycle counts at the various count sites since they were opened.

Cycling counts at selected sites in 2018/19 were 8.9% higher than in 2017/18, exceeding the 2018/19 target by 3.5%. Strong growth is expected to continue as new infrastructure is provided.



**KEY TO TARGETS:**

Result above target by more than 2.5% = EXCEEDED ▲

Result within +/- 2.5% of target = MET ▲

Result below target by more than 2.5% = NOT MET ▼

See page 52 for Notes 1 to 7 to the performance measure targets

**Deliver an efficient and effective transport system continued**

MEASURE	SOI TARGET	2018/19 ACTUAL	2017/18 RESULT	RESULT
Active and sustainable transport mode share at schools where the Travelwise programme is implemented	40%	47%	48%	EXCEEDED

To achieve a sustainable mode share at Travelwise Schools of 47%, Auckland Transport promoted the benefits of active transport to whole-school communities by working intensively with over 350 active schools on the programme, including developing a Safe School Travel Plan for each school, holding a Travelwise Conference, delivering BikeReady safety training, The Walking School Bus programme, scooter safety training, and Safety and School Gate parking enforcement programmes.

Active and sustainable transport mode share for morning peak commuters, where the Travelwise Choices programme is implemented	40%	72%	69%	EXCEEDED
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The positive sustainable mode share result is influenced by surveys at large city centre organisations on the Travelwise Choices programme. The staff and students at these organisations tend to travel more sustainably (more transport choice available) than those working at Travelwise Choices organisations outside the city centre. While results are dependent on organisations participating in surveys, we expect the sustainable percentage to remain high in future years.

Average AM peak arterial productivity <sup>2</sup>	21,000	32,863	New measure	EXCEEDED
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The productivity measure was expanded from the original 6 routes from July 2018. This change elevated the productivity measure to a regional level covering the primary arterial network. As a result, all frequent service bus routes, special vehicle lanes, and parts of the network that operate efficiently during peak hours that account for high people through-put are now being included and results in a higher productivity outcome.

The target of 21,000 was inherited from the original 6 arterial routes, and was required to be reevaluated based on the expanded routes. Therefore, a more appropriate target of 27,500 is set for 2019/2020.

Proportion of the freight network operating at Level of Service C or better during the inter-peak <sup>3</sup>	85%	93%	New measure	EXCEEDED
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The freight measure was expanded from the original 5 arterial routes to include the AT freight network which now comprises key freight routes on both arterial and motorway networks. The measure was also changed from measuring travel time for specific routes to measuring Level of Service (LOS) which represents travel time, but now for the broader freight network during the inter-peak period. The high result is largely attributable to the motorway component of the freight network of which 97% is performing efficiently (LOS A-C) during inter-peak period, whereas 87% of the arterial component is performing efficiently, which marginally exceeds the target.

## KEY PERFORMANCE MEASURES AND RESULTS continued

### Focus on the customer

MEASURE	SOI TARGET	2018/19 ACTUAL	2017/18 RESULT	RESULT
Percentage of public transport passengers satisfied with their public transport service	85%	<b>91%</b>	91%	<b>EXCEEDED</b>

The percentage of customers satisfied with their public transport service remains high over the last year at 91%. Satisfaction levels are driven by perception of value for money due to integrated ticketing, and improved experience on buses following the gradual implementation of the bus New Networks.

Public transport punctuality (weighted average across all modes)	94.5%	<b>97.0%</b>	96.5%	<b>EXCEEDED</b>
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In the 12 months to June 2019 average public transport weighted punctuality was 97.0%. Punctuality has improved, and stabilised since the implementation of the new network. Due to close collaboration with operating partners, there was minimal punctuality impact from the May 2019 Employment Relations Act changes.

Percentage of local board members satisfied with AT engagement <sup>4</sup>				
– REPORTING TO LOCAL BOARD	70%	<b>41%</b>	56%	<b>NOT MET</b>
– CONSULTING WITH LOCAL BOARD	70%	<b>35%</b>	56%	<b>NOT MET</b>

While the 2019 Elected Member Survey results for engagement with Local Boards are disappointing from AT's point of view, considerable effort is being put into improving the ability of Local Boards to make positive changes to their local environments. The Local Board Transport Capital Fund has been increased to \$21m and a new Community Safety Fund has allowed Local Boards to identify and remedy local traffic safety issues that are high priorities for their local communities. Early engagement with Local Boards is being actively promoted within Auckland Transport and new ways of informing them about upcoming works and receiving their feedback on these, are being explored. Auckland Transport expect these initiatives will bear fruit and looks forward to much improved results in the next Elected Member Survey.

Percentage of customer service requests relating to roads and footpaths which receive a response within specified timeframes <sup>5</sup>	85%	<b>82.3%</b>	82.5%	<b>NOT MET</b>
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Our suppliers are performing at or close to expected levels of customer responsiveness for road and footpath requests. Improvements in our customer responses are evident in the last quarter of this year and we are working constructively with our suppliers to maintain target times.

**KEY TO TARGETS:**

Result above target by more than 2.5% = EXCEEDED ▲

Result within +/- 2.5% of target = MET ▲

Result below target by more than 2.5% = NOT MET ▲

See page 52 for Notes 1 to 7 to the performance measure targets

**Improve the safety of the transport system**

MEASURE	SOI TARGET	2018/19 ACTUAL	2017/18 RESULT	RESULT
Number of high risk intersections addressed by the safety programme	10	<b>11</b>	New measure	<b>EXCEEDED</b>

Within the safety programme, Auckland Transport has an SOI target to deliver improvements targeted at ten of the highest risk intersections and corridors (sections) of road in the region. In 2018/19, eleven of the highest risk sections were addressed, in addition to 26 pedestrian upgrades and a further 54 safety projects across the wider network.

For this purpose, highest risk refers to NZ Transport Agency’s list of 100 highest risk intersections and sections of road in the Auckland Region.

Change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Reduce by at least 9 (681)	<b>Reduced by 137 (553)</b>	690	<b>EXCEEDED</b>
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The 12 month total for 2018 was 553, 137 less than the total for 2017 and 19% lower than the year-end target of 681.

## KEY PERFORMANCE MEASURES AND RESULTS continued

### KEY TO TARGETS:

Result above target by more than 2.5% = EXCEEDED ▲

Result within +/- 2.5% of target = MET ▲

Result below target by more than 2.5% = NOT MET ▲

See page 52 for Notes 1 to 7 to the performance measure targets

### Ensure value for money across AT's activities

MEASURE	SOI TARGET	2018/19 ACTUAL	2017/18 RESULT	RESULT
Public transport farebox recovery <sup>6</sup>	46-50%	<b>43.4%</b>	45.2%	<b>NOT MET</b>

Total public transport revenue has increased however rising costs including higher than expected indexation have outstripped that growth. With the expected implementation of nuanced fares (2020), the 2019/20 farebox recovery target is proposed to be 43% to 46%.

Percentage of the sealed local road network that is resurfaced	6%	<b>5.5%</b>	6.4%	<b>NOT MET</b>
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The amount of resurfacing Auckland Transport can complete each year is dependent on the price of oil, which in turn determines the price of bitumen. The oil price has been on a steady upwards trend since the start of 2016. Additional funding to offset the impact of cost increases has been allocated for the 2019/20 year which will enable the resurfacing programme be increased.

Percentage of road assets in acceptable condition (as defined by AT's AMP) <sup>7</sup>	95%	<b>94%</b>	New measure	<b>MET</b>
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Percentage of footpaths in acceptable condition (as defined by AT's AMP) <sup>7</sup>	95%	<b>96%</b>	99%	<b>MET</b>
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Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads				
- RURAL	92%	<b>94%</b>	95%	<b>MET</b>
- URBAN	81%	<b>87%</b>	84%	<b>EXCEEDED</b>

Notes to the above four measures:

Auckland Transport has maintained the overall road condition and ride quality under the current programme of works and funding levels. Urban road maintenance standards exceeded the 2018/19 target, and further monitoring is required to understand the trends.

## Notes to the performance measure targets

1. Targets for 2018/19 onwards reduced from previous years due to a reduction in the number of count sites monitored.

Auckland Transport uses the following sites to monitor cycle movements: Beach Rd, Curran St, East Coast Rd, Grafton Bridge, Grafton Gully, Grafton Rd, Great South Rd, Highbrook shared path, Hopetoun St, Karangahape Rd, Lagoon Dr, Lake Rd, Lightpath, Mangere Bridge, Northwestern cycleway – Kingsland, Northwestern cycleway – Te Atatu, Orewa shared path, Quay St (Vector Arena), SH20 shared path (near Dominion Rd), Symonds St, Tamaki Dr (both sides of the road), Te Wero Bridge (Wynyard Quarter), Twin Streams shared path, Upper Harbour Dr, Upper Queen St, Victoria St West.

Note: some trips may be counted more than once across the cycle network.

2. The monitored arterial routes are defined in the Auckland Transport 2018 SOI Route Productivity map. Productivity is measured as the average speed multiplied by number of people per lane in one hour. The 2018/19 target of 21,000 is equivalent to the route productivity target included in previous SOIs.
3. The monitored freight network is defined in the Auckland Transport 2018 SOI Freight Network map.
4. Local Board satisfaction results are sourced from Auckland Council Elected Members' Survey. Results are not available every year as the survey is only undertaken every 18 months.
5. Specified time frames are defined in Auckland Transport's customer service standards: two days for incident investigation as a high priority, three days for incident investigation as a normal priority, one hour emergency response time.
6. Farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with NZ Transport Agency guidelines.
7. The amended 2018/19, 2019/20 and 2020/21 targets for this item relate to a change in performance measure methodology:
  - Improved information from a detailed network-wide survey of footpath condition
  - A reassessment of the AMP definition of acceptable condition.

**Mana whenua represent the traditional guardianship role of Māori. As a key partner, their involvement and input into the many strands of work carried out by Auckland Transport is of immense value.**

Projects where mana whenua may have an interest are presented at monthly forums and AT's specific legal obligations and responsiveness to Māori are set out in a Māori Responsiveness Plan which outlines and establishes key principles such as partnership and relationship building. The following projects are designed to contribute to Māori wellbeing, organisational effectiveness, and post-Treaty settlement opportunities.

### Mana whenua engagement

A dedicated Māori Policy and Engagement team regularly engages with 19 Mana whenua tribes who have whakapapa or genealogy connections to Tāmaki Makaurau (Auckland region). Engagement is at governance and operational level.

### Te Aranga Māori Design

AT is guided by Te Aranga Māori Design Principles, a set of outcome-based principles founded on core Māori cultural values. These principles are applied in collaboration with Mana whenua across a range of infrastructure projects. See page 56.

### Road safety programmes – Māori drivers, passengers and pedestrians

The Te Ara Hepapa programmes deliver driver licensing, child restraint training, speed management, drug and alcohol education and promote walking and safe cycling.

Te Kura Kaupapa Māori a Rohe o Māngere began on 25 March 2019 patrolling Bader Drive pedestrian crossing near their kura. This is the first Road Patrol trained and conducted fully in Te Reo Māori in Tāmaki Makaurau and we believe this is also the first of its kind in Aotearoa.

### Māori wardens on trains

Māori wardens provide support for public transport users on trains.

Tipa Compain (Māori Policy and Engagement Manager), Shane Ellison (Chief Executive) and Wally Thomas (Stakeholder, Communications and Consultations Manager) at the first Ngā Kete Kiwai graduation





### Marae development and road safety

Engagement with seven marae around safety entering and existing marae and other forms of Māori freehold or designated land (urupa, reserves, and Māori use designations).

### Māori values and storm water

When engaging with Mana whenua on storm water systems Te Aranga principles and values are applied when practicable through an engineering response. The systems used may be outside the standard engineering solution.

### Te reo Māori Framework

Te reo Māori announcements have been introduced on Link buses and a trial is underway on Northern Express and city to Manukau buses involving video and text to speech audio. Te reo Māori signage is being rolled on all road, walk and cycleway projects.

### Organisational effectiveness – Māori identity

The Te Waharoa Māori portal, a one stop geo-spatial application on AT's internal Sharepoint system, was created to record, store and monitor engagement outcomes across all AT infrastructure projects. All projects within the RLTP programme are asked to consider the Te Aranga principles of Mauri tu and Taiao.

AT is co-designing a social Māori procurement policy to enable Mana whenua and Mataawaka business to tender projects.

Vision Zero includes Māori values and outcomes.

### Road Patrol Training in Te Reo Māori

Te Kura Kaupapa Māori a Rohe o Māngere has become actively involved with AT's Ara Haerenga Programme (which is equivalent to the Travelwise Programme). Their first request was to patrol the crossing on Bader St close to their kura to keep their students crossing the roads safely. The Te Ara Haepapa Team supported the kura through the process and invited the NZ Police School Community Officer to assist in the education and practical training.

This is the first Road Patrol trained and conducted fully in Te Reo Māori in Tāmaki Makaurau and it is believed that this is also the first of its kind in Aotearoa. Moving forward, the kura have aspirations to translate the Pou (Paddle Signs) in Te Reo.



› **Downtown – A new approach to Mana whenua design engagement**

Although some of these outcomes of AT’s partnership with Mana whenua are more visible than others, we only need to look at Ōtāhuhu Station, Manukau Bus Station and the Downtown programme to see how Māori culture and identity highlights Aotearoa New Zealand’s point of difference in the world.

The Downtown project area sits at the water’s edge of the Waitematā Harbour, a place of special significance for iwi and hapu in Tāmaki Makaurau. It includes seismic strengthening of the Quay St seawall, redevelopment of the ferry basin, enhancements to the urban realm in Quay St (between Lower Hobson St and Commerce St), bus interchanges and a new downtown public space.

A significant number of design engagements workshops and hui were held between June 2018 and February 2019 with Mana whenua kaitiaki, individual project design teams, Mana whenua mandated design professionals (Kāhui Kaiarataki) and programme representatives from Auckland Transport and Auckland Council.

These engagements centred around applying the seven Te Aranga Māori design principles to the programme and creating a living summary document to guide design.

The vision is to create a place that is mīharo (extraordinary) and manaakitanga (welcoming) and to move from Auckland to Tāmaki Makaurau (look and feel).

By way of example, the principles of Taiao and Mauri Tu have been manifested in the design for Quay St Enhancements in the following ways:

- › Treating 100 percent of stormwater catchment through raingarden systems – this design exceeds AT best practice for treepits
- › A planting palette that draws from the indigenous forest and historic plant communities of the Waitematā coastline
- › Enabling overland flowpaths and a resilient approach to flood management.



**“It has been a first for AT and Auckland Council to work with Mana whenua and Kāhui Kaiarataki in a design partnership approach”** Project Lead, Rachel Dimery



## › Te Aranga Māori Design Principles

The following Te Aranga Design Principles were developed to enhance Mana whenua presence, visibility and participation in the design of the physical realm. They are strongly grounded in the concepts of place and belonging intrinsic to Te Ao Māori (the Māori world).

### **MANA:**

#### **Rangatiratanga authority**

The status of iwi and hapū is recognised and respected. Regular governance meetings with Mana whenua are held.

### **WHAKAPAPA:**

#### **Names and naming**

Māori names are celebrated with the use of either historically associated names or new meaningful names gifted to our projects.

### **TOHU:**

#### **The wider cultural landscape**

Mana whenua significant sites and cultural landmarks are acknowledged and stories of association are told.

### **TAIAO:**

#### **The natural environment**

Attention is given to natural environmental protection, restoration and/or enhancements throughout AT's infrastructure works.

### **MAURI TŪ:**

#### **Environmental health**

High standards of treatment ensure our natural ecosystem is maintained, protected, restored and/or enhanced.

### **MAHI TOI:**

#### **Creative expression**

Mana whenua is empowered to share and display iwi/hapū narratives expressed culturally and creatively.

### **AHI KĀ:**

#### **The Living Presence**

Iwi/hapū have a living and enduring presence and are secure and valued within their rohe (areas of existence).



**At Auckland Transport, we are embedding sustainability in everything we do. We want to be bold and ambitious with the actions and decisions we make to deliver positive outcomes for Auckland.**



Over the last year, we have reviewed our sustainability agenda and refreshed our approach to focus on three key areas for action – climate, water, and social responsibility. We have also accomplished a great deal on providing low emission transport choices, improving efficiency of our operations, and embedding sustainability into procurement.

**Establishing a greenhouse gas emissions inventory for Auckland Transport**

In May 2019, AT received third-party verification on our greenhouse gas emissions inventory. The inventory measures emissions across the operation of the public transport network, public transport fleet vehicles, and the emissions associated with AT’s corporate activities. The inventory specified in 2017/2018 as the baseline year and reported a total of 109, 280 tonnes of CO<sub>2</sub>e.

**Reducing energy in our facilities and assets**

In March 2019, AT achieved the final milestone deliverable in our EECA Collaboration agreement. The agreement committed AT to a 2.85 GWh savings target which we exceeded with a total of 2.99 GWh savings reported from 2016 – 2019. That’s enough energy to power 430 average New Zealand homes for one year.

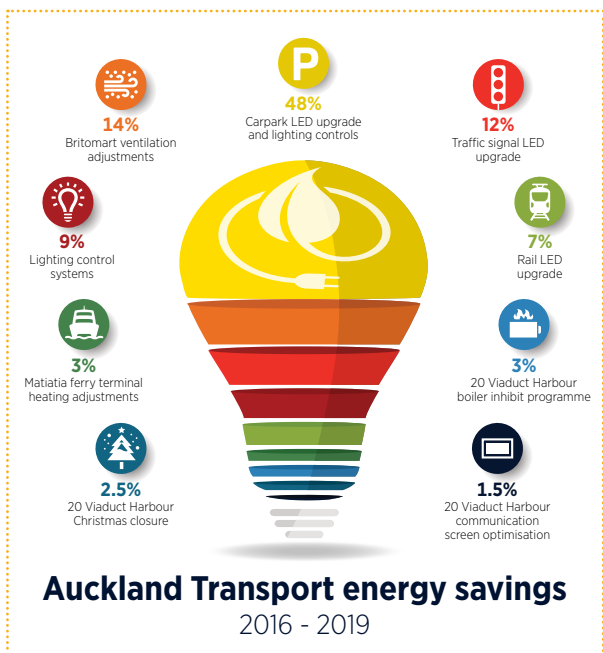
**Enabling Aucklanders to drive electric**

AT partnered with ChargeNet NZ to receive EECA funding to support the installation of 48 electric vehicle (EV) chargers in several of our carparks. We’ve also installed an additional two chargers as part of the Smart Pole Project at Devonport Wharf.

Providing EV chargers will help support the uptake of electric vehicles, which will help reduce road transport emissions that account for 35 percent of Auckland’s total emissions profile.

**Working with our supply chain**

Eastern Busway 1 was the first contract at AT to include specifications for social and environmental outcomes, demonstrating how sustainability can be embedded in the procurement lifecycle. We have been working with our procurement team to establish AT’s priorities for sustainable procurement. Our commitments aim to deliver positive outcomes through supplier diversity and targeted recruitment along with reduced environmental impacts for water, waste, and emissions.



### › Implementing the streetlight retrofit programme

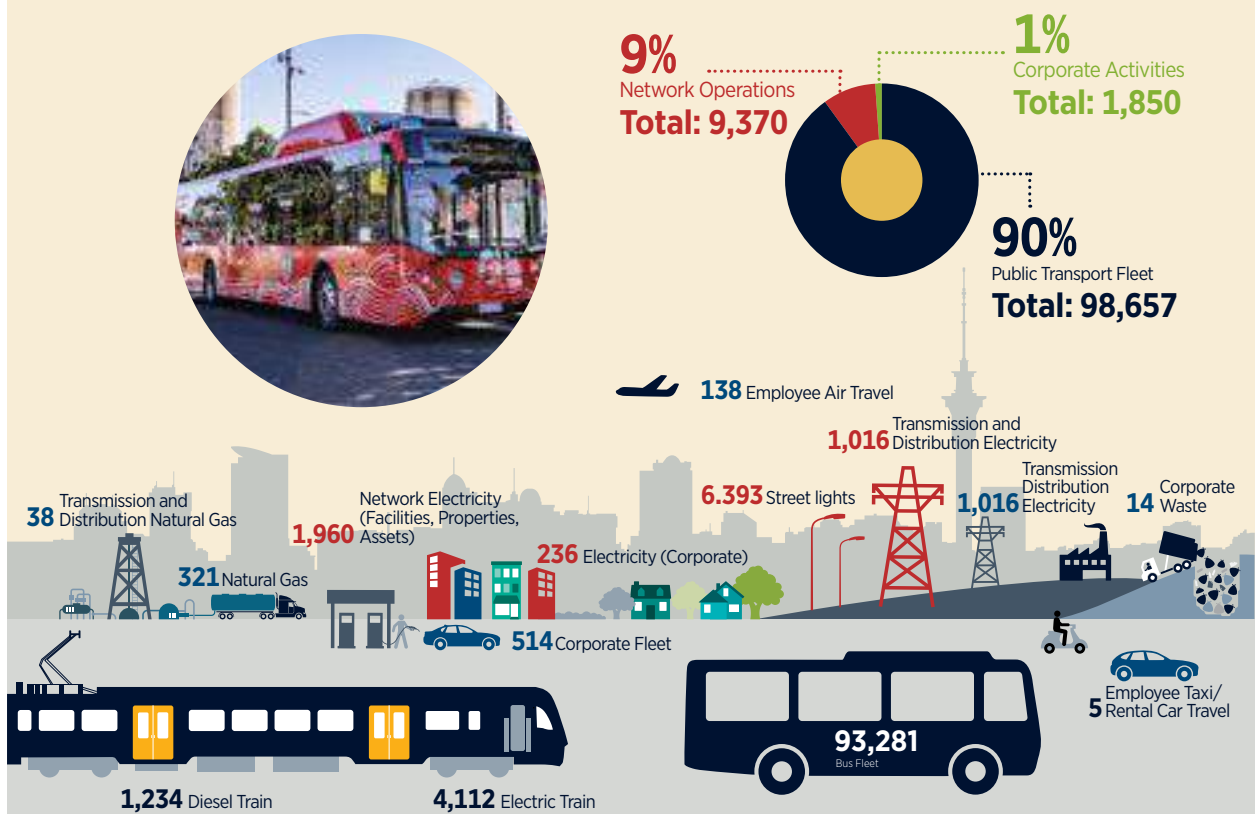
AT operates more than 110,000 streetlights, approximately one third of New Zealand's lighting stock. The streetlight retrofit programme kicked off in 2014 and has since seen 55,905 high pressure sodium lights converted to energy efficient LEDs. Once the entire LED programme is completed, it is expected to reduce energy consumption by 27.5 GWh, which will help avoid \$3 million in electricity costs and reduce emissions by 3,000 tonnes of CO<sub>2</sub>e.

### › Setting the vision for a zero emission bus fleet by 2040

In December 2018, the Board approved the Low Emission Bus Roadmap. The roadmap sets the vision for a zero emission bus fleet by 2040 and addresses the influencing factors that will support the transition, such as technology choices, grid infrastructure, and bus operating models. A case study was also developed that unpacks the challenges faced by AT and the collective efforts that are required by operators, manufacturers, and energy providers to make our vision a reality.

Over the last year, AT has been working in partnership with bus operators to trial battery electric bus technology on the CityLink, InnerLink, and Airporter 380 routes. We currently operate three electric buses (two ADL models and one Yutong) to understand technology performance and operational savings. So far, the buses have proved more than capable of completing a day's service on a single charge and have demonstrated reduced operational costs and reduced emissions by approximately 80 percent compared to their diesel counterparts.

AUCKLAND TRANSPORT'S GREENHOUSE GAS EMISSIONS INVENTORY 2017 – 2018 (Tonnes of CO<sub>2</sub>e)





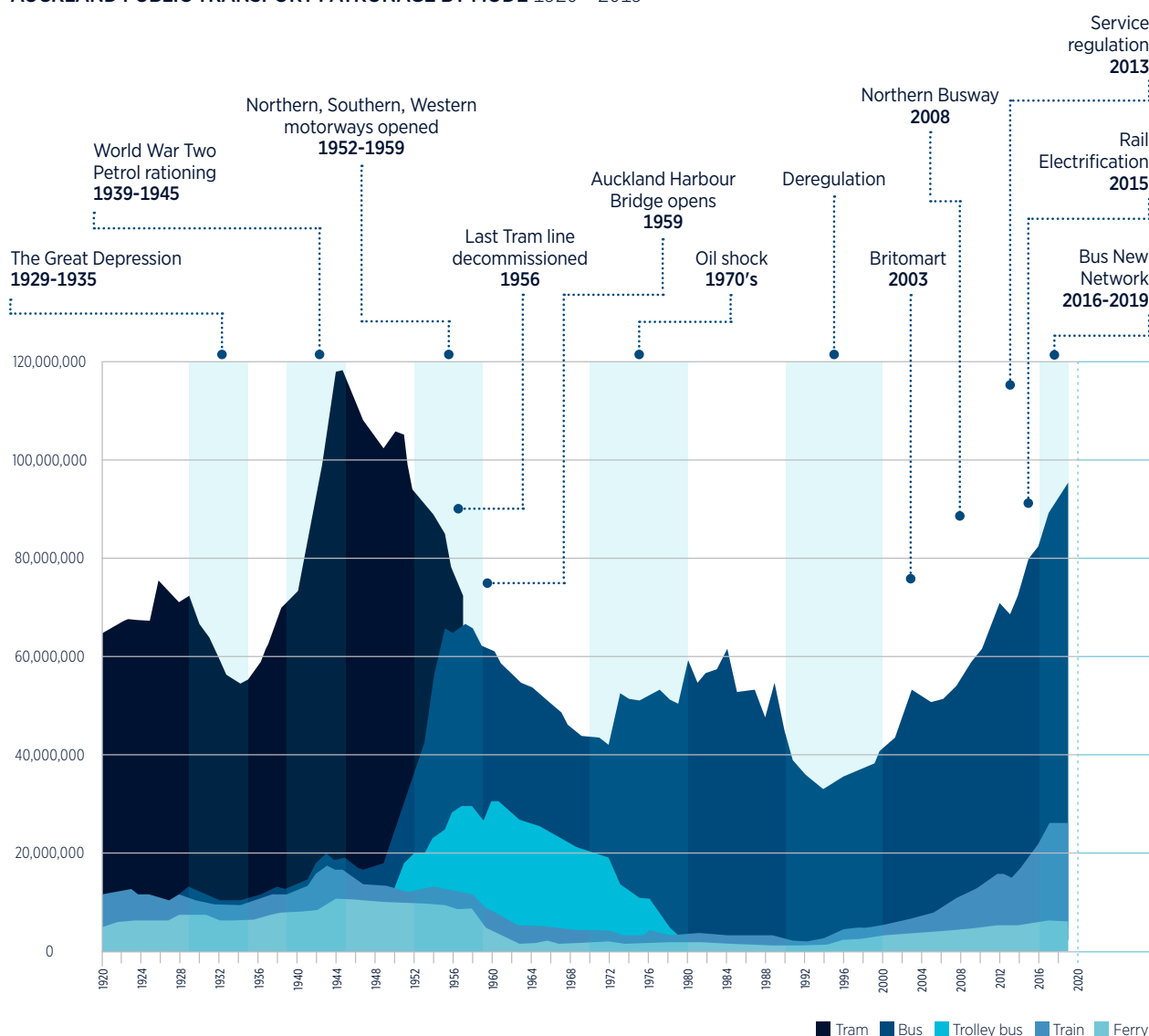
The success and increased uptake of active and public transport depends on it being safe, integrated and easy to use.

Active travel choices

Aucklanders' travel behaviour is changing and they have a wider selection of travel choices than ever before. More people are taking the bus, train or ferry to work, and there are an increasing number of commuters on bikes, e-bikes, scooters and on foot. That's good news for those that need or choose to take the car. The more of us using public transport and active transport modes mean less cars on roads and less congestion.

More than 270,000 trips are taken on Auckland public transport every day, reducing traffic, congestion and emissions, and 400,000 people use Auckland's buses, trains and ferries – 70 percent more than 2010.

AUCKLAND PUBLIC TRANSPORT PATRONAGE BY MODE 1920 – 2019



## New network wins

During the last financial year AT successfully rolled out new public transport network changes across Central and North Auckland. The trunk of the network is the developing Rapid Transit Network comprising congestion-free high-frequency services – the rail network plus the Northern Busway and the Devonport Ferry. Supported by the frequent transit of high frequency bus routes, it operates on a hub and spoke model so has fewer routes operating more directly but at far higher frequencies. This means customers do not have to worry about a timetable and can just turn-up-and-go, reducing the anxiety of using public transport. Instead of long, direct routes, there are shorter, more frequent routes which connect with other bus, train and ferry services at interchanges.



AT Metro provides over 12,750 bus services per day with more than 98% reliably on time

Each weekday morning 620 buses bring Aucklanders into the city, many of them using dedicated bus or transit lanes

In March 48% of people used buses, trains and ferries to get into the city between 7am and 9am

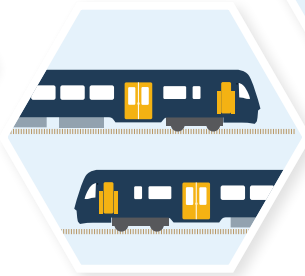


More than 500,000 Aucklanders now live within 500 metres of a frequent bus service, which runs at least every 15 minutes, all day every day



In the past year Auckland ferry services travelled 1.5 million km, trains 6.4 million km

Our buses now travel approximately 60 million km every year



## › 100 Million Public Transport Trips

Sustained investment in public transport is paying off, not just for passengers but for all Aucklanders making smart travel choices. The more people use public transport means fewer private vehicles on our roads, which is good news for those that do need or choose to use their car.

This has been driven by the completion of the new bus network which has increased the frequency of services across the region. Trains now run every 10 minutes during peak hours (20 minutes off-peak), high frequency bus routes run at least every 15 minutes from 7am to 7pm, 7 days a week. Another 180 double decker buses have been added and a simpler fare structure allows customers to transfer more easily between buses and trains for a single fare.

**The number of people now using public transport in Auckland has reached record levels, with more than one hundred million passenger trips recorded in the year to May 2019 – the highest figure since 1951.**

On Sunday 23 June 2019 AT celebrated this milestone by providing free public transport on most buses, trains and ferries as a special thank you to existing customers, and as a chance to prompt more reluctant public transport users to get onboard. This was a significant achievement and signalled a step-change in attitudes towards public transport in Auckland.

Stacey Van Der Putten, Group Manager Metro Services and Mark Lambert, Executive Group Manager Integrated Networks, celebrate 100 million passenger trips



### Marketing

Auckland Transport's Marketing and Design team plays an important role in helping AT to achieve its business objectives. The old adage that 'if you build it they will come' doesn't always hold true, and marketing campaigns are often required to inform and encourage Aucklanders to change current habits and adopt new services or new ways of doing things.



#### Driver Distraction 'No one is invincible'

AT is currently using behavioural science techniques to improve the effectiveness of customer communication and campaigns. The Zoë Bell 'Distractions' campaign is a successful example.

Between 2013 and 2018, distracted driving accounted for 26 deaths and 277 serious injuries in Auckland. AT needed a fresh and cost-effective way to highlight the dangers of distracted driving, so we partnered with high-profile Hollywood stuntwoman Zoë Bell to show that 'no one is invincible'.

The campaign depicts Zoë driving a car while sharing a phone selfie, drinking coffee and applying makeup. The video ends with Zoë revealing that she isn't actually driving but being towed on a car trailer.

It was immediately picked up and shared by national prime-time news, media and radio stations, and amplified by Zoë's own social media channels, thereby reaching another one million people. Tracking research indicated a strong level of public awareness and message effectiveness.



#### GO Metro getting people onboard

While our road safety campaigns are helping to make our roads safer, we're helping to achieve patronage growth with our promotion of public transport.

Two years ago AT launched the 'Go Metro' campaign to encourage Aucklanders to leave their cars at home in favour of public transport. The campaign was run on the back of research that indicated only 18 percent of Aucklanders thought 'people like me' use public transport.

This year we ran advertisements on buses, billboards and bus shelters across the city to engage with people at an emotive level and highlight the benefits of using the AT Metro network. Recent figures indicate that, together with improvements to AT Metro's network and services, the 'Go Metro' advertising campaign is a success.





### Seat belts save lives

Ministry of Transport (MoT) research shows that wearing a seat belt reduces the chance of death or serious injury in a crash by 40 percent. Unfortunately, there are still too many people who die or suffer serious injuries in crashes which could have been prevented by wearing a seat belt.

AT ran a campaign in February and March to get the message across to all non-seat belt wearers (both drivers and passengers) that in a crash, seat belts save lives. Teaming up with high profile players from the Vodafone Warriors, Northern Stars and the loan brothers (from the Blues), the message was that 'we can handle impacts on the field, but not on the road'.

Utilising the sports stars own communication channels helped get the message out further than advertising would alone. Post campaign research showed that as a result of the campaign, 53 percent of those surveyed said the advertising had changed their behaviour around wearing seat belts in a car, and 82 percent said the advertising showed teams reinforcing an important message which 'encourages me to do the same'.



### Live the Bike Life

This year AT used marketing to remove the perceptual barriers stopping Aucklanders from cycling, normalise cycling behaviour and drive the uptake of cycling across the region.

The 'Live the Bike Life' summer cycling campaign was developed using data, research and insights to change perceptions of who rides bikes and encourage action by showing the many health and mental benefits that cycling has to offer – freedom, control, relaxation and health. Inspiring creative and video showcasing real people who are out there doing it and living the bike life, the campaign was designed to have broad appeal but there was a focus on cycling infrastructure and multi-modal trips combining cycling and public transport.

Results are positive with a nine percent increase in cycle trips over Spring, a record high of cycle trips over Autumn and one million trips over Summer. In the last 12 months to June 2019 a total of 3.77 million trips were recorded, an 8.9 percent increase on the previous year. In addition there have been gains made across the cycling adoption framework and a shift in the mix of people cycling, with an increase in the proportion of women, younger riders and people from ethnic groups.

## OUR PEOPLE

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**Transport is playing a key role in the transformation of our fast growing region – a transformation which will see the way people move and live change.**

**At the heart of all that activity is people: Aucklanders, visitors to the region and, of course, our own people. And we want to ensure our team, and those that join us, reach their potential and are part of this once in a generation transformation.**

Shane Ellison, CEO

AT brings together the best of local and international expertise and takes pride in being a diverse team of forward thinking, passionate people providing innovative solutions to the city's transport challenges.

During the year we looked at the way we worked, and how we are organised and focussed on activities where there is the most opportunity for business improvement, increased value for the community and key stakeholders. The review also looked at how we can provide clarity around accountability, purpose and cross-functional working to drive efficiency and avoid duplication. This review resulted in structural changes ensuring we are genuinely high-performing, customer-centric, collaborative and well-placed to deliver on the Government's strategic direction for transport, which emphasises safety, improving access to opportunities, value for money, and lower emission forms of transport.

### Diversity and inclusion

AT's belief that we should reflect the people we serve in order to better understand and respond to the needs of our customers drives our commitment to diversity. We celebrate the richness of our cultures, build awareness and capability around cultural intelligence and support flexible working practices.

AT employs on average 1,700 employees representing a diverse mix from over 50 different countries. We promote a culture of equal opportunity, professional development, health and safety, wellbeing and inclusiveness.

In September AT received the Rainbow Tick accreditation. The Rainbow Tick is designed to make an organisation a safe, welcoming and inclusive place for people of diverse gender identity and sexual orientation. The evaluation measured AT's level of LGBTQIA+ inclusion against specific benchmarks in relation to Policy, Staff Training, Staff Engagement and Organisational Support, External Engagement, and Monitoring.

In March we launched the AT Women's Development Programme, an award-winning international programme that enables women to identify the clear, practical and realistic steps to help make a better world for themselves at work and home, while building the practical skills and confidence to take these steps.

- › 1687 employees across 10 business units
- › 21% of AT's people are over 55 (362 people)
- › 15.3% of AT's people are under 30 (268 people)
- › We have 42.5% female and 57.5% male
- › 25% of our staff are NZ European/Pakeha
- › 3.7% are Māori
- › 5.9% are Pacifica

### Let's Talk AT Forums

With an emphasis on new ways of working, a brand-new format for the former CEO Staff Forums was introduced in March. Almost 900 staff attended six sessions of 'Let's Talk AT' forums featuring Interactive expo-style sessions on Customer Experience, Culture and Transformation, and Safety.



### AT Graduate Programme

The AT Graduate Programme (initially named Early Career Programme), introduced in late 2017, is a rotation based development programme designed to attract, retain and develop the next generation of AT people. This programme gives us a fantastic opportunity to grow our own talent, challenge and progress our future talent.

Central to the programme is the ability for graduates to work in a range of different teams enabling them to develop networks across the business and helping us all work better together.

Two groups have joined AT, with 23 graduates in the first and 18 more in 2018. The recruitment campaign for the third group was launched in June 2019.



FROM TOP: Chinese New Year celebrations; Diwali; Women's Development Programme; AT Graduates

### Maori learning and development

AT is committed to meeting its responsibilities under Te Tiriti o Waitangi (The Treaty of Waitangi) and its broader obligations by being more responsive and effective for Māori in recognising Te Reo Māori (the Māori language) as a taonga (treasure) and celebrating tikanga Māori (culture and traditions).

This past year, we developed and introduced pioneering new learning modules such as the Ngā Kete Kīwai Maori education programme and Staying On programme for our mature workforce.

The AT Waiata group was formed and supported a number of events including the Ngā Kete Kīwai graduation and the Village Viaduct Māori and Pasifika Careers Discovery Day. The group participated in a Waiata-off competition against Auckland Council and corporate organisations, celebrated Waitangi Day, Matariki and Te Wiki o Te Reo events, and hosted all AT Connects.

### Wellbeing

#### Domestic Violence Free (DVFREE) Workplace Tick

In May we partnered with Shine, a specialist domestic violence service provider, to engage in their Domestic Violence-Free Tick programme. The DVFREE programme guides AT to take meaningful steps to create a workplace that is safe and supportive for people experiencing domestic violence.

- 20 First Responders from around the business attended specialist training with Shine and will play a key role in supporting the DVFREE programme
- Monthly workshops have been run for people leaders to learn how they can support the DVFREE programme.

#### Health Checks

In November, we implemented a new and improved wellbeing check that assessed our people's overall mental, social, physical, workplace, and financial wellbeing. We provided this alongside physical health checks to measure cholesterol, blood glucose, blood pressure, height, weight and waist circumference.

- 774 staff (44 percent of total workforce) completed the online holistic wellbeing assessment
- 479 staff attended a 10 minute face to face physical check with a health consultant
- Approximately 700 staff received a flu vaccination (40 percent).



## Health and Safety

A Wellbeing Strategy and Programme is being delivered across the organisation to sustain health and wellbeing and quality of life for AT staff. It includes:

- › Delivering an industry leading Worker Participation framework
- › Leveraging data to promote better health and safety outcomes through an insights framework that guides interventions, preventions and controls
- › Implementing a learning framework for AT safety management to make sure it is simple and accessible.



### › Travel choices – Modal shifts at work

In 2017 AT relocated the majority of its staff from multiple offices to one central building at 20 Viaduct Harbour. The move not only delivered operational efficiencies and corporate accommodation savings, but heralded a new culture of collaboration and was the catalyst for a dramatic shift in staff travel choices.

**A staff travel survey in 2018 showed AT staff ‘walking the talk’ with 86 percent of all staff and 93 percent of city centre based staff choosing sustainable travel options.**

This is well above Auckland’s goal of 70 percent sustainable staff travel (walk, cycle, public transport, carpool) in the morning peak at city centre workplaces. Before the move 31 percent of staff drove to work during the peak period compared with 14 percent in 2018. The number of AT staff walking and cycling increased from 9 percent to 13 percent, and public transport use increased from 48 percent to 61 percent.

Secure bike and motorbike parks, showers, a drying room, lockers and EV charging points support a variety of travel choices available to our people to move around the city.



## EVENTS

In the year to June 2019 AT's special events team processed 1,832 activations:

- › 1,080 Event Days
- › 752 Film Days
- › 61 events required management by activation of the Transport Operations Centre (ATOC)
- › 54 events had integrated transport
- › 1,600 events had an AT network impact/Traffic Management Plans.

With key venues spread across Auckland, the major events calendar from July 2018 to June 2019 required the approval of more than 1,600 traffic management plans to enable event and filming to take place in a safe environment, and in some cases to close the road.

For large scale events, AT was proud to support integrated ticketing or 'travel free with your event ticket' on selected services for 54 events, including Taylor Swift and Six60 Concerts, the NZ v India T20 Double Header, and the NZ v Australia Rugby Double Header. These resulted in more than 318,000 free journeys for ticket holders on special events public transport.

Following the events of Christchurch in March 2019, the focus moving into the 2019 – 2020 season is around reviewing traffic management and the complementary security plans and overlays.

With the growth and development experienced in Auckland recently, ATOC have aligned with key stakeholders to enable events in Auckland which have an effect on the transport network.

As we move towards 2021 ATOC is working towards delivery of the 'mega events year' including delivery of Americas Cup, APEC, Woman's Rugby and Cricket World Cup among others, overlapping the business-as-usual annual calendar of events.

### ANZAC Day

On ANZAC Day, AT provided free travel for SuperGold and Veteran's SuperGold card holders, as well as free travel for uniformed and retired services personnel with an RSA membership card. This applied across all AT Metro bus, train and ferry services (the only exclusions being vehicle transport to/from Waiheke, and the Great Barrier Island and Rakino ferry services).

As in previous years, a dawn service was held in the Auckland Domain, and additional bus, train and ferry services allowed people to attend (people travelled to the dawn service before our normal scheduled services).



Saturday 23 February, Western Springs Stadium

**SIX60**

If you're heading to SIX60 make your way to Britomart and catch a train to Baldwin Ave Train Station. Please refer to the map for details.

Alternatively, make your way up Albert Street and catch a special event bus departing from 4 Mayoral Drive (corner of Mayoral Drive and Wellesley Street West).

AT Metro

For more information on taking public transport to events visit [AT.govt.nz/events](http://AT.govt.nz/events)



25 April 2019

**Free Travel for Veterans on Anzac Day**

Free travel all day on Thursday 25 April for SuperGold and Veteran's SuperGold card holders plus free travel for uniformed and retired services personnel with RSA membership card.

This applies across all AT Metro bus, train and ferry services (Excludes vehicle transport to/from Waiheke, Great Barrier Island and Rakino ferry services).

AT Metro

Terms, conditions and some exclusions apply. Please visit [AT.govt.nz/events](http://AT.govt.nz/events) for more information

### Road Safety Activations at ASB Polyfest

This year's focus on road safety saw AT attend the ASB Polyfest, the largest Polynesian (Māori and Pasifika) festival in the world, to engage with more than 13,706 rangatahi and their whanau.

Māori road deaths and serious injuries have increased 118 percent from 54 in 2013 to 118 in 2017. This group experiences a much higher risk of road traffic injury per population than other ethnicities in Tāmaki Makurau. The Te Ara Haepapa Road Safety programme is AT's response to reduce death and serious injuries involving Māori and Rangatahi Māori.

AT was the official sponsor for the Māori stage which featured three road safety activations; Child Restraints, Active Modes, specifically pahikara (cycling), and Taraiwa Inu Waipiro Kore (the Drive Drink Free messaging).



### › Free PT days

AT ran two fare free public transport initiatives to raise awareness of the AT Metro network. The first 'Home Free' event on 21 December 2018 was held in association with the New Zealand Police to ensure people get home safely on the last working day before Christmas. All buses and trains were fare free from 4pm.

Compared to the Friday before Christmas in 2017, the number of patrons after 4pm on the trains jumped from 15,809 to 41,082. Bus patronage was also up by as much as 50 percent. AT received great feedback from customers, with many using the chance to try public transport for the first time – both to get home or just explore the city.

The second fare free day on Sunday 23 June 2019 was a thank you from AT and its public transport operators to recognise the one million passenger transport trip milestone. Buses, trains and some ferry services were free all day attracting thousands of people. Ferries were

the big hit with some destinations carrying seven times the normal Sunday patrons. On the previous Sunday, Fullers took just over 3000 people to and from Devonport. On Sunday 23 June 16,000 people made the same trip.

Because people didn't have to tag-on and off, it is difficult to get exact figures for the numbers on buses and trains. The early morning trains were quiet but between 10am and 5pm there were significantly higher numbers with some trains carrying more than 400 passengers. The highest loads were on Eastern Line services, particularly to and from Sylvia Park.

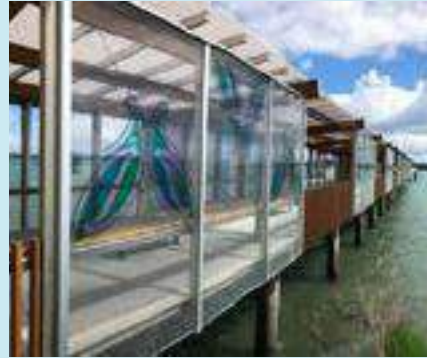


## AWARDS

### › Half Moon Bay ferry pier

In July 2018 AT's Half Moon Bay ferry pier won an **Institute of Public Works Engineering Australasia (IPWEA) New Zealand Excellence Awards – Best Public Works Project under \$5 million.**

The ferry pier plays a pivotal role as a transport hub for the recently rolled out bus network for East Auckland. The Howick Local Board contributed \$2.5 million from its transport capital fund for the project, which makes it easier for people to switch between ferries and buses to get around the city.



### › 500px IDC DX Award Singapore – Group Winners

In November 2018 AT won a major prize at the IDC Digital Transformation Awards held in Singapore. The **IDC DX Award Singapore** named AT as an Operating Model Master for its customer and digital transformation, chosen from more than 600 nominations.

IDC noted that AT's strategic theme is to transform and elevate customer experience and it aims to approach every problem with a customer centric mind-set. To do so, AT has increased availability and accuracy of information in a timely manner by providing customer facing technology solutions and services that enable multimodal transport and increase customer choice.

**“It’s very pleasing to see that AT has been recognised for the work it has done to evolve from a traditional IT organisation to a digital, customer-centric one. As an example, AT staff have done exercises involving walking in the shoes of customers. This involves waiting for, riding and getting off a bus while wearing a blindfold, so staff can help develop IT solutions with empathy for sight impaired customers.”**

Executive GM Business Technology, Roger Jones



### › Three ALGIM Awards

In November 2018 AT was recognised three times for best practice in the IT sector among New Zealand local authorities. At the Association of Local Government Information Management (ALGIM) awards AT's technology team won the following awards for its cutting-edge projects:

**Winner, Best Digital Transformation Award:** Business Technology and Customer Central Transformation Programme

**Winner, Best Technical Solution:** Whangaparaoa Dynamic Lane project

**Runners Up, Excellence in Innovation Award:** Using Data for Behaviour Change project.

The ALGIM judges noted that the Whangaparaoa Dynamic Lane project stood out due to AT's exceptional collaboration with other agencies to deliver the project, the multiple suppliers all involved with a range of skills required, and the excellent communication and stakeholder engagement, which ultimately resulted in an excellent customer outcome.

### › Travelwise Choices Awards

The Travelwise Choices Awards are an opportunity to celebrate organisations throughout Auckland who are committed to promoting sustainable travel within their workplace. The awards recognise and honour the success of organisations committed to promoting sustainable travel to their staff, students and colleagues.

The winners of the 2018 Travelwise Choices Awards were announced at a special celebration held at Generator New Zealand @ GridAKL in Auckland's Wynyard Quarter.

The event included presentations from sustainable business champions, including Tourism Holdings Ltd, Auckland Council and AA Insurance, Datacom and Tonkin & Taylor, as well as AT's Travel Demand and Sustainability teams.

**Supreme Travelwise Choices Award Winner:** Auckland Museum

**Sustainable Travel Champion Award Winner:** Matt Ensor, Beca. Highly Commended: Sarah de Zwart, Business North Harbour

**Pedal Power Award Winner:** Auckland Museum. Highly Commended: Auckland Council

**Think Outside the Car Award Winner:** GoodSense. Highly Commended: Mott MacDonald

**On Board Award Winner:** Datacom. Highly Commended: MRCagney

**Matchmaker Award Winner:** Unitec. Highly Commended: Auckland Museum

**Step-it-Up Award Winner:** Auckland Free Walking Tours



**The Supreme Travelwise Choices Award Winner  
Auckland Museum team**

**Travelwise  
Choices**

## PARTNERSHIP AND ACCOUNTABILITY

### Strategic partnership approach

Auckland Council and Auckland Transport (AT) have an agreed strategic approach with partner agencies the NZ Transport Agency (NZTA) and the Ministry of Transport to the challenges facing Auckland's transport system.

The Auckland Transport Alignment Project (ATAP) builds a consensus between central and local government on transport investment in Auckland. ATAP was updated in April 2018, with stakeholder input, to ensure investment priorities reflect the government's transport vision, and gives a greater emphasis to safety, access to a wider range of transport options, the environment and value for money.

### Accountability to Auckland Council and ratepayers

Auckland Transport is a council-controlled organisation (CCO) of the council. It is a statutory body established by the Local Government (Auckland Council) Act 2009 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, and this Annual Report.

The Local Government Act 2002 requires AT to give effect to the council's Long-term Plan. The new Regional Land Transport Plan 2018-2028 (RLTP) builds on the \$28 billion investment package identified in the ATAP refresh and is aligned with the outcomes sought by the Auckland Plan, the Government Policy Statement on Land Transport, and ATAP.

### Engagement with Local Boards

Auckland Transport has continued to engage with all Local Boards in a variety of ways including regular workshops, briefings and presentations, and via formal monthly reports. On average Auckland Transport has 35 workshop sessions with Local Boards, mainly relating to infrastructure projects in their areas. We have also delivered presentations to the Local Board Chairs Forum and provide quarterly updates on Statement of Intent progress.

The Elected Member Relationship Managers continue to demonstrate their value with a seventy percent approval rating from Local Boards.

In order to improve both response times and the quality of information provided, the elected member AT email channel has been significantly enhanced, with additional resources and new processes which will ensure timely and appropriate responses to all elected members. While these changes are still in the early stages, they are nonetheless showing excellent results and should address the reported level of dissatisfaction.

In the new electoral term, the forward works programme, across all of Auckland Transport's activities, will be discussed with Local Boards. This will ensure that they both know about upcoming activity but also are made aware of the ramifications of this work occurring.

Local decision-making was strengthened by the Long-term Plan 2018-2028 increase to the Local Board Transport Capital Fund, from \$11 million to \$21 million, and a change in the distribution model from pure population to the Local Board Funding Policy (90 percent population, five percent land area, five percent deprivation), excluding Waiheke and Great Barrier islands which get two percent and one percent of the fund respectively.

Auckland Transport is committed to early engagement and proactive communication on transport projects, recognises that local boards have a strong governance role in determining the look and feel of local town centres and communities, and that they have a strong interest in leading the decision making on community-focused programmes AT offers in their area.

We engaged with all Local Boards prior to consulting on the proposed Safer Speeds bylaw; ten Local Boards provided formal submissions, representing a combined population of more than 670,000 Aucklanders.

Potential Community Safety Fund projects were workshoped with all Local Boards with a total of 199 projects suggested. These have been assessed against safety criteria, scoped and costed before being presented to Councillors for their input and

then back to Local Boards for prioritisation. This has seen a programme of just under 100 safety projects approved across the 21 local board areas.

In a first for the region, AT signed a Memorandum of Understanding (MoU) with Waiheke Local Board in May 2019. This followed a Governance Review undertaken by Auckland Council last year which identified Waiheke as a 'pilot' for a range of initiatives, including greater recognition of the place-shaping role of local boards.

Another first involved working closely with the Rodney Local Board to deliver a suite of transport initiatives funded by the newly introduced Rodney Transport Targeted Rate. Three new bus services, the 998 between Wellsford and Warkworth, the 128 between Helensville and Hibiscus Coast Station, and the 126 between Westgate and Albany via Riverhead and Coatesville, were introduced within three months of each other. This new strategic partnership has enabled the trial of new services not previously seen as priority projects by AT.



Route 126 bus travelling through Riverhead – linking West and North Auckland – funded by the Rodney Transport Targeted Rate



Community engagement to highlight the new network changes for the North Shore

**GO**  
Explore the Coast.

Wellsford 998 Warkworth Matakana Point Wells Omaha 997  
Hibiscus Coast Station 995 Warkworth Snells Beach Algies Bay 996

Regular bus services for Warkworth and the Kowhai coast.

\* Route 998 is funded by the Rodney Transport Targeted Rate  
AT.govt.nz/RodneyRate

**GO**  
Route 126.

Westgate Riverhead Coatesville Albany

**126** between Westgate, Riverhead, Coatesville and Albany, hourly\* 7 days a week

Funded by the Rodney Transport Targeted Rate  
AT.govt.nz/RodneyRate

Advertising for the Local Board Funded new network bus routes

## DIRECTOR'S PROFILES

Auckland Transport's Board of Directors has nine members, including a non-voting member appointed by the NZ Transport Agency.

### Board of Directors

The AT Board's responsibilities are to:

- › Negotiate Statements of Intent (SOI) with the Council
- › Act consistently with the guidelines provided in the Shareholder Expectation Guide for CCOs
- › Actively review and direct the overall strategy, policies and delegations of AT
- › Obtain full and timely information necessary to discharge its obligations
- › Identify, evaluate and mitigate controllable risk factors
- › Manage and monitor the Chief Executive's performance
- › Establish remuneration policies and practices, and set and review remuneration for the Chief Executive and other senior executives
- › Provide leadership in relationships with key stakeholders.



**DR LESTER LEVY CNZM**  
MBBCh, MBA, FNZIM  
CHAIRMAN

Lester Levy has three decades of experience in a range of roles as a chairman, chief executive and entrepreneur. Dr Levy's governance experience includes chairing public and private healthcare, transport, film and television production, research, biotechnology and engineering enterprises. His previous roles include Chief Executive of South Auckland Health, the New Zealand Blood Service and Mercy Ascot Private Hospital Group (where he was a founder).

**Current roles and general disclosure of interests:**

Chairman, Health Research Council; Professor Digital Health Leadership, Auckland University of Technology; Crown Monitor, Canterbury District Health Board; Independent Chairman, Eye Institute; Independent Chairman, New Zealand Radiology Group; Independent Director, Skin Institute; Independent Chairman, Tonkin + Taylor; Lead Reviewer, State Services Commission Performance Improvement Framework.



**WAYNE DONNELLY**  
BE, FMZIE  
DEPUTY CHAIRMAN

Wayne Donnelly is a former Chief Executive of Land Transport New Zealand (now the NZ Transport Agency) and Rodney District Council, where he was responsible for managing the council's operations. He has held senior management positions in the construction sector and at the former Auckland City Council, and worked in the transport and oil industries in Britain and Hong Kong.

**Current roles and general disclosure of interests:** Managing Director, Donnelly Consulting Ltd.



**KYLIE CLEGG**  
LLB, BCom

Kylie Clegg has a corporate legal background, having specialised in mergers and acquisitions and corporate governance advice across a range of industries for private and publicly listed companies and government organisations. Kylie's previous governance experience has been as a board member of the New Zealand Olympic Committee and the Halberg Disability Sports Foundation, and as an AT Board observer.

**Current roles and general disclosure of interests:** Deputy Chair, Waitemata District Health Board; Board member, Counties Manukau District Health Board; Board member, Sport New Zealand; Board member, High Performance Sport New Zealand, Trustee, Well Foundation.



**MARY-JANE DALY**  
MBA, BCom

Mary Jane has a strong background in banking and finance with extensive experience in a variety of roles both in New Zealand and the UK. She has been a professional director for over five years. Her last executive role was as Executive General Manager at State Insurance and prior to this appointment she was Chief Financial Officer for IAG New Zealand.

**Current roles and general disclosure of interests:** Deputy Chair, Earthquake Commission; Deputy Chair, Airways Corporation of New Zealand Limited; Director, Kiwi Property Group Limited; Director, Cigna Life Insurance New Zealand Limited; Director, OnePath Life (NZ) Limited.



**SIR MICHAEL CULLEN KNZM**  
PhD, Hon LLD

Michael Cullen was an Otago University lecturer until he entered Parliament in 1981. Michael was Finance Minister from 1999 to 2008, and Deputy Prime Minister from 2002 to 2008. His achievements include the establishment of the New Zealand Superannuation Fund and the creation of KiwiSaver.

**Current roles and general disclosure of interests:** Director, Lifetime Asset Management Limited; Director, Lifetime Income Limited; Director, Retirement Income Group Limited; Lead Treaty Claims Negotiator, Te Kotahitanga o Ngāti Tūwharetoa; Chair, Environment Bay of Plenty; Director, Auckland Transport Board.



**MARK GILBERT**

Mark Gilbert has three decades' experience in a range of senior management and directorships in the automotive industry and has been a professional director for over six years. He was previously Managing Director of BMW Group, both in New Zealand and the Philippines, and has been an Executive Member of the NZ Business Council for Sustainable Development (now the Sustainable Business Council) and President, Motor Industry Association of New Zealand Inc.

**Current roles and general disclosure of interests:** Chair, Motorcycle Safety Advisory Council; Chair, Drive Electric Inc; Chair, New Zealand Winegrowers Research Centre; Owner/Director, Insight Perspective Limited; Independent Director and Deputy Chair, Appliance Connexion Limited, Appliance Connexion Group Services Limited and Score Limited; Director, DEKRA New Zealand Limited; Independent Director, Eltrade Industries Limited; Member, Ministry of Transport Electric Vehicle Programme Leadership Group.

## DIRECTOR'S PROFILES continued



**DAME PAULA REBSTOCK DNZM**  
MSc Economics

Paula Rebstock is a company director and economic consultant. She was Chair of the Commerce Commission (2003-2009), Deputy Chair of KiwiRail Holdings (2009-18) and Chair of the Insurance and Savings Ombudsman Commission (2009-17). Paula has also chaired significant central government reviews and panels and worked in senior roles in the public service.

**Current roles and general disclosure of interests:** Chair, Accident Compensation Corporation; Director Vector Ltd; Chair, Kiwi Group Holdings Ltd; Chair, Ngati Whatua Orakei Wai Maia; Chair, Audit and Risk Committee, Tonkin & Taylor; Chair, Finance, Risk and Assurance Committee, Auckland District Health Board; Chair, New Zealand Police Women's Advisory Network; Chair, New Zealand Defence Force Advisory Board; Member, Synergia Limited Advisory Board; Shareholder and Director, On Being Bold; Senior consultant, Strategas Consulting Ltd and UDS Consulting Ltd.



**DR JIM MATHER\***  
BBus, MBA, PhD

Dr Jim Mather is of Ngāti Awa, Tūhoe and English descent. He has 25 years of leadership experience and is currently Chair of Radio New Zealand, Director of Ngāti Awa Group Holdings Limited and a member of the MBIE Risk and Advisory Committee. He is also the managing director of a specialist Māori development consultancy. Previously Jim has led Māori Television (9 years), Te Wānanga o Aotearoa (5 years) and was Chief Executive of the Pacific Business Trust from 2002 to 2005. He is also a qualified accountant and a member of the Chartered Accountants of Australia & New Zealand and the New Zealand Institute of Directors. A former New Zealand Army officer, Dr Mather was awarded the Sword of Honour in recognition of his distinguished achievements in Officer training.

**Current roles and general disclosures of interests:** Chair, Radio New Zealand; Director, Ngāti Awa Group Holdings Limited; Member, MBIE Risk and Advisory Committee, Managing Director, Mather Solutions Limited.

\* Commenced 31 October 2018



**RAEWYN BLEAKLEY\***  
BCApSci, PGDipSci

Raewyn Bleakley was with the NZ Transport Agency between 2014 and 2019. As General Manager, Governance, Stakeholders and Communications, Raewyn represents the agency on the AT Board as a non-voting member. Raewyn was Chief Executive of the Wellington Chamber of Commerce and Business Central 2012-2014 and Chief Executive of the Bus and Coach Association and Rental Vehicle Association 2008-2012. Her previous governance roles include Board member, New Zealand Chambers of Commerce and Industry, Tranzqual ITO and MITO.

**Current roles and general disclosure of interests:** General Manager, Governance, Stakeholders and Communications, NZ Transport Agency; Deputy Chair, Wellington Zoo Trust Board; member, Energy Efficiency Conservation Authority (Electric Vehicle Contestable Fund panel).

\* Until October 2018

Board meetings

In general, the Board holds publicly open monthly meetings in accordance with 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**

Auckland Transport committees

**Finance, Capital and Risk Committee**

The Finance, Capital and Risk Committee (FCRC) assists the Board to fulfil its responsibilities for financial reporting, audit and risk management, and provides assurance regarding compliance with internal controls, policies and procedures. It is also charged with ensuring the successful delivery of AT’s capital programme through appropriate project identification, project sequencing and programming, risk management, capital planning and project reporting.

**Customer and Innovation Committee**

The Customer Focus and Innovation Committee (CIC) gives the Board greater input and governance oversight of AT’s initiatives to continuously improve customer service and deliver innovative service delivery solutions.

**Safety and Human Resources Committee**

The Safety and Human Resources Committee (SHRC) assists the Board to oversee human resources and health, safety and wellbeing strategies, frameworks, systems and policies.

**Regional Transport Committee**

The Regional Transport Committee(RTC) is a requirement for every regional council in New Zealand. Auckland’s RTC meets every three years to steer the RLTP process. In Auckland, the Board of Directors of AT also acts as the RTC because the responsibility for preparing the RLTP sits with AT.

The four board sub committees have no delegated authority. Their role is to perform detailed oversight of their respective responsibilities and direct decisions onto the board for approval.

DIRECTOR ATTENDANCE AT BOARD MEETINGS AND COMMITTEES FOR 2019

	Board meetings* (10)	Finance Capital and Risk Committee (6)	Customer Innovation Committee (5)	Safety Human Resources Committee (4)	Regional Transport Committee (1)
Lester Levy	8	6	1	2	1
Wayne Donnelly	8	4	4	3	1
Kylie Clegg	10	6	4	4	1
Sir Michael Cullen	9	4	4	3	1
Mary-Jane Daly	10	6	5	4	1
Mark Gilbert	9	5	4	3	1
Dame Paula Rebstock	8	6	4	4	1
Dr Jim Mather (from October 2018)	4	3	1	1	1
Raewyn Bleakley (until October 2018)	1	-	-	-	-

\* Includes 1 special board meeting

## RISK AND ASSURANCE PROGRAMME

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Risk and Assurance is an integral component of AT's overall governance structure. Its purpose is to provide independent, objective assurance and advice designed to drive continuous improvement in how we operate. This support helps management to be more effective in meeting AT business objectives, fulfilling its strategy, and meeting its obligations to key stakeholders.

Specifically, Risk and Assurance:

- › Supports the Finance and Risk Committee in fulfilling its oversight responsibilities
- › Works with the business to evaluate and improve the effectiveness of governance, risk management and control processes using a systematic and disciplined approach, prioritising its efforts through a flexible, risk-based internal audit plan
- › Provides assurance to the Chief Executive and Board that AT's financial and operational controls are operating in an efficient, effective and ethical manner.

### Risk management

Enterprise risk management is implemented through:

- › Facilitating risk assessment workshops, providing advice and coaching the organisation on risk and control, and promoting the development of a common language and risk management framework based on the Risk Management Standard, AS/NZ ISO 31000:2018 Risk management – Guidelines
- › Acting as the central point for coordinating, monitoring and reporting on risks
- › Interacting regularly with other teams such as Internal Audit, Finance, Health and Safety and Legal
- › Supporting managers to identify the best strategies to mitigate risk.

Risk management activities this year focused on implementation of a system to facilitate the roll out of the updated Risk Management Framework across the organisation. Senior management and the Board reviewed risk appetite statements, measures and reporting for key risk areas. Risk Services facilitated their oversight through regular reporting and in-depth analysis and discussion of key risks across the business.

Twenty-four of AT's key policies were updated and approved by the Board over the past 12 months.



### Internal and probity audits

Auckland Transport's Internal Audit team provides independent assurance to the Board and the Chief Executive on whether business controls are operating in an efficient, effective and ethical manner. The team works to improve business efficiency and reduce the risk of error, waste and fraud by reviewing:

- › Financial and operational process
- › Legislative compliance
- › Conflict of interest management
- › Business technology
- › Projects management.

Internal Audit ensured that recommendations arising from this year's reviews were implemented in a timely manner. The team also reviewed new processes, systems and projects. A collaborative approach with the business during the 'design and build' stage of various new processes and systems enabled the sharing of insights on how to manage risks arising from those new initiatives.

Probity audits ensure all participants involved with significant procurement contracts with AT are treated fairly and with transparency. For all significant procurements, an independent probity auditor is assigned to monitor and review the processes followed. The probity review results are reported to the Finance and Risk Committee and the Chief Executive.

### Special investigations

An online Fraud Awareness module was rolled out across the business and staff were required to complete relevant training modules.

An independently managed whistle-blower service operates as a contact point for staff and suppliers on any compliance or probity concerns.

### Legal Support

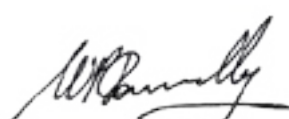
A dedicated in-house legal team supports activities across the organisation ensuring compliance with relevant legislation and supporting commercial activities and wider organisational functions. This team also works with selected external legal advisers to ensure the necessary specialist legal support is provided to AT's organisational objectives and commercial activities.

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE for the year ended 30 June 2019

	Note	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000
<b>REVENUE</b>				
Auckland Council operating funding	1	288,353	288,359	275,180
Auckland Council capital funding	1	400,358	385,076	480,485
NZ Transport Agency operating funding	1	280,923	266,800	260,892
NZ Transport Agency capital funding	1	264,214	359,268	205,231
Other revenue	1	634,751	491,139	617,050
Finance revenue	2	435	342	362
<b>Total revenue</b>		<b>1,869,034</b>	<b>1,790,984</b>	<b>1,839,200</b>
<b>EXPENDITURE</b>				
Personnel costs	3	125,965	123,055	123,578
Depreciation and amortisation	6, 7	342,129	353,909	324,674
Finance costs	2	32,383	30,700	29,638
Other expenses	4	731,077	706,766	668,689
<b>Total expenditure</b>		<b>1,231,554</b>	<b>1,214,430</b>	<b>1,146,579</b>
<b>SURPLUS BEFORE TAX</b>				
Income tax benefit/(expense)	5	1,468	-	1,597
<b>Surplus after tax</b>		<b>638,948</b>	<b>576,554</b>	<b>694,218</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENDITURE</b>				
Revaluation gain on property, plant and equipment	16	-	-	198,103
Deferred tax on revaluation	5	-	-	-
<b>Other comprehensive revenue and expenditure</b>		<b>-</b>	<b>-</b>	<b>198,103</b>
<b>Total comprehensive revenue and expenditure</b>		<b>638,948</b>	<b>576,554</b>	<b>892,321</b>



**Dr Lester Levy**  
CHAIRMAN  
3 September 2019



**Wayne Donnelly**  
DEPUTY CHAIRMAN  
3 September 2019

*The accompanying notes form part of these financial statements.*

## STATEMENT OF FINANCIAL POSITION

### as at 30 June 2019

	Note	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	11	9,505	4,567	4,567
Receivables	12	362,700	319,554	319,554
Inventories	13	10,969	11,740	11,740
Other assets		7,004	4,318	4,318
Non-current assets held for sale	8	479	1,952	1,952
<b>Total current assets</b>		<b>390,657</b>	<b>342,131</b>	<b>342,131</b>
<b>Non-current assets</b>				
Receivables	12	-	801	801
Property, plant and equipment	6	19,939,189	19,915,324	19,344,885
Intangible assets	7	176,502	152,598	152,598
<b>Total non-current assets</b>		<b>20,115,691</b>	<b>20,068,723</b>	<b>19,498,284</b>
<b>Total assets</b>		<b>20,506,348</b>	<b>20,410,854</b>	<b>19,840,415</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables and accruals	14	254,446	216,373	216,365
Employee entitlements	15	18,276	17,020	17,020
Derivative financial instruments	10	6,919	-	-
Provisions		216	-	-
Borrowings	9	6,412	6,123	6,123
<b>Total current liabilities</b>		<b>286,269</b>	<b>239,516</b>	<b>239,508</b>
<b>Non-current liabilities</b>				
Payables and accruals	14	13,236	16,476	16,476
Deferred tax	5	8,602	10,070	10,070
Employee entitlements	15	423	427	427
Derivative financial instruments	10	991	2,403	2,403
Borrowings	9	490,363	490,652	496,775
<b>Total non-current liabilities</b>		<b>513,615</b>	<b>520,028</b>	<b>526,151</b>
<b>Total liabilities</b>		<b>799,884</b>	<b>759,544</b>	<b>765,659</b>
<b>Net assets</b>		<b>19,706,464</b>	<b>19,651,310</b>	<b>19,074,756</b>
<b>EQUITY</b>				
Contributed capital		12,990,781	12,998,417	12,998,417
Accumulated funds		3,001,336	2,926,732	2,350,178
Other reserves		3,714,347	3,726,161	3,726,161
<b>Total equity</b>	16	<b>19,706,464</b>	<b>19,651,310</b>	<b>19,074,756</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2019

	Note	Contributed capital \$000	Accumulated funds \$000	Other reserves \$000	Total equity \$000	Budget \$000
<b>Balance as at 1 July 2018</b>		<b>12,998,417</b>	<b>2,350,178</b>	<b>3,726,161</b>	<b>19,074,756</b>	<b>19,074,756</b>
Surplus after tax		-	638,948	-	638,948	576,554
Other comprehensive revenue		-	-	-	-	-
<b>Total comprehensive revenue and expenditure</b>		<b>-</b>	<b>638,948</b>	<b>-</b>	<b>638,948</b>	<b>576,554</b>
Returned capital to Auckland Council		(7,636)	-	-	(7,636)	-
Found assets		-	396	-	396	-
Transfer from asset revaluation reserve on disposal of property		-	11,814	(11,814)	-	-
<b>Balance as at 30 June 2019</b>	<b>16</b>	<b>12,990,781</b>	<b>3,001,336</b>	<b>3,714,347</b>	<b>19,706,464</b>	<b>19,651,310</b>
<b>Balance as at 1 July 2017</b>		<b>13,436,418</b>	<b>1,623,170</b>	<b>3,560,067</b>	<b>18,619,655</b>	<b>18,185,190</b>
Surplus after tax		-	694,218	-	694,218	512,078
Other comprehensive revenue		-	-	198,103	198,103	-
<b>Total comprehensive revenue and expenditure</b>		<b>-</b>	<b>694,218</b>	<b>198,103</b>	<b>892,321</b>	<b>512,078</b>
Returned capital to Auckland Council*		(438,001)	-	-	(438,001)	-
Transfer from asset revaluation reserve on disposal of property		-	32,790	(32,009)	781	-
<b>Balance as at 30 June 2018</b>	<b>16</b>	<b>12,998,417</b>	<b>2,350,178</b>	<b>3,726,161</b>	<b>19,074,756</b>	<b>18,697,268</b>

\*Of the \$438,001, \$434,464 relates to City Rail Link assets returned to Auckland Council. The rest relates to land and buildings returned to Auckland Council as they are no longer required for transport projects.

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS

### for the year ended 30 June 2019

	Note	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Cash provided from</b>				
Revenue from activities		323,256	311,481	284,243
Auckland Council operating funding		288,353	288,359	275,180
Auckland Council capital funding		365,847	385,076	499,120
NZ Transport Agency operating funding		270,936	266,800	263,071
NZ Transport Agency capital funding		260,951	359,268	195,094
Interest received		435	-	362
Goods and services tax (net)		10,159	-	-
<b>Total cash provided</b>		<b>1,519,937</b>	<b>1,610,984</b>	<b>1,517,070</b>
<b>Cash applied to</b>				
Payments to suppliers and employees		827,049	829,817	787,549
Interest paid		26,887	30,700	27,246
Goods and services tax (net)		-	-	2,530
<b>Total cash applied</b>		<b>853,936</b>	<b>860,517</b>	<b>817,325</b>
<b>Net cash from operating activities</b>	26	<b>666,001</b>	<b>750,467</b>	<b>699,745</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Cash provided from</b>				
Sale of property, plant and equipment		4,952	-	5,545
<b>Cash applied to</b>				
Purchase of property, plant and equipment and intangibles		659,892	744,344	700,650
<b>Net cash applied to investing activities</b>		<b>(654,940)</b>	<b>(744,344)</b>	<b>(695,105)</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 30 June 2019

	Note	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Cash applied to</b>				
Repayment of loan from Auckland Council		6,123	6,123	5,765
Payment of finance leases		-	-	-
<b>Total cash applied</b>		<b>6,123</b>	<b>6,123</b>	<b>5,765</b>
<b>Net cash from financing activities</b>		<b>(6,123)</b>	<b>(6,123)</b>	<b>(5,765)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,938</b>	<b>-</b>	<b>(1,125)</b>
Opening cash and cash equivalents		4,567	4,567	5,692
<b>Closing cash and cash equivalents</b>	11	<b>9,505</b>	<b>4,567</b>	<b>4,567</b>

The GST (net) component of operating activities reflects the net GST paid and received with Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

*The accompanying notes form part of these financial statements.*

## SUMMARY OF CAPITAL EXPENDITURE for the year ended 30 June 2019

	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000
<b>NEW CAPITAL EXPENDITURE</b>			
Roads	290,045	441,983	274,355
Public transport	169,243	103,378	145,880
Parking	6,048	3,376	5,220
Other	14,835	8,118	19,700
<b>Total new capital expenditure</b>	<b>480,171</b>	<b>556,855</b>	<b>445,155</b>
<b>RENEWAL CAPITAL EXPENDITURE</b>			
Roads	176,012	174,715	220,757
Public transport	8,415	9,490	16,559
Parking	2,898	3,284	4,510
<b>Total renewal capital expenditure</b>	<b>187,325</b>	<b>187,489</b>	<b>241,826</b>
<b>Total capital expenditure</b>	<b>667,496</b>	<b>744,344</b>	<b>686,981</b>
<b>FUNDING</b>			
Auckland Council capital funding	400,358	385,076	480,485
NZ Transport Agency capital funding	264,214	359,268	205,231
Other capital grants	968	-	1,265
Auckland Council capital funding through equity	1,956	-	-
<b>Total funding</b>	<b>667,496</b>	<b>744,344</b>	<b>686,981</b>

The accompanying notes form part of these 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 2019 and were authorised for issue by the board of Auckland Transport on 3 September 2019. Neither Auckland Council nor Auckland Transport Board has 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 and they comply with Tier 1 PBE accounting standards.

These financial statements comply with 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 in order to deliver the agreed annual operational and capital programmes within the Auckland Council's Long Term Plan. 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. 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 (\$), 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 those included in Auckland Transport's Statement of Intent 2018/2019-2020/2021, adopted by Auckland Transport's Board on 20 June 2018.

### Cost allocation

Cost of service for each activity was 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, staff numbers and floor area.

### 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 6) and provision for impairment of receivables (note 12).

## Implementation of new and amended standards

### Early adoption of PBE IFRS 9 Financial instruments

Auckland Transport has early adopted all of the requirements of PBE IFRS 9 Financial Instruments (PBE IFRS 9) as of 1 July 2018. PBE IFRS 9 supersedes part of PBE IPSAS 29 Financial Instruments: Recognition and Measurement (PBE IPSAS 29). PBE IFRS 9 includes two areas of change applicable to Auckland Transport:

- Classification and measurement of financial instruments; and
- A single, forward looking, 'expected credit loss' impairment model

### Classification and measurement of financial instruments

Auckland Transport classifies its financial instruments in the following categories:

- at fair value through surplus or deficit (FVTSD);
- at fair value through other comprehensive revenue and expenditure (FVTOCRE); or
- at amortised cost

Auckland Transport determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by Auckland Transport's business model for managing the financial assets and their contractual cash flow characteristics.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTSD (such as instruments held for trading or derivatives) or Auckland Transport has opted to measure them at FVTSD.

The requirements of PBE IPSAS 29 for classification and measurement of financial liabilities were carried forward in PBE IFRS 9, so Auckland Transport's accounting policy with respect to financial liabilities is unchanged.

There was no material impact arising as a result of the new classification and remeasurement of financial assets and liabilities under PBE IFRS 9.

### New impairment model

PBE IFRS 9 prescribes an 'expected credit loss' model instead of a previous incurred loss model, so it is no longer necessary for a trigger event to have occurred before recognising credit losses. NZ IFRS 9 requires Auckland Transport to base the measurement of expected credit losses on forward-looking information, as well as current and historic information. Auckland Transport has applied the simplified approach to all receivables, which requires the recognition of lifetime expected credit losses at all times.

There was no material impact arising as a result of the new impairment model under PBE IFRS 9.

## Standards issued and not yet effective

### PBE Standards on Interests in Other Entities

The New Zealand Accounting Standards Board (NZASB) has issued the following 5 standards in January 2017 and will be effective for the reporting period beginning 1 January 2019. These Standards are collectively referred to as PBE Standards on Interests in Other Entities and comprise:

- PBE IPSAS 34 Separate Financial Statements
- PBE IPSAS 35 Consolidated Financial Statements
- PBE IPSAS 36 Investment in Associates and Joint Ventures
- PBE IPSAS 37 Joint Arrangements
- PBE IPSAS 38 Disclosure of Interests in Other Entities

Auckland Transport does not intend to early adopt any of the above standards and has initially concluded that there is unlikely to be a material impact to the financial statements when the standards are initially adopted.

### Impairment of Revalued Assets (Amendments to PBE IPSAS 21 and 26)

The above-stated amendments were issued in April 2017 and will be effective for the reporting period beginning 1 January 2019. Auckland Transport do not intend to early adopt the above amendments. The transition to the revised standards is not expected to result in material adjustments to the financial statements for the following year.

All other standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to Auckland Transport or are not expected to have a material impact on the financial statements of Auckland Transport and, therefore, have not been disclosed.



## Part 1: **Financial results**

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**
- 5 **Taxation**

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### 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
<b>Non-exchange revenue</b>	
Auckland Council operating and capital funding	Auckland Transport is funded 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 Annual Plan and Statement of Intent (SOI) as agreed between Auckland Transport and Auckland Council.
NZ Transport Agency operating and capital funding	Auckland Transport receives government grants from the NZ Transport Agency, which funds operational and capital expenditure. Grant distributions from the NZ Transport Agency are recognised as income when the expenditure they cover is incurred i.e. on an accrual basis. 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 certain bus and ferry and all rail services. This revenue is recognised when the ticket is purchased and/or travel actually occurs.
Enforcement revenue	Revenue and receivables are 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	For assets received for no or nominal consideration, the asset is recognised at its fair value when Auckland Transport obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.
Licenses and permits 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.
<b>Exchange revenue</b>	
Parking revenue	Revenue is recognised when billed or earned on an accrual basis.

## 1 REVENUE (CONTINUED)

	Actual 2019 \$'000	Actual 2018 \$'000
Auckland Council operating funding	288,353	275,180
Auckland Council capital funding	400,358	480,485
NZ Transport Agency operating funding	280,923	260,892
NZ Transport Agency capital funding	264,214	205,231
<b>Other revenue</b>		
<b>Revenue from non-exchange transactions</b>		
Public transport revenue	204,058	171,883
Enforcement revenue	42,925	32,914
Other operating grants	8,981	9,776
Other capital grants	968	1,265
Vested asset revenue	305,243	316,318
Revaluation gain	-	11,970
Gain on disposal of property, plant and equipment	563	-
Other revenue	23,154	23,953
<b>Total other revenue from non-exchange transactions</b>	<b>585,892</b>	<b>568,079</b>
<b>Revenue from exchange transactions</b>		
Parking revenue	48,859	48,971
<b>Total other revenue</b>	<b>634,751</b>	<b>617,050</b>
<b>Total revenue (excluding finance revenue)</b>	<b>1,868,599</b>	<b>1,838,838</b>

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**2 FINANCE REVENUE AND FINANCE COSTS****Accounting policy**

Finance costs are recognised as an expense using the effective interest method in the period in which they are incurred.

	Actual 2019 \$000	Actual 2018 \$000
<b>Finance revenue</b>		
Interest revenue	435	362
<b>Total finance revenue</b>	<b>435</b>	<b>362</b>
<b>Finance costs</b>		
Interest expense	26,877	27,235
Unrealised (gain)/loss on forward foreign exchange contracts	5,506	2,403
<b>Total finance costs</b>	<b>32,383</b>	<b>29,638</b>

**3 PERSONNEL COSTS**

	Actual 2019 \$000	Actual 2018 \$000
Salaries and wages	160,854	156,122
Less salaries and wages capitalised to property, plant and equipment, and intangible assets	(39,945)	(37,830)
Defined contribution plan employer contributions	3,804	3,593
Other employee benefits	1,252	1,693
<b>Total personnel costs</b>	<b>125,965</b>	<b>123,578</b>

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

## 4 OTHER EXPENSES

	Actual 2019 \$000	Actual 2018 \$000
Fees to principal auditor		
Financial statements audit	583	576
Review engagement	45	44
Operating lease payments	80,805	36,251
Impairment of receivables	4,180	1,199
Directors' fees	498	477
Impairment of inventory	197	-
Public transport operations	460,228	439,493
Roading network	117,390	120,812
Loss on disposal of property, plant and equipment	-	1,865
Other operating expenses	67,151	67,972
<b>Total other expenses</b>	<b>731,077</b>	<b>668,689</b>

**Accounting policy****Impairment of assets**

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

Intangible assets subsequently measured at cost that 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.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**5 TAXATION****Accounting policy**

Income tax comprises current tax and deferred tax calculated using the tax rate that has been enacted or substantially enacted by the reporting date. Income tax is charged or credited to the surplus or deficit, except when it relates to items that are recognised in other comprehensive revenue and expenditure or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive revenue and expenditure or directly in equity.

Current tax is the amount of income tax payable or refundable in the current period, plus any adjustments to income tax payable in respect of prior periods. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

	Actual 2019 \$000	Actual 2018 \$000
<b>Components of income tax benefit/(expense)</b>		
Current tax	-	-
Deferred tax	1,468	1,597
<b>Income tax benefit/(expense)</b>	<b>1,468</b>	<b>1,597</b>

**Relationship between tax benefit/(expense) and accounting profit**

Surplus before tax	637,480	692,621
Tax at 28 percent	178,494	193,934
Plus/(less) tax effects of:		
Non-taxable revenue	(177,032)	(193,073)
Group loss offset	(1,462)	(861)
Deferred tax adjustment	1,468	1,597
<b>Income tax benefit/(expense)</b>	<b>1,468</b>	<b>1,597</b>

	Property plant and equipment \$000	Total \$000
<b>Deferred tax liability</b>		
Balance at 1 July 2018	(10,070)	(10,070)
Credited to surplus or deficit	1,468	1,468
<b>Balance at 30 June 2019</b>	<b>(8,602)</b>	<b>(8,602)</b>
Balance at 1 July 2017	(11,667)	(11,667)
Credited to surplus or deficit	1,597	1,597
<b>Balance at 30 June 2018</b>	<b>(10,070)</b>	<b>(10,070)</b>

Auckland Transport achieved a tax profit of \$5,221,897 during the year to 30 June 2019 in relation to Port Related Commercial Undertaking (PRCU) and this will be offset by losses available from other members of the consolidated Auckland Council tax group (2018: \$3,075,047).



## Part 2: **Long-term assets**

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

The notes included in this section are as follows:

- 6 **Property, plant and equipment**
- 7 **Intangible assets**
- 8 **Non-current assets held for sale**

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**6 PROPERTY, PLANT AND EQUIPMENT****Accounting policy**

Property, plant and equipment consists of:

**A. OPERATIONAL ASSETS**

Type	Description
Land	Land held for rail purposes and land under carparks, park and ride, wharves and train stations.
Land - finance lease	Finance leases for wharf land and water space under ferry terminals.
Properties held for roading purposes	Properties purchased for future roading projects.
Leasehold improvements	Auckland Transport leased offices fitouts.
Buildings	Buildings held for rail purposes, car park buildings, and other operational buildings.
Rolling stock	Diesel (DMU) and electric (EMU) trains and other onboard train equipment (e.g. signalling and communication equipment).
Motor vehicles	Fleet vehicles and trailers used for transport to projects and parking wardens.
Boats and engines	Boats used by the harbourmaster in managing the waterways.
Computer hardware	Laptops, screens, servers and other physical IT equipment.
Furniture and fittings	Furniture includes desks, chairs and other fittings used in Auckland Transport offices.
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.).
Wharves	Wharves used to provide public transport via ferries.
Bus stations and shelters	Stations and shelters for users of bus services at bus stops and busways.
Train stations	Stations for trains users.

**B. INFRASTRUCTURE ASSETS**

Type	Description
Land	Restricted land, land under roads and land access to/from rail stations.
Roading	Roading assets (e.g. footpath, streetlights, traffic control, pavements, etc.).
Street gardens	Street trees and gardens, to beautify the city.

**Valuation of assets**

Auckland Transport accounts for revaluations on a class of assets basis.

Operational land and buildings, Land - finance lease, train stations, wharves, bus stations and shelters, roading and rolling stock are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three 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 previously recognised in the surplus or deficit, the increase is recognised first in surplus or deficit to reverse previous decreases. Any residual increase is applied to the asset revaluation reserve.

## 6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Additions

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

### Depreciation

Land and properties held for roading purposes are not depreciated. All other assets are depreciated on a straight-line basis. Depreciation writes off the cost of the assets to residual value over their useful lives. Auckland Transport reviews and, if necessary, adjusts the assets' residual values and useful lives at each year-end.

Class of asset depreciated	Estimated useful life (years)
<b>Operational assets</b>	
Buildings	13-75
Leasehold improvements	15
Rolling stock	4-35
Motor vehicles	5-10
Boats and engines	2-15
Computer hardware	1-15
Furniture and fittings	1-15
Plant and equipment	1-50
Wharves	4-100
Bus stations and shelters	10-40
Train stations	6-60
<b>Infrastructure assets</b>	
Roading	5-110
Street gardens	8-28

### Disposals

Gains and losses on the disposal of assets are determined by comparing the proceeds of sale with the asset's carrying amount. Gains and losses are recognised in surplus or deficit. When a revalued asset is sold or disposed of, any amount in the asset revaluation reserve relating to that asset is transferred to accumulated funds.

### Work in progress

Work in progress is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

### 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 depreciated replacement cost approach based on either a depreciation replacement cost approach, restoration cost approach, or a service unit approach. The most appropriate approach to measure value in use depends on the nature of the impairment and availability of information.

### 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.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Cost/ revaluation 1 July 2018	Accumulated depreciation and impairment charges 1 July 2018	Carrying amount 1 July 2018	Current year additions	Current year disposals
2019	\$000	\$000	\$000	\$000	\$000
<b>Operational assets</b>					
Land	698,713	-	698,713	-	(11,957)
Land - finance lease	25,800	-	25,800	-	-
Properties held for roading purposes	360,433	-	360,433	396	-
Buildings	162,122	-	162,122	-	(3,121)
Leasehold improvements	11,221	(2,269)	8,952	-	-
Rolling stock	434,718	-	434,718	-	-
Motor vehicles	4,339	(2,905)	1,434	-	(955)
Boats and engines	936	(289)	647	-	-
Computer hardware	42,206	(25,782)	16,424	-	-
Furniture and fittings	6,996	(1,780)	5,216	-	-
Plant and equipment	64,822	(35,015)	29,807	17	-
Wharves	80,967	(3,901)	77,066	-	(147)
Bus stations and shelters	132,974	(3,682)	129,292	-	-
Train stations	593,767	(26,049)	567,718	-	-
	<b>2,620,014</b>	<b>(101,672)</b>	<b>2,518,342</b>	<b>413</b>	<b>(16,180)</b>
<b>Infrastructural assets</b>					
Land	6,403,458	-	6,403,458	396	(1,565)
Roading	10,109,544	(224,195)	9,885,349	5,843	(43)
Street gardens	42,638	(9,806)	32,832	-	-
	<b>16,555,640</b>	<b>(234,001)</b>	<b>16,321,639</b>	<b>6,239</b>	<b>(1,608)</b>
Work in progress	504,904	-	504,904	917,192	-
<b>Total property, plant and equipment</b>	<b>19,680,558</b>	<b>(335,673)</b>	<b>19,344,885</b>	<b>923,844</b>	<b>(17,788)</b>

The land - finance lease relates to Ferry Terminal waterspace and 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. The land subject to these leases is therefore recognised at their fair value until such time as the leases are not to be renewed in perpetuity.

(TABLE CONTINUED)

Current year transfers	Current year impairment charges	Current year depreciation	Revaluation surplus/(loss)	Cost/revaluation 30 June 2019	Accumulated depreciation and impairment charges 30 June 2019	Carrying amount 30 June 2019
\$000	\$000	\$000	\$000	\$000	\$000	\$000
6,824	-	-	-	693,579	-	693,579
-	-	-	-	25,800	-	25,800
78,776	-	-	-	439,605	-	439,605
2,656	-	(3,910)	-	161,572	(3,825)	157,747
-	-	(921)	-	11,221	(3,191)	8,030
478	-	(15,829)	-	435,196	(15,829)	419,367
2,102	-	(565)	-	2,239	(223)	2,016
44	-	(94)	-	980	(383)	597
12,491	-	(9,891)	-	54,697	(35,673)	19,024
79	-	(579)	-	7,075	(2,359)	4,716
11,680	-	(9,230)	-	76,519	(44,245)	32,274
6,737	-	(3,971)	-	87,549	(7,864)	79,685
10,693	-	(4,706)	-	143,667	(8,388)	135,279
17,913	-	(26,394)	-	611,680	(52,443)	559,237
<b>150,473</b>	<b>-</b>	<b>(76,090)</b>	<b>-</b>	<b>2,751,379</b>	<b>(174,423)</b>	<b>2,576,956</b>
237,222	-	-	-	6,639,512	-	6,639,512
378,357	-	(231,932)	-	10,493,701	(456,116)	10,037,585
5,095	-	(3,741)	-	47,733	(13,547)	34,186
<b>620,674</b>	<b>-</b>	<b>(235,664)</b>	<b>-</b>	<b>17,180,946</b>	<b>(469,663)</b>	<b>16,711,283</b>
(771,147)	-	-	-	650,950	-	650,950
<b>-</b>	<b>-</b>	<b>(311,754)</b>	<b>-</b>	<b>20,583,275</b>	<b>(644,086)</b>	<b>19,939,189</b>

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Cost/ revaluation 1 July 2017	Accumulated depreciation and impairment charges 1 July 2017	Carrying amount 1 July 2017	Current year additions	Current year disposals
2018	\$000	\$000	\$000	\$000	\$000
<b>Operational assets</b>					
Land	534,390	-	534,390	3,531	(1,047)
Land - finance lease	19,140	-	19,140	-	-
Properties held for roading purposes	315,687	-	315,687	-	(10,977)
Buildings	159,530	(9,618)	149,912	-	-
Leasehold improvements	-	-	-	-	-
Rolling stock	489,629	(54,016)	435,613	-	(193)
Motor vehicles	3,297	(2,233)	1,064	-	-
Boats and engines	878	(206)	672	8	(1)
Computer hardware	32,358	(17,796)	14,562	-	(51)
Furniture and fittings	3,458	(1,120)	2,338	-	-
Plant and equipment	57,068	(26,727)	30,341	1	-
Wharves	73,589	-	73,589	-	-
Bus stations and shelters	80,474	(14)	80,460	-	-
Train stations	579,630	-	579,630	-	-
	<b>2,349,128</b>	<b>(111,730)</b>	<b>2,237,398</b>	<b>3,540</b>	<b>(12,269)</b>
<b>Infrastructural assets</b>					
Land	6,165,907	-	6,165,907	940	(3,482)
Roading	9,647,839	(1,700)	9,646,139	6,273	(1,111)
Street gardens	37,484	(6,621)	30,863	596	-
	<b>15,851,230</b>	<b>(8,321)</b>	<b>15,842,909</b>	<b>7,809</b>	<b>(4,593)</b>
Work in progress	391,571	-	391,571	967,563	-
<b>Total property, plant and equipment</b>	<b>18,591,929</b>	<b>(120,051)</b>	<b>18,471,878</b>	<b>978,912</b>	<b>(16,862)</b>

(TABLE CONTINUED)

Current year transfers	Current year impairment charges	Current year depreciation	Revaluation surplus/(loss)	Cost/revaluation 30 June 2018	Accumulated depreciation and impairment charges 30 June 2018	Carrying amount 30 June 2018
\$000	\$000	\$000	\$000	\$000	\$000	\$000
(9,776)	-	-	171,616	698,713	-	698,713
-	-	-	6,660	25,800	-	25,800
55,722	-	-	-	360,433	-	360,433
589	-	(6,687)	18,307	162,122	-	162,122
9,479	-	(527)	-	11,221	(2,269)	8,952
541	-	(14,735)	13,490	434,718	-	434,718
1,147	-	(777)	-	4,339	(2,905)	1,434
75	-	(107)	-	936	(289)	647
10,055	-	(8,143)	-	42,206	(25,782)	16,424
3,433	-	(554)	-	6,996	(1,780)	5,216
7,753	-	(8,288)	-	64,822	(35,015)	29,807
7,377	-	(3,901)	-	80,967	(3,901)	77,066
52,500	-	(3,668)	-	132,974	(3,682)	129,292
14,137	-	(26,049)	-	593,767	(26,049)	567,718
<b>153,032</b>	<b>-</b>	<b>(73,436)</b>	<b>210,073</b>	<b>2,620,014</b>	<b>(101,672)</b>	<b>2,518,342</b>
240,095	-	-	-	6,403,458	-	6,403,458
456,546	-	(222,496)	-	10,109,544	(224,195)	9,885,349
4,557	-	(3,185)	-	42,638	(9,806)	32,832
<b>701,198</b>	<b>-</b>	<b>(225,681)</b>	<b>-</b>	<b>16,555,640</b>	<b>(234,001)</b>	<b>16,321,639</b>
(854,230)	-	-	-	504,904	-	504,904
<b>-</b>	<b>-</b>	<b>(299,117)</b>	<b>210,073</b>	<b>19,680,558</b>	<b>(335,673)</b>	<b>19,344,885</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2019

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### 6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

No property, plant and equipment is pledged as security for liabilities (2018: nil).

#### Auckland Council-owned property, plant and equipment

Property, plant and equipment in the legal name of Auckland Council that Auckland Transport has control over are 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.

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

- Operational land and buildings – includes land and buildings, parking and wharf buildings.
- Finance lease land – includes wharf land and water space under Ferry Terminals.
- Properties held for roading purposes – includes properties purchased for future roading projects.
- Roads - includes land under roads, shaping, formation, 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 Auckland 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 Auckland 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 Auckland Council but will be recognised in Auckland Transport's financial statements.



## 6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

## Revaluation

Asset class	Date of revaluation	Valuation amount \$'000	Basis of revaluation	Independent valuer company	Valuer name
Rolling stock	30 June 2018	434,718	Depreciated replacement cost	KPMG	David Mitchell
Land	30 June 2018	698,713	Fair Value with the approaches being Market and Income	Bayleys Valuations Limited Quotable Value Limited Beca Projects NZ Ltd	Jessica McKenzie Andrew Parkyn Ceri Bain
Land - finance lease	30 June 2018	25,800	Fair Value with the approaches being Market and Income	Telfer Young (Auckland) Ltd	Evan Gamby
Buildings	30 June 2018	162,121	Fair Value with the approaches being Market and Income	Bayleys Valuations Limited Quotable Value Limited Beca Projects NZ Ltd	Jessica McKenzie Andrew Parkyn Ceri Bain
Train stations	30 June 2017	579,630	Depreciated replacement cost	Opus International Consultants Limited	Evan Gamby Gemma Mathieson
Wharves	30 June 2017	67,135	Depreciated replacement cost	Opus International Consultants Limited	Evan Gamby Gemma Mathieson
Roads and parking (excluding land and buildings)	30 June 2017	9,541,313	Depreciated replacement cost	ANA Group Limited	Amar Singh
Bus stations and shelters	30 June 2017	80,034	Depreciated replacement cost	ANA Group Limited	Amar Singh

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2019

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### 6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 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.

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

- Railway station assets with unlimited engineering lives have been adjusted to have a typical useful life appropriate to the rate of change and obsolescence in the environment for each elemental value.
- Wharf assets' typical useful life has been based on current condition and environmental factors such as reflecting the marine environment, 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 there is no current contracted unit rate information available, the most recent rates are used indexed for the impact of inflation.
- Assumptions on the remaining useful life over which the asset will be depreciated: These assumptions are based on the age, condition information held on these assets and the asset's future service potential. For roading assets these assumptions can be affected by local conditions such as ground type, weather patterns and road usage.
- Rolling stock consists of electric trains purchased in 2014/15 and diesel motor units operating from Papakura to Pukekohe.
- Assumptions on rail rolling stock useful lives have been based on an expected vehicle replacement programme. The programme defines the expected economic and/or physical lives of the different vehicle types.
- Asset useful lives have been determined with reference to external industry guidance and have been adjusted for local conditions based on past experience. Asset inspection, deterioration, and condition modelling are also carried out regularly as part of asset management activities, which provides further assurance over useful life estimates.

All other asset classes are measured at depreciated historical cost.

## 6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

## Work in progress

	Actual 2019 \$000	Actual 2018 \$000
<b>Operational assets</b>		
Land	52,658	54,491
Rolling stock	42,456	913
Wharves	4,536	3,093
Bus stations and shelters	22,145	21,515
Train stations	24,392	40,898
<b>Infrastructural assets</b>		
Roading	504,763	383,994
<b>Total work in progress</b>	<b>650,950</b>	<b>504,904</b>

## 7 INTANGIBLE ASSETS

## Accounting policy

## Intangible assets

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

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

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

## Access rights

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

## Computer software

Computer software licences 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 (three to eight years).

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 (not exceeding eight years).

## Designations

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

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**7 INTANGIBLE ASSETS (CONTINUED)**

	Cost 1 July 2018	Accumulated amortisation and impairment charges 1 July 2018	Carrying amount 1 July 2018	Current year additions
2019	\$000	\$000	\$000	\$000
Software	161,724	(94,238)	67,486	-
Designations	399	-	399	-
Access rights	44,795	(3,307)	41,488	-
	<b>206,918</b>	<b>(97,545)</b>	<b>109,373</b>	<b>-</b>
Work in progress	43,225	-	43,225	55,547
<b>Total intangible assets</b>	<b>250,143</b>	<b>(97,545)</b>	<b>152,598</b>	<b>55,547</b>

	Cost 1 July 2017	Accumulated amortisation and impairment charges 1 July 2017	Carrying amount 1 July 2017	Current year additions
2018	\$000	\$000	\$000	\$000
Software	140,237	(69,188)	71,049	-
Designations	-	-	-	-
Access rights	34,925	(2,797)	32,128	-
	<b>175,162</b>	<b>(71,985)</b>	<b>103,177</b>	<b>-</b>
Work in progress	40,640	-	40,640	35,736
<b>Total intangible assets</b>	<b>215,802</b>	<b>(71,985)</b>	<b>143,817</b>	<b>35,736</b>

Intangible software includes Auckland Integrated Fares System (AIFS) software.

There are no restrictions over the title of Auckland Transport's intangible assets; nor are any intangible assets pledged as security for liabilities.

The access rights are for the land at each of the railway station sites along the Auckland passenger rail network utilised by AT. They include the costs transferred to AT on establishment that are being amortised using straight-line method over the remaining portion of the 63-year life and AT's contribution to the costs of constructing railway tracks. The access rights are valued at cost.

(TABLE CONTINUED)

Current year disposals	Current year transfers	Current year impairment charges	Current year amortisation	Cost 30 June 2019	Accumulated amortisation and impairment charges 30 June 2019	Carrying amount 30 June 2019
\$000	\$000	\$000	\$000	\$000	\$000	\$000
(1,266)	56,706	-	(29,686)	217,163	(123,925)	93,238
-	-	-	-	399	-	399
-	(1)	-	(689)	44,793	(3,996)	40,797
<b>(1,266)</b>	<b>56,705</b>	<b>-</b>	<b>(30,375)</b>	<b>262,355</b>	<b>(127,921)</b>	<b>134,434</b>
-	(56,705)	-	-	42,068	-	42,068
<b>(1,266)</b>	<b>-</b>	<b>-</b>	<b>(30,375)</b>	<b>304,423</b>	<b>(127,921)</b>	<b>176,502</b>

Current year disposals	Current year transfers	Current year impairment charges	Current year amortisation	Cost 30 June 2018	Accumulated amortisation and impairment charges 30 June 2018	Carrying amount 30 June 2018
\$000	\$000	\$000	\$000	\$000	\$000	\$000
(1,397)	22,883	-	(25,048)	161,724	(94,238)	67,486
-	399	-	-	399	-	399
-	9,870	-	(509)	44,795	(3,307)	41,488
<b>(1,397)</b>	<b>33,152</b>	<b>-</b>	<b>(25,557)</b>	<b>206,918</b>	<b>(97,545)</b>	<b>109,373</b>
-	(33,152)	-	-	43,225	-	43,225
<b>(1,397)</b>	<b>-</b>	<b>-</b>	<b>(25,557)</b>	<b>250,143</b>	<b>(97,545)</b>	<b>152,598</b>

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019

**8 NON-CURRENT ASSETS HELD FOR SALE**

**Accounting policy**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are not depreciated.

Any impairment losses 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.

	Actual 2019 \$000	Actual 2018 \$000
Rolling stock – held for sale	479	1,952

**Rolling stock – held for sale**

A key component of development plans for the Auckland rail network is the electrification upgrade in order to accommodate a fleet of new Electric Multiple Units which are now operational. As a consequence of the transition to this new fleet of trains, the majority of Auckland Transport’s current diesel fleet will no longer be required for operational service. As at 30 June 2019, 34 units of diesel trains remain for sale (2018: 64 units). There are prospective buyers who have shown interest but no confirmed sale yet.

### Part 3:

## **Borrowings and derivative financial instruments**

This section provides details of Auckland Transport borrowings. This section also provides information of derivative financial instruments acquired to mitigate the risks arising from foreign currency fluctuations.

The notes included in this section are as follows:

- 9 **Borrowings**
- 10 **Derivative financial instruments**

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**9 BORROWINGS****Accounting policy**

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

	Actual 2019 \$000	Actual 2018 \$000
<b>Current portion</b>		
Loans from Auckland Council	6,412	6,123
<b>Non-current portion</b>		
Loans from Auckland Council	490,363	496,775
<b>Total borrowings</b>	<b>496,775</b>	<b>502,898</b>
Weighted average cost of funds on total borrowings	6.02%	6.02%

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

Auckland Transport's borrowings are all issued at fixed rates as the main objective of Auckland Transport's interest rate risk management is to reduce uncertainty around interest expense as interest rates change

**Loans from Auckland Council**

Auckland Transport's loans from Auckland Council of \$496.8 million (2018: \$502.9 million) are issued at fixed rates of interest ranging from 5.55% to 6.57% (2018: 5.55% to 6.57%).

Two loan facilities have been drawn down and will be repaid against a schedule of repayments. The first loan of \$409.4 million (2018: \$415.1 million) has a final repayment date of 21 November 2046 and the second loan of \$87.4 million (2018: \$87.8 million) has a final repayment date of 27 March 2062.

The fair value of these loans is \$561.4 million (2018: \$560.3 million). The fair value is based on cash flows discounted using a rate based on the borrowing rate of 2.42% (2018: 3.40%).



## 10 DERIVATIVE FINANCIAL INSTRUMENTS

### Accounting policy

Auckland Transport uses derivative financial instruments to hedge or mitigate risks associated with foreign currency fluctuation and interest rate. In accordance with its 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. The resulting gain or loss is recognised in surplus or deficit.

	Actual 2019 \$000	Actual 2018 \$000
<b>Current liability portion</b>		
Forward foreign exchange contracts	6,919	-
<b>Non-current liability portion</b>		
Forward foreign exchange contracts	991	2,403

### 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.

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$121.3 million (2018: \$112.9 million). The foreign currency principal amount was EUR 65.8 million (2018: EUR \$61.4 million).



## Part 4: **Working capital and equity**

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:

- 11 **Cash and cash equivalents**
- 12 **Receivables**
- 13 **Inventories**
- 14 **Payables and accruals**
- 15 **Employee entitlements**
- 16 **Equity**

## 11 CASH AND CASH EQUIVALENTS

### Accounting policy

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

	Actual 2019 \$'000	Actual 2018 \$'000
Cash at bank	9,201	4,187
Till floats	304	380
<b>Total cash and cash equivalents</b>	<b>9,505</b>	<b>4,567</b>

The carrying value of cash and cash equivalents approximates their fair value.

The weighted average effective interest rate for cash and cash equivalents is 1.50% (2018: 1.75%).

## 12 RECEIVABLES

### Accounting policy

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

The provision for impairment of receivables is determined based on an expected credit loss model.

In assessing credit losses for receivables, Auckland Transport apply the simplified approach and record lifetime expected credit losses ("ECLs") on receivables. Lifetime ECLs result from all possible default events over the expected life of a receivable.

Auckland Transport consider both quantitative and qualitative inputs when assessing ECLs on receivables. Quantitative data includes past collection rates, ageing of receivables, and trading outlook. Qualitative inputs include past trading history with customers.

Expected loss rates are applied based on payment profiles and corresponding historical credit losses experienced within the year.

Previous accounting policy for impairment of receivables

In prior year, Auckland Transport determine the provision for impairment by reviewing large specific overdue receivables on a case by case basis, and small receivables collectively. Assessments are undertaken on an ongoing basis.

For the collective assessment, expected losses were determined with reference to losses incurred previously. Uncollectible individual debts are written off.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**12 RECEIVABLES (CONTINUED)**

	Actual 2019 \$000	Actual 2018 \$000
<b>Receivables from non-exchange transactions</b>		
<b>Current portion</b>		
Trade debtors	4,444	4,293
Infringements receivable	43,295	37,055
Amounts due from related parties	268,619	222,315
Accrued revenue	66,455	63,027
Goods and services tax	-	8,862
	<b>382,813</b>	<b>335,552</b>
Less provision for impairment of receivables	(20,113)	(15,998)
<b>Total current receivables</b>	<b>362,700</b>	<b>319,554</b>
<b>Non-current portion</b>		
Other receivables	-	801
<b>Total non-current receivables</b>	<b>-</b>	<b>801</b>

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.

## 12 RECEIVABLES (CONTINUED)

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

	Gross \$000	Impaired \$000	Net \$000
<b>2019</b>			
Not past due	340,270	-	340,270
Past due 1-30 days	3,740	-	3,740
Past due 31-60 days	2,643	-	2,643
Past due 61-90 days	1,778	-	1,778
Past due > 90 days	34,382	(20,113)	14,269
	<b>382,813</b>	<b>(20,113)</b>	<b>362,700</b>
<b>2018</b>			
Not past due	299,598	-	299,598
Past due 1-30 days	2,727	-	2,727
Past due 31-60 days	1,762	-	1,762
Past due 61-90 days	1,155	-	1,155
Past due > 90 days	30,310	(15,998)	14,312
	<b>335,552</b>	<b>(15,998)</b>	<b>319,554</b>

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

The provision for impairment of receivables has been calculated on an individual basis. The provision is based on a review of significant debtor balances. Receivables are assessed as impaired due to significant financial difficulties being experienced by the debtor, and Auckland Transport management concluding that it is remote that the overdue amounts will be recovered.

Auckland Transport have early adopted PBE IFRS 9, which has an expected credit loss model for impairment of financial assets. The expected credit loss allowance provision for receivables was calculated using the new PBE IFRS 9.

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

	Actual 2019 \$000	Actual 2018 \$000
Balance at 1 July	15,998	15,016
Additional provisions made	4,180	1,199
Provisions reversed	(48)	(160)
Provisions relating to receivables written-off	(17)	(57)
<b>Balance at 30 June</b>	<b>20,113</b>	<b>15,998</b>

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**13 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.

	Actual 2019 \$000	Actual 2018 \$000
Spare parts for diesel rolling stock	2,039	2,242
Spare parts for electric trains	8,837	9,047
Others	93	451
<b>Total inventories</b>	<b>10,969</b>	<b>11,740</b>

No inventories are pledged as security for liabilities.

There has been a write down of inventory during the year amounting to \$197,000 (2018: \$nil).

There have been no reversal of write downs of inventories.

**14 PAYABLES AND ACCRUALS****Accounting policy**

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

	Actual 2019 \$000	Actual 2018 \$000
<b>Current portion</b>		
<b>Payables under exchange transactions</b>		
Creditors	65,444	47,238
Accrued expenses	173,653	160,044
<b>Total payables under exchange transactions</b>	<b>239,097</b>	<b>207,282</b>
<b>Payables under non-exchange transactions</b>		
Amounts due to related parties	12,883	7,810
Revenue in advance	1,169	1,273
Goods and services tax	1,297	-
<b>Total payables under non-exchange transactions</b>	<b>15,349</b>	<b>9,083</b>
<b>Total current payables</b>	<b>254,446</b>	<b>216,365</b>
<b>Non-current portion</b>		
<b>Payables under non-exchange transactions</b>		
Amounts due to related parties	13,236	16,476
<b>Total non-current payables</b>	<b>13,236</b>	<b>16,476</b>

## 15 EMPLOYEE ENTITLEMENTS

**Accounting policy**

Current employee entitlements to be settled within 12 months are reported at the amount expected to be paid.

Non-current employee entitlements such as long-service leave are valued by external actuary.

	Actual 2019 \$000	Actual 2018 \$000
<b>Current portion</b>		
Accrued salaries and wages	5,718	5,815
Annual leave	12,292	10,938
Sick leave	266	266
Long service leave	-	1
<b>Total current employee entitlements</b>	<b>18,276</b>	<b>17,020</b>
<b>Non-current portion</b>		
Retirement gratuities	314	314
Long service leave	109	113
<b>Total non-current employee entitlements</b>	<b>423</b>	<b>427</b>

## 16 EQUITY

**Accounting policy**

Equity is the residual interest in the organisation and is measured as the difference between total assets and total liabilities. Equity is made up of:

Contributed capital	This represents the cumulative total at the reporting date of contributions from Auckland Council, less capital returned.
Accumulated funds	This represents the accumulated surplus/deficit over time by Auckland Transport and found assets identified after amalgamation.
<b>Other reserves</b>	
• Asset revaluation reserve	This reserve relates to the revaluation of property, plant, and equipment to fair value.
• Cash flow hedge reserve	This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

**Capital management**

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

Auckland Transport manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities and general financial dealings to ensure Auckland Transport effectively achieves its objectives and purpose, while remaining a going concern.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**16 EQUITY (CONTINUED)**

	Actual 2019 \$000	Actual 2018 \$000
<b>Contributed capital</b>	12,990,781	12,998,417
<b>Accumulated funds</b>	3,001,336	2,350,178
<b>Asset revaluation reserve</b>		
Balance at 1 July	3,726,161	3,560,067
Change in fair value recognised during the year	-	198,103
Transfer to accumulated funds on disposal of property	(11,814)	(32,009)
<b>Asset revaluation reserve</b>	<b>3,714,347</b>	<b>3,726,161</b>
<b>Asset revaluation reserve for each asset class consists of:</b>		
<b>Operational assets</b>		
Land	375,607	383,987
Land - finance lease	13,269	13,269
Buildings	12,703	16,119
Rolling stock	3,708	3,708
Wharves	2,308	2,326
Bus stations and shelters	14,149	14,149
Train stations	273,008	273,008
<b>Infrastructural assets</b>		
Roading	3,019,595	3,019,595
<b>Total asset revaluation reserve</b>	<b>3,714,347</b>	<b>3,726,161</b>
<b>Total equity</b>	<b>19,706,464</b>	<b>19,074,756</b>



## Part 5: Financial instruments and risk management

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

The notes included in this section are as follows:

- 17 **Categories of financial instruments and fair value hierarchy**
- 18 **Interest rate risk**
- 19 **Foreign exchange risk**
- 20 **Credit risk**
- 21 **Liquidity risk**

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**17 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.

Categories	Initial recognition	Subsequent measurement	Treatment of gains and losses
<b>Financial assets</b>			
Fair value through surplus or deficit	Fair value	Fair value	Surplus or deficit
Amortised cost (2018: Loans and receivables)	Fair value	Amortised cost using the effective interest method less impairment	Surplus or deficit
<b>Financial liabilities</b>			
Fair value through surplus or deficit	Fair value	Fair value	Surplus or deficit
Amortised cost	Fair value	Amortised cost	Surplus or deficit

**Categories of financial instruments**

The carrying amounts of financial instruments are as follows:

	Actual 2019 \$000	Actual 2018 \$000
<b>Financial assets</b>		
<b>Amortised cost</b>		
Cash and cash equivalents	9,505	4,567
Receivables (excluding goods and services tax)	362,700	311,493
<b>Total</b>	<b>372,205</b>	<b>316,060</b>
<b>Financial liabilities</b>		
<b>Fair value through surplus or deficit</b>		
Forward foreign exchange contracts	7,910	2,403
<b>Total</b>	<b>7,910</b>	<b>2,403</b>
<b>Amortised cost</b>		
Payables and accruals	266,385	232,841
Borrowings	496,775	502,898
<b>Total</b>	<b>763,160</b>	<b>735,739</b>

## 17 CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY (CONTINUED)

**Fair value hierarchy**

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

**LEVEL 1 Quoted market price** – Financial instruments with quoted prices for identical instruments in active markets.

**LEVEL 2 Valuation technique using observable inputs** – Financial instruments with quoted prices for similar instruments in active market or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

**LEVEL 3 Valuation techniques with significant non-observable inputs** – Financial instruments valued using models where one or more significant inputs are not observable.

	VALUATION TECHNIQUE			
	Total	Level 1 Quoted market price	Level 2 Observable inputs	Level 3 Significant non- observable inputs
	\$000	\$000	\$000	\$000

## 2019

**Financial liabilities**

Forward foreign exchange contracts	7,910	-	7,910	-
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## 2018

**Financial liabilities**

Forward foreign exchange contracts	2,403	-	2,403	-
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There were no transfers between the different levels of the fair value hierarchy during the year (2018: nil).

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**18 INTEREST RATE RISK****Interest rate risk**

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Auckland Transport is not exposed to any significant cash flow interest rate risk.

**19 FOREIGN EXCHANGE RISK****Foreign exchange risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. From time to time Auckland Transport purchases goods and services overseas which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is Auckland Transport's policy to manage foreign currency risks arising from contractual commitments and liabilities by entering into forward foreign exchange contracts to manage the foreign currency risk exposure.

	-5% Surplus/ deficit NZ \$000	-5% Other equity NZ \$000	+5% Surplus/ deficit NZ \$000	+5% Other equity NZ \$000
<b>2019</b>				
Forward foreign exchange contracts	5,998	-	(5,418)	-
<b>2018</b>				
Forward foreign exchange contracts	5,599	-	(5,569)	-

**Explanation of foreign exchange rate risk sensitivity**

The foreign exchange sensitivity is based on a reasonable possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate of -5%/+5%.

## 20 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, debtors and other 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.

	Rating	Actual 2019 \$000	Actual 2018 \$000
<b>Counterparties with credit ratings</b>			
Cash at bank	AA-	9,201	4,187
<b>Counterparties without credit ratings</b>			
<b>Receivables</b>			
Existing counterparty with no defaults in the past		362,700	320,355
Existing counterparty with defaults in the past		-	-
<b>Total receivables</b>		<b>362,700</b>	<b>320,355</b>

Of the \$362,700, \$268,619 is due from related parties.

## 21 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 analyses 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.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**21 LIQUIDITY RISK (CONTINUED)**

	Carrying amount NZ \$000	Contractual cash flows NZ \$000	Less than 6 months NZ \$000	6-12 months NZ \$000	Later than 1 year NZ \$000
<b>2019</b>					
Trade and other payables	267,682	267,682	267,682	-	-
Forward foreign exchange contracts					
- outflow	-	121,314	33,831	73,583	13,900
- inflow	-	111,659	31,510	67,626	12,523
Net settled derivative liabilities	7,910	9,655	2,321	5,957	1,377
<b>2018</b>					
Trade and other payables	232,841	232,841	232,841	-	-
Forward foreign exchange contracts					
- outflow	-	112,934	-	-	112,934
- inflow	-	105,531	-	-	105,531
Net settled derivative liabilities	2,403	7,403	-	-	7,403

**Contractual maturity analysis of borrowings**

The table below analyses Auckland Transport's borrowings 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 and include interest payments.

	Carrying amount NZ \$000	Contractual cash flows NZ \$000	0-10 years NZ \$000	11-20 years NZ \$000	21-30 years NZ \$000	31-40 years NZ \$000	41-50 years NZ \$000
<b>2019</b>							
Borrowings	496,775	1,080,110	362,512	362,512	283,312	56,015	15,759
<b>2018</b>							
Borrowings	502,898	1,116,362	362,512	362,512	313,962	56,015	21,361

## Part 6 : **Other**

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:

- 22 **Capital commitments and operating leases**
- 23 **Contingencies**
- 24 **Related party transactions**
  - a. **Key management personnel remuneration**
  - b. **Board member remuneration**
  - c. **Employee remuneration**
  - d. **Severance payments**
- 25 **Major budget variances**
- 26 **Reconciliation of surplus after tax to net cash from operating activities**
- 27 **Auckland integrated fares system funds**
- 28 **Events after the reporting period**

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30 June 2019**22 CAPITAL COMMITMENTS AND OPERATING LEASES****Accounting policy**

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.

**Capital commitments**

	Actual 2019 \$000	Actual 2018 \$000
<b>Operational assets</b>		
Land	472	-
Buildings	57	198
Rolling stock	114,475	107,555
Motor vehicles	-	19
Boats and engines	368	-
Computer hardware	675	-
Furniture and fittings	572	316
Plant and equipment	5,551	3,395
Wharves	4,178	953
Bus stations and shelters	10,990	18,630
Train stations	8,338	12,180
<b>Infrastructural assets</b>		
Roading	618,543	194,153
<b>Intangible assets</b>		
Software	15,936	12,281
<b>Total capital commitments</b>	<b>780,155</b>	<b>349,680</b>

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



## 22 CAPITAL COMMITMENTS AND OPERATING LEASES (CONTINUED)

**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 11 and 419 months. The future aggregate minimum lease payments payable under leases are as follows:

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.

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

	Actual 2019 \$000	Actual 2018 \$000
Not later than one year	89,513	78,855
Later than one year and not later than five years	356,284	341,201
Later than five years	286,410	341,938
<b>Total operating leases</b>	<b>732,207</b>	<b>761,994</b>

**Operating leases as lessor**

Auckland Transport leases property under operating leases. These leases have a term of between 4 and 129 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Actual 2019 \$000	Actual 2018 \$000
Not later than one year	6,292	8,053
Later than one year and not later than five years	23,162	25,600
Later than five years	20,763	20,016
<b>Total operating leases</b>	<b>50,217</b>	<b>53,669</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### 23 CONTINGENCIES

#### Contingent liabilities

There are no material contingent liabilities as at 30 June 2019 (2018: Auckland Transport has been advised of a potential claim by Snapper Services Limited against Auckland Transport in relation to the Auckland Integrated Fare System. Auckland Transport has prepared a claim against Snapper. Legal proceedings have not been issued by either party).

#### Contingent assets

There are no material contingent assets as at 30 June 2019 (2018: nil).

### 24 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.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Auckland Transport would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other council organisations are not disclosed as related party transactions when they are consistent with the normal operating arrangements between council organisations and undertaken on the normal terms and conditions for such transactions in the same circumstances. All related party transactions were made on an arm's length basis in the current and prior financial years

#### a. Key management personnel remuneration

	Actual 2019 \$000	Actual 2018 \$000
<b>Board members</b>		
Remuneration	497,700	477,472
Full-time equivalent members	1.4	1.3
<b>Leadership team</b>		
Remuneration	4,661,903	3,964,144
Full-time equivalent members	10.9	9.9
<b>Total key management personnel remuneration</b>	<b>5,159,603</b>	<b>4,441,616</b>
<b>Total full-time equivalent personnel</b>	<b>12.3</b>	<b>11.2</b>

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.

## 24 RELATED PARTY TRANSACTIONS (CONTINUED)

## b. Board member remuneration

The total value of remuneration paid or payable to each Board member during the period was:

	Actual 2019 \$	Actual 2018 \$
Dr Lester Levy (Chair)	108,000	107,533
Wayne Donnelly (Deputy Chair)	67,500	67,207
Kylie Clegg	54,000	53,767
Sir Michael Cullen	54,000	53,767
Mary-Jane Daly	54,000	53,767
Mark Gilbert	62,100	61,832
Dame Paula Rebstock	62,100	61,832
Dr Jim Mather (from November 2018)	36,000	-
Raewyn Bleakley	-	-
Rabin Rabindran (to October 2017)	-	17,767
<b>Total Board member remuneration</b>	<b>497,700</b>	<b>477,472</b>

Raewyn Bleakley is the NZ Transport Agency appointee. Under the terms of establishment legislation the NZ Transport Agency appointee does not receive any remuneration.

Wayne Donnelly, Mark Gilbert and Dame Paula Rebstock were remunerated for their roles as Chairs of Board sub-committees.

There have been no payments made to committee members appointed by the Board who are not board members during the financial year (2018: nil).

Auckland Transport has effected directors' and officers' liability and professional indemnity insurance cover during the financial 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.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### 24 RELATED PARTY TRANSACTIONS (CONTINUED)

#### c. Employee remuneration

The following table shows the pay bands of Auckland Transport employees as at 30 June:

	Number of Employees 2019		Number of Employees 2018
\$0 - \$59,999	549	\$0 - \$59,999	579
\$60,000 - \$79,999	378	\$60,000 - \$79,999	357
\$80,000 - \$99,999	280	\$80,000 - \$99,999	290
\$100,000 - \$119,999	192	\$100,000 - \$119,999	207
\$120,000 - \$139,999	119	\$120,000 - \$139,999	121
\$140,000 - \$159,999	90	\$140,000 - \$159,999	72
\$160,000 - \$179,999	29	\$160,000 - \$179,999	32
\$180,000 - \$199,999	14	\$180,000 - \$199,999	14
\$200,000 - \$219,999	7	\$200,000 - \$219,999	8
\$220,000 - \$239,999	8	\$220,000 - \$239,999	9
\$240,000 - \$259,999	10	\$240,000 - \$259,999	6
\$260,000 - \$319,999	6	\$260,000 - \$319,999	6
\$320,000 - \$399,999	6	\$340,000 - \$579,999	5
\$560,000 - \$579,999	1		
<b>Number of employees</b>	<b>1,689</b>	<b>Number of employees</b>	<b>1,706</b>

Number of full-time employees on 30 June 2019 is 1,580 (2018: 1,605).

Full-time equivalent number of all other employees on 30 June 2019 is 79 (2018: 71).

#### d. Severance payments

For the year ended 30 June 2019, Auckland Transport made five (2018: eight) severance payments to employees totalling \$73,794 (2018: \$313,560). The value of each of the severance payments was \$26,517, \$16,046, \$14,615, \$11,720 and \$4,896.

## 25 MAJOR BUDGET VARIANCES

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

	Actual 2019 \$000	Budget 2019 \$000	Variance \$000
<b>Auckland Council capital funding</b> Higher than budgeted funding due mainly due to lower funding received from NZ Transport Agency.	400,358	385,076	15,282
<b>NZ Transport Agency capital funding</b> Lower than budgeted funding mainly due to assumption in the budget that Auckland Transport's programme will be funded 50/50 from Auckland Council and NZ Transport Agency. Actual NZ Transport agency funding received is lower than 50%.	264,214	359,268	(95,054)
<b>Other revenue</b> Higher vested asset revenue received from Auckland Council.	634,751	491,139	143,612
<b>Depreciation and amortisation</b> Lower depreciation as a result of lower than planned asset capitalisation and some roading asset capitalisations have longer useful lives than forecasted.	342,129	353,909	11,780
<b>Property, plant and equipment</b> Higher than budgeted vested assets of \$125.2 million and lower than budgeted depreciation of \$42.2 million, partly offset by lower than budgeted capital expenditure of \$125.7 million and unbudgeted disposal of asset of \$17.5 million.	19,939,189	19,915,324	23,865
<b>Capital expenditure</b> Mainly due to delays in land acquisition for various projects of \$48.9 million.	667,496	744,344	76,848

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### 26 RECONCILIATION OF SURPLUS AFTER TAX TO NET CASH FROM OPERATING ACTIVITIES

	Actual 2019 \$000	Actual 2018 \$000
<b>Surplus after tax</b>	<b>638,948</b>	<b>694,218</b>
<b>Add/(less) non-cash items</b>		
Depreciation and amortisation	342,129	324,674
Vested asset revenue	(305,243)	(316,318)
(Gain)/loss on disposal of property, plant and equipment	(563)	1,865
Impairment of inventory	197	-
Revaluation (gain)/decrement	-	(11,970)
Foreign exchange (gains)/losses	5,506	2,403
Income tax (benefit)/expense	(1,468)	(1,597)
<b>Add/(less) movements in balance sheet items</b>		
Receivables	(42,345)	3,498
Inventories	574	(104)
Other assets	(2,686)	(950)
Payables and accruals	29,484	2,333
Employee entitlements	1,252	1,693
Provisions	216	-
	<b>666,001</b>	<b>699,745</b>

### 27 AUCKLAND INTEGRATED FARES SYSTEM FUNDS

Auckland Transport operates a restricted bank account for Auckland Integrated Fares System (AIFS) with a balance of \$21.1 million at 30 June 2019 (2018: \$18.5 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.

### 28 EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the balance date.



**TO THE READERS OF AUCKLAND TRANSPORT'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION**

The Auditor-General is the auditor of Auckland Transport. The Auditor-General has appointed me, Leon Pieterse, 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 81 to 133, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of Auckland Transport on page 15 and pages 47 to 52.

In our opinion:

- the financial statements of Auckland Transport on pages 81 to 133:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2019; 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 Standards; and
- the performance information of Auckland Transport on page 15 and pages 47 to 52 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 2019.

Our audit was completed on 3 September 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. 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.

**Basis for our opinion**

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

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

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

**Responsibilities of the Board of Directors for the financial statements and 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.

## INDEPENDENT AUDITOR'S REPORT continued

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 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.
- 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 3 to 14, 16 to 46 and 53 to 80 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(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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

Other than the audit, we have no relationship with, or interests in Auckland Transport.



**Leon Pieterse**

AUDIT NEW ZEALAND  
ON BEHALF OF THE AUDITOR-GENERAL  
AUCKLAND, NEW ZEALAND

## GLOSSARY

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<b>ALTP</b>	Auckland Long Term Plan
<b>AMETI</b>	Auckland-Manukau Eastern Transport Initiative
<b>APEC</b>	Asia-Pacific Economic Forum
<b>ARLTP</b>	Auckland Regional Land Transport Plan
<b>AT</b>	Auckland Transport
<b>AT HOP</b>	Auckland's branded integrated ticket for public transport
<b>AT Mobile</b>	Auckland's integrated transport app
<b>ATAP</b>	Auckland Transport Alignment Project
<b>ATOC</b>	Auckland Transport Operations Centre
<b>CCO</b>	Council Controlled organisation
<b>CRL</b>	City Rail Link
<b>DSi</b>	Deaths and Serious injuries
<b>EV</b>	Electric Vehicle
<b>GPS</b>	Government Policy Statement on Land Transport
<b>LED</b>	Light-Emitting diode
<b>MoT</b>	Ministry of Transport
<b>NLTP</b>	National Land Transport Programme
<b>PID</b>	Passenger Information Display
<b>RFT</b>	Regional Fuel Tax
<b>RLTP</b>	Regional Land Transport Programme
<b>RPTP</b>	Regional Public Transport Plan
<b>RPZ</b>	Residential Parking Zone
<b>SOI</b>	Statement of Intent
<b>Travelwise Choices</b>	Auckland's travel plan programme for business
<b>Travelwise Schools</b>	Auckland's school travel plan programme



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**Auckland  
Transport** 

*An Auckland Council Organisation*