

Annual Report – Performance against the Statement of Intent

Aronga / Purpose

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

Te tūtohunga / Recommendation

That the AT Board (board):

- a) Notes this report.

Te horopaki / Background

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

Me mōhio koe / What you need to know

3. 2022/23 was a challenging year with multiple extreme weather events, disruption to public transport (PT) services from track closures and resource shortages including shortage of bus drivers and ferry captains. In addition, there were significant inflationary pressures, supply chain constraints and hybrid working (following the COVID-19 pandemic) impacts on PT patronage. These have combined to significantly impact AT services, capital delivery and both financial and non-financial results.

Financial Performance Summary

4. Despite these challenges AT was able to adapt and deliver a pleasing financial result with a surplus before tax \$1.1 million higher than budget, after excluding depreciation and non-operational items. This was only achieved with ongoing support from our funders, cost saving programmes, and remaining focussed on delivering value for our customers and funders.
5. Capital programme delivery was \$846 million against a plan of \$857 million. Despite the sustained and significant adverse weather, we have progressed the delivery of asset renewals and new capital infrastructure achieving 99% of the full year budget. Within this, there was higher investment in asset renewals and network resilience, customer and technology related operational programmes, safety and network capacity and performance, offset by lower investment in corridor improvement and active mode projects which were paused due to affordability issues.
6. Pages 96 to 154 of AT's Annual Report (Attachment 1) contains AT's financial performance against the SOI budget for the year ended 30 June 2023.

Non-Financial Performance Summary

7. AT has an agreed set of key performance measures and targets which form the basis for accountability to deliver on AC's strategic direction, priorities and targets.
8. Overall, 11 target measures were exceeded, one was met, 16 were not met, one measure (PT punctuality) was met based on the historical calculation methodology but not met if cancelled trips are included. One measure did not have a target and one was not surveyed this financial year. Not met measures included deaths and serious injuries (DSI), rail patronage, cycling and the percentage of sealed roads which were resurfaced.
9. Pages 24 to 34 of AT's Annual Report (Attachment 1) contains AT's non-financial performance against the SOI performance measure targets for the year ended 30 June 2023.

Increased focus on climate disclosures

10. AT's 2022/23 Annual Report includes improved climate related disclosures (which also feed into Auckland Council's Annual Report). These disclosures include: governance; strategy; risk identification and assessment; a summary of critical transition risks and a greenhouse gas inventory summary (scopes 1, 2 and 3).
11. Increased rainfall impacted some of AT's financial and non-financial measures during the year:
 - a) AT achieved a 54% reduction in its operational emissions versus a 2018/19 base line, through electrification of train services and retrofitting of light emitting diode streetlights, but also critically due to higher hydro electricity generation (and less coal generation) in 2022/23.
 - b) The January storm events required additional investment to remedy the impacts of slips on the network. This remedial construction work also contributed to an increase in embodied emissions in 2022/23.


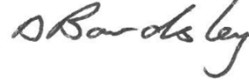



Ā muri ake nei / Next steps

12. AT's change in direction, outlined in AT's 2023 – 2026 Statement of Intent (SOI), is underway with a focus on being more responsive and working more closely with local boards and communities, while also ensuring we consider value for money and the needs of Aucklanders and our visitors. We remain committed to 'delivering the basics, better', whilst keeping an eye on the future needs of Aucklanders and getting the most out of the existing transport network.

Te whakapiringa / Attachment

| Attachment number | Description |
|-------------------|---|
| 1 | Annual Report for the Year Ended 30 June 2023 |

Te pou whenua tuhinga / Document ownership

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|-------------------------|--|--|
| Submitted by | Sam Ho Financial Reporting Manager |  |
| | David Bardsley Group Manager Finance |  |
| Recommended by | Mark Laing Executive General Manager Finance |  |
| | Jenny Chetwynd Executive General Manager Planning & Investment |  |
| Approved for submission | Dean Kimpton Chief Executive |  |