



Auckland
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Auckland
Light Rail Limited

Annual Report

For the eight months to 30 June 2023



Auckland Light Rail Limited



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Te Pūrongo a te Upoko o te Mana Hautū

Dame Fran Wilde Auckland Light Rail Ltd, Te Upoko o te Mana Hautū

Chair's report

Dame Fran Wilde Auckland Light Rail Ltd Board Chair

I look back on the past year with a great deal of pride at the many significant achievements celebrated by Auckland Light Rail and the project's increasing tempo of work.

When I was appointed Chair twelve months ago, I noted that ALR needed to serve the country's largest city – and wider New Zealand – for generations to come, and to ensure that the decisions we made were the right ones.

I am satisfied that we are meeting both those objectives.

I want to recognise the dedication and commitment of my board and the team of New Zealand and international experts involved in the planning and design phase of the project. Teamwork at all levels has driven Auckland Light Rail's (ALR Ltd) successful progress. Given the scale and complexity of a game-changing public transport project not seen in New Zealand before, the advances made have been remarkable.

At a governance level, in October 2022, the project cleared an important commercial and legal hurdle when ALR Ltd was established as a Crown Entity Company replacing the previous Auckland Light Rail Unit. I thank the Auckland Light Rail Unit Board for its hard work to take the process forward.

Ka titiro whakamuri au ki te tau kua hipa nei, me te nui o te koa o te ngākau i te tāpua o ngā mahi kua kōkiritia e Auckland Light Rail, kua oti hoki i a ia.

I taku kopoutanga hei Kaihautū i ngā marama tekau mā rua o mua nei, i marama ki a au, me tuku ratonga a ALR ki te tāone nui katoa o te motu – me te whānuitanga hoki o Aotearoa – hei ngā whakatipuranga e haere mai ana.

He mea nui kia mihi te manawanui me te ngākau titikaha o taku poari me te kāhui o Aotearoa me ngā mātanga o tāwāhi i whai wāhi rā ki te wāhanga o te whakarite me te hoahoa i te kaupapa. Kua riro mā te mahi ā-rōpū i ngā taumata katoa e kōkiri te kokenga o ALR. I runga i te rahi me te matatini o tētahi kaupapa ā-tūnuku tūmatanui, e kitea ai he āhuatanga hou katoa, ā, kāore anō i kitea i Aotearoa i mua, whakamiharo ana ngā kōkiritanga kua puta.

I te taumata o te mana hautū, i a Oketopa o te tau 2022, ka turakina e te kaupapa tētahi taiapa whakahirahira ā-ahumoni, ā-ture hoki, i te whakatūnga o Auckland Light Rail Ltd hei Kamupene ā-Hinonga Karauna kia whakakapi i te tūranga i reira rā a Auckland Light Rail Unit i mua. E whakamānawa nei au ki a Auckland Light Rail Unit Board i tana pukumahi kia kawe whakamuatia te tukanga.

Ko te matawhānui o ALR Ltd he tūhono i ngā ara o Tāmaki Makaurau e puta ai tētahi anamata e momoho ana, e toitū ana hoki. Ko te aronga o te kamupene, kia tū ia hei kaiwhakaara i te terenga o te terewhiti mō te marea kia tata ake ai te tangata ki te kāinga, ki te mahi, ki te kura, ki te tākaro hoki. Mā tēnei anō hoki e wātea ai te pitomata nui rawa atu hei whakawhanake i ngā wāhi rahi o te tāone mō kaupapa kē.

ALR Ltd's vision is to connect Tāmaki Makaurau to create a thriving sustainable future, and the company's purpose is to be the catalyst for delivering light rail to bring people closer to home, work, study and play.

The company adopted three core principles to achieve both vision and purpose: Ngakaunui ki Tāmaki (serving Tāmaki Makaurau), Mahitahi (strength in collaboration), Whāia ki te taumata (pursuing excellence).

Establishing ALR Ltd and its independent board provided agile decision making and allowed development of the project to accelerate. Importantly, the new board's first operational duties included confirmation of former Project Director, Tommy Parker, as ALR Ltd's Chief Executive to ensure leadership continuity at a senior level. The board also approved the Project Funding and Finance Agreement which set out the objectives, terms and conditions which ALR Ltd was expected to progress the project, as well as confirming Crown funding.

Establishing ALR Ltd coincided with the appointment of Aurecon and Arup to lead the planning and design alliance. Both companies are rich with large scale infrastructure experience in New Zealand and overseas. Their work is supported by Atkins NZ (SNC-Lavalin), which will work with Aurecon and Arup to develop the way Auckland's world class light rail system will be operated and maintained when open. It was an important step given New Zealand has never tackled a project of this scale before and now had the experts on board to develop light rail from scratch.

Together, the developments at governance and operational levels were clear evidence the project was pressing hard on the accelerator to move ahead.

Engagement with the many communities along light rail's 24-kilometre-long route between the CBD and the Airport was a critical part of

E toru ngā mātāpono ka whāia e te kamupene e tutuki ai te matawhānui me te aronga: a Ngākaunui ki Tāmaki, a Mahitahi, a Whāia ki te Taumata hoki.

Nā te whakatūnga o ALR Ltd, nā tana poari motuhake hoki i raka ai ngā whakatau, i tere ake ai hoki te whanaketanga o te kaupapa. Ko tētahi mea nui, i whai wāhi ki ngā mahi whakahaere tuatahi a te poari hou te whakaūnga o te Tumuaki Kaupapa o mua, o Tommy Parker, hei Kaiwhakahaere Mātāmua. Hei āpitihanga ki te aratakinga kua whakaatu kētia, kua haria mai hoki e Tommy te whānui o te wheako e pā ana ki te tūāhanga, ki te rori, ki te ara tereina me te haumanutanga ā-tāone ki te kaupapa. I whakaaetia hoki e te poari te Tahua Kaupapa me te Whakaaetanga Pūtea e takoto nei ngā whāinga, ngā ritenga me ngā here e koke ai i a ALR Ltd te kaupapa, e whakaūngia ai hoki te pūtea mai i te Karauna.

Ko tētahi atu paetae tāpua ko te kopoutanga o Aurecon rāua ko Arup hei kaiarataki i te haumi mō te whakarite me te hoahoa. Inā te nui o te wheako i aua kamupene e rua i roto i ngā tūāhanga e rahi ana i Aotearoa me tāwāhi. Kei te tautokona ā rātou mahi e Atkins NZ (SNC-Lavalin), e āwhina nei ki te whakawhanake i te āhua e whakahaeretia ai, e tauwhirotia ai hoki tā Tāmaki Makaurau pūnaha terewhiti, kei te taumata o te kounga i te ao, ā tōna wā e tuwhera ai. He kokenga whakahirahira tērā i runga i te mōhio, ā mohoa nei, kāore anō a Aotearoa i whakatutuki i tētahi kaupapa e pēnei rawa ana te rahi, ā, i tēnei wā, kua whai mātanga tana poari hei whakarite i te terewhiti i tōna tīmatanga rā anō.

Ko te huinga o ngā whakawhanaketanga i ngā taumata o te mana hautū me te mana whakahaere ētahi taunakitanga kōhure o tā te kaupapa hūkere i te hoe kia tere whakamua.

Kāore i roa i muri i te mutunga o te tau arotake, kua oti i a mātou ngā mahi e pā ana ki ngā take

the year's programme of work. Not only was it important to keep people informed about ALR developments, it was equally relevant that the project, too, listened to ideas and concerns from people most impacted.

Engagement at times was challenging work but it paid dividends. ALR Ltd commissioned Kantar Public to survey people about their knowledge and support of light rail. The survey indicated support for light rail outweighed opposition, and increased when people knew more about the project. It was a fantastic outcome reflecting positively on many months of hard mahi.

Mana Whenua is the cultural heart of the project and is also helping shape the project, both in the boardroom and on the ground. Staff were welcomed on to two marae to learn about te ao – the Māori view of the world - and how that will be applied to the project. Daily, Iwi plays an active role in the delivery of light rail and that partnership will continue to develop and strengthen.

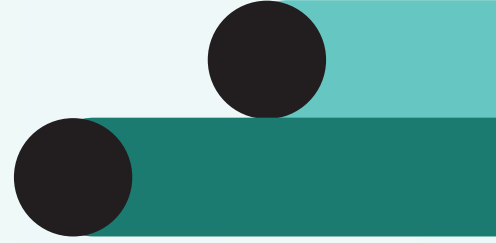
ALR Ltd has completed the technical work required to lodge Notices of Requirement. A further decision to lodge will mark a significant milestone in advancing the statutory approvals to protect the route and stations. We also continue to develop the Corridor Business Case to demonstrate the case for investment in both the transport infrastructure and the basis for urban change within the corridor. A Corridor Strategic Framework is also expected to be completed, which establishes the vision and aspiration for how the corridor will evolve and the outcomes and benefits to be realised from the project. Both of these will enable the Crown to make a Final Investment Decision.

whāiti, ki te hoahoa hoki me whai e āhei ai te tāpae i ngā Tono Taunaha Whenua. He paetae matua tēnei e koke ai ngā tautoko ā-ture me ngā whakaaetanga hei tautoko i te ara me ngā teihana.

E kawea tonutia ana te whakawhanaketanga o te Parahau Whakatū Pakihi mō te Kauhanga hei whakaatu i te take o te haumitanga ki te tūāhanga tūnuku me tana noho pea hei kaiwhakaterere i te huringa ā-tāone i taua kauhanga. E rere ana hoki ngā mahi o te Anga Rautaki mō te Kauhanga, e whakaritea ai te matawhānui me te manako ki te āhua e whanake ai te kauhanga, e kitea ai hoki te puāwaitanga o ngā putanga me ngā painga i te kaupapa. He mea whakarite aua mea e rua e āhei ai tā te Karauna Whakatau Whakamutunga mō te Haumitanga hei te puku o te tau 2024, i mua rānei.

Ko te pāhekoheko ki ngā tini hapori i te roanga o te ara o te terewhiti, e 24 manomita te roa, i waenga i te pokapū o te tāone me te taunga rererangi tētahi o ngā wāhanga matua o te hōtaka mahi o te tau. Ehara i te mea ko te whakamōhio i te tangata ki ngā whakawhanaketanga mō ALR anake te mea nui, inā hoki, he nui hoki te whai take o tā te kaupapa whakarongo ki ngā whakaaro me ngā āwangawanga ka nui katoa te pāngia.

I ōna wā, i uaua te pāhekoheko engari he hua i puta mai. He mea tono ā-kōmihana a Kantar Public e ALR Ltd kia rangahaua ngā tāngata mō ō rātou mōhiotanga, mō te tautoko hoki i te terewhiti. Ko tā te rangahau e tohu ana, he nui ake te tautoko i te terewhiti, tēnā i te whakahē, ka mutu, ka nui atu anō te tautoko i te mōhio haeretanga o te tangata ki te kaupapa. He hua



This is clear evidence of ALR Ltd's forward momentum to help make Auckland a vibrant international city. Finally, I want to acknowledge the support and encouragement the project has had from its Sponsors (as defined on page 12), and from the Crown and its agencies. The year ahead will be even busier as we work on delivering our vision of this rail system as a key part of a future integrated transport network for Auckland as well as a catalyst for urban regeneration, creating people-friendly streets and facilitating business growth.

Dame Fran Wilde

Auckland Light Rail Limited
Board Chair / Te Upoko o te Mana Hautū

pai rawa atu tērā e whakaata ana i te pai o ngā marama e hia nei i nui rā te mahi.

Ko te mana whenua te pū o te ahurea o te kaupapa, ā, ko rātou hoki kei te āwhina ki te tārai i te kaupapa i te rūma o ngā kaihautū, i te mura hoki o te ahi. Ko rātou tētahi o te tokotoru o te Kāhui Tautāwhi, rā atu, rā mai, ā, ka āta whai wāhi ō rātou māngai ki te whakatutukitanga o te kaupapa.

E mihi ana hoki au ki te tautoko me te akiaki i tukuna mai ai ki te kaupapa e ētahi atu o te Kāhui Tautāwhi – Te Kaunihera o Tāmaki Makaurau, tae atu ki ngā kaiarataki me ngā āpiha o te whānau whānui o te kaunihera, i te taha anō o ngā māngai o te Karauna me ōna pokapū matua.

He mānuka anō, he ara wātea hoki ka takoto mai hei te tau e tū mai nei. E hīkaka ana au kia rere tonu ngā mahi hei kōkiri i tētahi take e oti ai tētahi terewhiti mō te marea e tuku hua ana ki te kōtuinga tūnuku o anamata e whakauruuru ana ki Tāmaki Makaurau, hei kaupapa hoki e tīmata ai te haumanutanga o te tāone. Ko te hua ka puta, ko te kapi o ngā tiriti i ngā tāngata whakararata, ko ngā hononga ki te mātauranga, ki te mahi, ki ngā ara wātea ā-rēhia, ko te huawaere hoki i ngā ara e whakaputa hua ai, e tipu ai hoki ngā pakihi i te rohe, i Aotearoa whānui hoki.



Chief Executive's report

Tommy Parker
Auckland Light Rail Ltd
Chief Executive

A year of progress

Bringing New Zealand's first light rail system to life is a fast-paced and challenging journey. Eight months since the formation of Auckland Light Rail Ltd we have established the company and set up the necessary processes and policies; appointed Arup and Aurecon in a planning and design alliance; completed investigations to test soil and water conditions along the indicative route; and completed consent design to identify the route and station locations. We have also progressed work to be ready to lodge the Notification of Requirement and consent applications, as well as being poised to submit a business case later this year.

This project is for Aucklanders, and an aspiration to create a modern transport system that will enhance liveability and quality of life in Tāmaki Makaurau for generations to come. Building an enduring social licence will be imperative to our success, so as we progress through this programme of work, ongoing conversations

with Iwi and the community are shaping the solutions being developed, and we are working to forge genuine and long-term relationships with Mana Whenua and Mataawaka and wider communities.

Foundation for growth

Auckland is growing fast – faster than many comparator cities – and is increasingly becoming an innovative, globally connected economic powerhouse for the whole of Aotearoa New Zealand. But our city is experiencing growth challenges, which unless planned for, can impact on liveability for Aucklanders and the function of the city.

Investment in well planned public transport is a key to addressing some of these challenges and building 'Brand Auckland' as a truly world class city that attracts talent, innovation and foreign investment. Projects delivered over the past two decades such as the Northern Express Busway, City Rail Link and Auckland's rail network have seen public transport use in Tāmaki Makaurau grow, but we are still car-dependent, with fewer public transport options than comparator cities, and less investment per capita in public transport.

Mass rapid transit in the Auckland isthmus is the next step in developing this growing transport network, and importantly, addressing the areas of our city currently underserved by public transport. It will give Aucklanders greater transport choices and faster, more reliable connections to work, whānau, education, and amenities. As well as reducing congestion, it offers wider benefits like unlocking more housing, supporting business and economic growth, lowering carbon emissions and enabling a more sustainable urban form.

The far-reaching benefits of mass rapid transit investment are well-evidenced globally, with 389 cities having light rail and more than 320 projects in the construction or planning phase. In Dublin, the Luas line has delivered an estimated €2.9 billion in benefits – significantly larger than what was originally anticipated for the project (€1.6 billion). The greater-than-expected benefits have largely been due to higher productivity gains relating to increased labour mobility, agglomeration effects and a general increase in the attractiveness of Dublin as a location for business and tourism.

Unlocking benefits for industry, business and New Zealanders

A mass rapid transit scheme through the isthmus has the potential to transform our city, and the way we deliver infrastructure in Aotearoa New Zealand. Truly connecting transport investment and urban development for the first time, this project can be an exemplar for unlocking quality urban form, resilient infrastructure, and alternative funding and financing mechanisms.

The scale of the ambition will enable businesses to attract global talent and invest in new technologies and innovation that will uplift the construction sector and leave a legacy of skills. It will mean opportunities for small, Māori and diverse businesses, and new jobs and training opportunities for New Zealanders.

While this will be the largest and most complex project New Zealand has embarked on, we have the track record and expertise to deliver it. Through the likes of City Rail Link, Waterview Connection, Newmarket Viaduct and the Kaikōura and Canterbury rebuilds, the industry's ability to plan and deliver major projects has matured, and supported by strategic international expertise, we can have confidence this can be delivered well. We have been able to attract significant global experience in rapid transit projects with an urban regeneration component, and we are already seeing the benefit of this as we develop the business case and design.

There has been an intense pace of progress over the past eight months. With the route and stations now confirmed, and the Notice of Requirement lodgement ready, we now know what is needed to give effect to the project, in collaboration with the community and our stakeholders.

Delivering a project of this scale and complexity is not without its challenges, and the outcomes achieved are due to the collaboration and efforts of our Board and Sponsors, Mana Whenua and the wider project team and Alliance. The unique Governance model we have facilitates rapid decision making and has been a key driver of progress to date.

We consistently hear from Aucklanders they are eager for this project to begin, and for them to start experiencing the many benefits it will deliver for Tāmaki Makaurau and wider Aotearoa. We were tasked with addressing transport and housing choice and accessibility and reducing our climate emissions – goals we look forward to progressing.

Tommy Parker

Auckland Light Rail Limited
Chief Executive / Manahautū

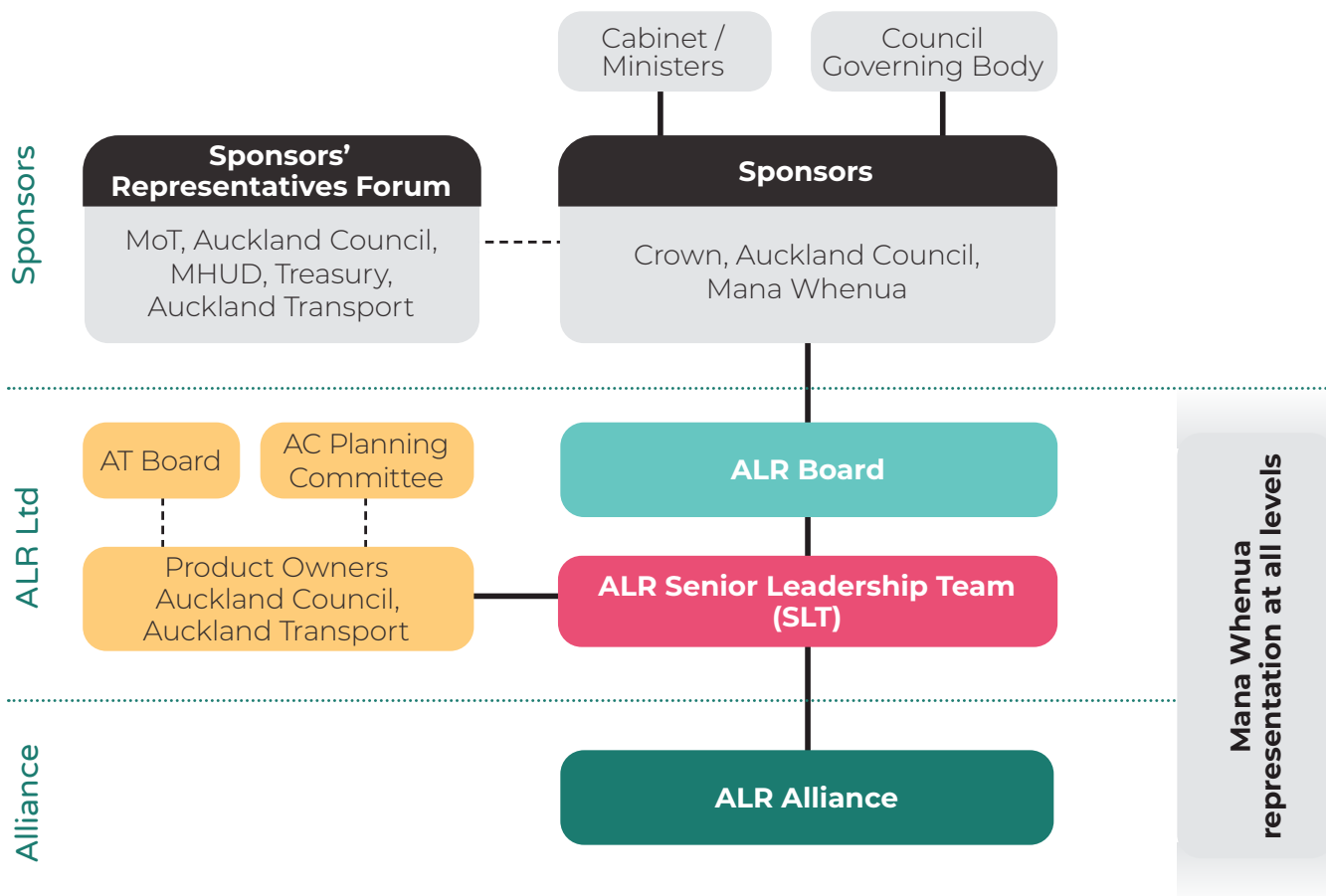
Corporate structure and governance

Corporate structure

From April 2021, an Establishment Unit, working initially through Waka Kotahi and subsequently the Ministry of Transport advanced the ALR Programme.

Auckland Light Rail Ltd (ALR Ltd) was established on the 22nd of September 2022 as a limited liability company incorporated under the Companies Act 1993 and is a Crown entity company named under Schedule 2 of the Crown Entities Act 2004, to assume the roles, functions and work of the previous Establishment Unit. ALR operated as a business unit within the Ministry of Transport from July to October 2022 and commenced operations as ALR Ltd on 1 November 2022.

ALR Ltd is responsible and accountable to its shareholders for advancing the ALR project through the detailed planning phase. This phase involves detailed planning work, associated planning advice and activities required to develop a business case to enable the Crown to make a Final Investment Decision in relation to the ALR project in mid-2024. ALR Ltd established the Auckland Light Rail Alliance in October 2022, to complete this work, with a significant proportion of the ALR workforce sitting within the organisations that make up the planning alliance. This has enabled flexibility of resourcing and expertise through different stages of the project and helps ensure funding is managed responsibly.



Auckland Light Rail Board

Auckland Light Rail is New Zealand's largest and most complex infrastructure project. It will bring far-reaching benefits for communities by increasing access, boosting economic growth and unlocking productivity gains across the region. Our Chair and Board members understand the opportunity this project provides and have the experience and insight to lead the delivery of light rail for Auckland.



Dame Fran Wilde Board Chair

Dame Fran Wilde, DNZM, QSO has held a distinguished career in national and local politics and held a range of governance roles across the private and public sectors, including infrastructure, finance, arts and education.

A former Member of Parliament, she has also held Ministerial portfolios. She is a former Mayor of Wellington, and previously held the role of Chair of the Greater Wellington Regional Council, CEO of the NZ Trade Development Board and has been a Chief Crown Negotiator for Treaty of Waitangi settlements. Her current governance roles include board chair of Te Papa Tongarewa the Museum of New Zealand, the Royal New Zealand Plunket Trust, the Asia New Zealand Foundation and the Wellington Lifelines Group.



Leigh Auton

Leigh Auton is an executive leader with extensive governance experience including local and central government, Iwi and not for profit entities.

He was the Independent Chair of the Auckland Light Rail Establishment Unit. He is a former President and Inaugural Fellow of the NZ Planning Institute and, in November 2009, he received a Distinguished Service Award for his significant contribution over many years to the practice of planning. He is a long-time resident of Counties Manukau and the former Chief Executive of Manukau City Council. He has a strong track record in transport infrastructure, including the upgrade of Auckland's heavy rail network, Manukau Rail Station and Te Irirangi Drive. Leigh is the Chair of the People & Culture Committee of Auckland Light Rail.



Heather Ash

Heather Ash has a deep understanding of the planning and consenting process and has provided advice across a range of urban development projects.

She was a partner at law firm, Simpson Grierson, where she led the Auckland Local Government and Environmental Law team. She was involved in the development of Auckland Council's Unitary Plan, particularly the urban growth strategy and residential capacity. She has worked extensively with local government and related organisations. She has been a Commissioner for the EPA under the Covid-19 Recovery (Fast-Track) Consenting Act 2020 – specifically the Queenstown Arterial designation and consents. She is the Chair of the Auckland Girls' Grammar School Foundation and has been a member of the New Zealand Council of Legal Education.



Lucy Tukua

A descendant of Ngāti Paoa, Ngāti Whanaunga hononga to Tāmaki Makaurau, Lucy Tukua has been passionately active in both tribal governance and operations and is also an experienced Director.

She has been instrumental in supporting the protection of cultural heritage and the promotion of cultural expression through narratives and design. She is a founding member of the Māori Housing national peak sector body and for Ngā Aho, a national collective of Māori creatives and is a representative on the Auckland Council Urban Design Panel's Governance Board. She was instrumental in the initiation and development of the national Māori Outcomes framework. After many years at the helm of her own consultancy NativebyNature she is now the Kaihautu Whakarito - Technical Director Regenerative Outcomes for Mott MacDonald.



Leo Foliaki

A Chartered Accountant, Leo Foliaki was the lead audit partner on several publicly listed entities on the New Zealand Stock Exchange and worked on large projects in complex operating environments.

He was a partner at PwC New Zealand between 1999 and 2022. Leo has also held governance roles such as serving as the Chair of the Audit and Risk Committee for Counties Manukau District Health Board, the Council for Auckland University of Technology, and the Board of New Zealand Opera. Leo is passionate about serving his Pacific community and has worked for a number of not-for-profit community organisations. Leo is the Chair of Audit & Risk Committee of Auckland Light Rail Ltd.



Chris Aiken

Chris Aiken is a business leader with extensive experience in large scale property and urban development sectors.

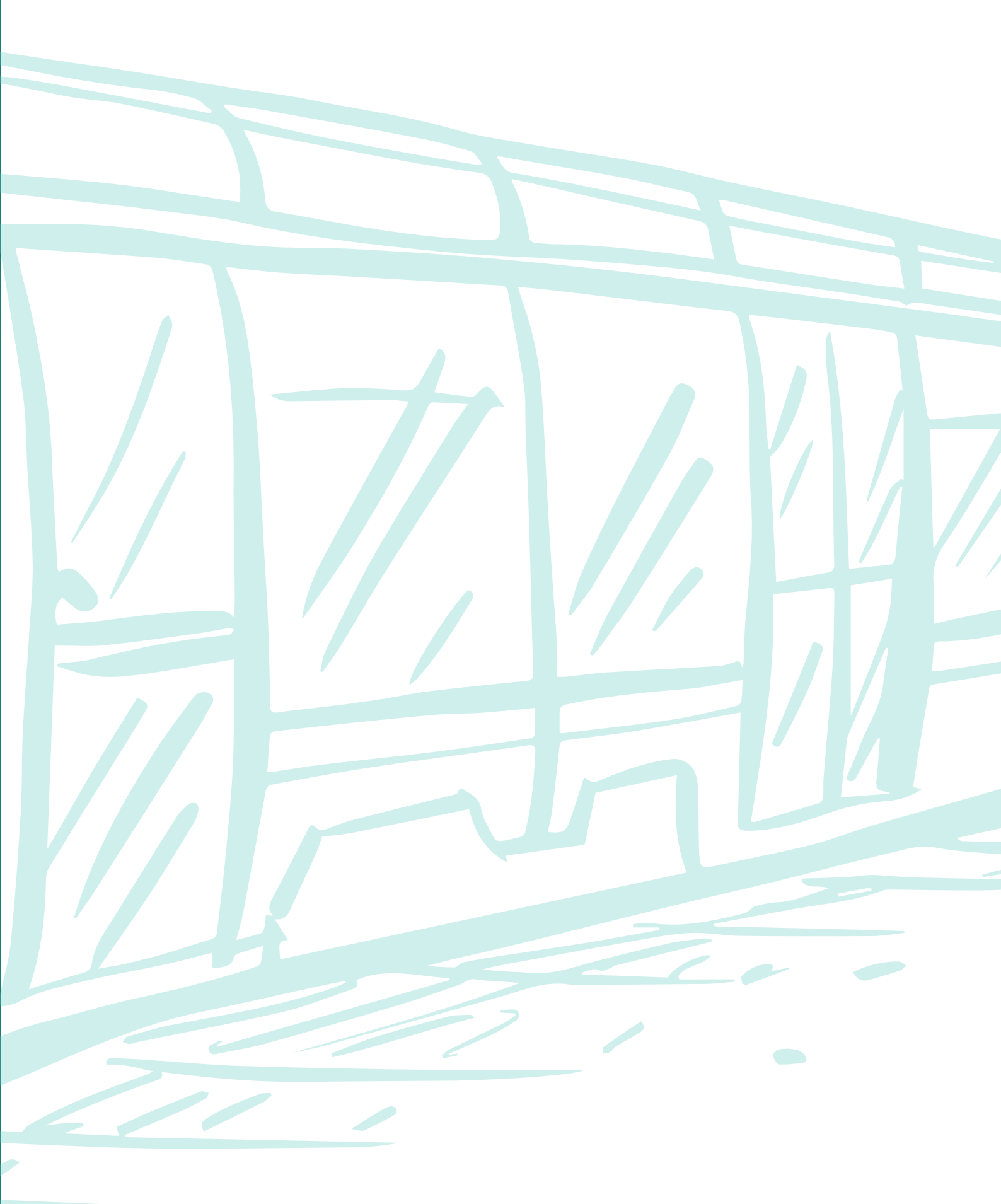
He recognises both the demand for equitable access to housing and the generational shift in how many urban Kiwis now prefer to live, and has a successful record of such innovation and delivery in the public and private sector. For many years Chris was Chief Executive of HLC Limited (now merged into Kāinga Ora) responsible for establishing the mixed use urban community of Hobsonville Point and delivering the large regeneration projects in Northcote, Mt Roskill and Māngere. He is involved in pioneering the development of modular pre-built homes and apartments, which promise quicker build times and lower costs. Chris is a director on the Kāinga Ora Construction Programme Assurance Panel, a director with Kiwi Property Group and advisor to the construction and development Sector.



Shane Ellison

Shane Ellison is a senior executive, with global experience leading diverse teams, most recently in the transport and infrastructure sector.

He was Chief Executive of Auckland Transport from 2017 to 2022 where he is credited with leading a significant culture change and performance improvements including championing the expansion of active modes and people focused strategy. Prior to that he worked in Australia and France for Transdev, one of the world's largest transport operators where among his responsibilities he was involved in light rail projects and light rail operations in Dublin, Jerusalem, Toronto, Bergen, Gold Coast, Sydney, and Parramatta. Shane is currently Deputy Chair of the Dunedin International Airport Ltd Board and has other advisory roles with Koau Capital Partners and the Queensland Investment Corporation.



ALR Ltd Treaty Partnerships

“Tāmaki herenga waka, Tāmaki herenga tāngata”

“Auckland the gathering place of many waka, Auckland the gathering place of multitudes of people”

Establishing a genuine relationship with Mana Whenua and Māori, enabling the integration of aspirations and improving outcomes for Māori through this transformational project, has been at the heart of Auckland Light Rail's approach to partnering with Mana Whenua and Mataawaka.

In 2018* more than 207,000 people who identify as Māori, called Tāmaki Makaurau home, making up 13% of the city's population, with 49% of Māori aged under 25 years.

The ALR relationship with Ngā Mana Whenua o Tāmaki is embedded in Te Tiriti o Waitangi and underpinned by Te Rautaki Huanga Māori: Māori Outcomes Strategy. The strategy was developed for the Indicative Business Case in 2021, following hui with 11 of the 15 Mana Whenua Iwi Chairs and Mataawaka, with an interest in the project corridor.

Mana Whenua involvement at all levels of decision making was a key outcome of Te Rautaki and this has been reflected in ALR's approach as detailed planning for the project progresses to develop the business case. It is also an opportunity for ALR to acknowledge and implement good outcomes.

Mana Whenua has representation as Sponsors, alongside the Government and Auckland Council, at the decision-making table.

ALR Ltd has established Governance/Rangatira conversations with Mana Whenua Iwi Chairs, led by the ALR Board Chair and management hui with Chief Executives and operational leaders, led by the Tiriti Partnerships workstream to discuss economic and commercial opportunities that could potentially be realised through the life cycle of the project.

In 2022, ALR Ltd approached Mana Whenua with an interest in the ALR project and established the Kaitiaki Forum to ensure Mana Whenua participation in the process and worked with ALR to incorporate kaitiakitanga, sustainability, cultural history and design, from a tikanga Māori perspective, as well as capturing opportunities to improve social, economic and Māori wellbeing.

To date, ALR have been engaging with the following Mana Whenua, that Auckland Council recognise as having an interest in the project.

They include:

- Ngāi Tai ki Tāmaki
- Ngāti Maru
- Ngāti Paoa
- Ngāti Tamaoho
- Ngāti Te Ata Waiohua
- Ngāti Tamaterā
- Ngāti Whanaunga
- Ngāti Whātua Ōrākei
- Ngāti Whātua o Kaipara
- Te Ahiwaru Waiohua
- Te Ākitai Waiohua
- Te Kawerau ā Maki
- Te Patukirikiri
- Te Runanga o Ngāti Whātua
- Waikato-Tainui

Collaborating with the Kaitiaki Forum has enabled ALR workstreams, including transport, planning and consenting, urban and business case, to gain insight and a perspective of te Ao Māori (Māori world view).

**Data based on 2018 Census*

ALR meets fortnightly with Kaitiaki and provides an opportunity for them to attend workshops to enable them to understand and seek the information they need to support their decisions.

Given the level of input required by Mana Whenua for the Notices of Requirement process, ALR has offered support to Mana Whenua by way of utilising specialists who offer technical support on their behalf.

Mana Whenua kaitiaki have also led cultural induction for staff involved in ground investigations and contributed to blessings and site tours as part of their role in the project.

In addition, ALR Ltd engaged with Mataawaka marae, wananga and kura educational facilities and health providers as part of the Indicative Business Case. Planning is underway for ongoing engagement with Māori.

It is only with genuine partnership and collaboration, that the aspirations of Mana Whenua and Mataawaka will be enabled and realised.

Māori in Tāmaki Makaurau

- 207,183 people in Tāmaki Makaurau identified as being of Māori descent. This is 24% of all Māori in Aotearoa, or 13% of Tāmaki Makaurau population.
- The Māori population in Tāmaki Makaurau is youthful. In 2018, 49% was younger than 25, and 31% were under 15 years of age.
- Just over 5% of the population were aged 65 years or older.
- The median age of Māori in Tāmaki Makaurau increased from 22.3 years in 2001 to 24.9 years in 2018.
- This compares to the Tāmaki Makaurau population overall which increased from 33.3 years to 34.7 years, respectively.

**Note: Data based on 2018 Census*



With a multinational team, ALR has a strong emphasis on building cultural competency and understanding the te ao Māori perspective. Here the team attends an offsite day at a marae on the Auckland Light Rail route.



Artist's impression of Auckland Light Rail.



Project overview

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Project benefits

Tāmaki Makaurau is growing and increasingly becoming New Zealand’s innovative, globally connected, economic engine. The scale of the growth brings major benefits and also challenges which need to be resolved, including congestion, access to housing, education and employment. Continuing to grow in the way it has in the past, will significantly impact on the quality of life of Aucklanders and the equitable growth of the city. A new model of sustainable urban growth is important for Auckland and the contribution the city makes to the whole of New Zealand.

Auckland Light Rail will be New Zealand’s largest and most complex infrastructure programme. It will deliver an integrated approach to achieving both urban and transport outcomes and will create a step change in connectivity across large parts of the city allowing Auckland to thrive by reducing travel times across the city and connecting places and people in a convenient and safe way.

The initial corridor stretches 24-kilometres from Auckland’s City Centre to Māngere, comprising up to 18 stations. It is the first spine of a proposed wider rapid transport network for Auckland which has also been identified by the Crown and Auckland Council, as an enabler of higher density and better-quality urban development, leading to stronger communities, greater vitality and attractive compact urban form.

This will bring far-reaching benefits to the Auckland region, which include social and economic opportunities, as well as significantly increasing housing supply and employment opportunities.

Auckland Light Rail will help reshape neighbourhoods, connecting people to work and study, giving transport access to new, quality housing close to the city.

Future stations will form the heart of safer more attractive town centres with new high-quality housing, shops, businesses and community facilities. Revitalising communities means more people can afford housing in their existing neighbourhoods, reducing urban sprawl.

It will provide greater access to cultural and educational facilities for Māori including marae, kohanga reo, kura kaupapa Māori and Wānanga; and support opportunities to grow the Māori economy through commercial partnerships and workforce development.

ALR Ltd will help meet the Government’s climate change response targets by delivering public transport choice and compact urban form to encourage mode shift and reduce carbon emissions.

24 Km connection

between the city centre, central suburbs, Mt Roskill, Onehunga and Māngere.

Removing **14,500 cars** an hour from our roads at peak times
Equal to 13 new vehicle lanes

Carrying up to **17,000 passengers** at peak hour

Halving **travel times** to the city from most destinations

Provides capacity for **increased rail and public transport** until about 2070

Catalyst to create **an additional 66,000 homes** by 2051



Health and safety

ALR Ltd is committed to doing everything possible to prevent injuries and health issues as well as maintaining a safe and healthy work environment.

The company aims to shift the dial on its health and safety systems' maturity from the current state of establishment and standardisation to a fully integrated health and safety system based on a culture of excellence.

With the opportunity to define a health and safety system as a future exemplar for the sector, the success of embedding a safe working environment and culture starts with involving people across the ALR project in the design and implementation of the health and safety management system.

ALR Ltd's strategic priorities have been identified in the following areas:

Policy, leadership and board governance

Excellent health and safety management starts with leaders inspiring confidence and commitment in the workforce and partner organisations to be able to safely lead teams through periods of change. ALR Ltd's leaders are involved in continuing to develop a supportive health and safety culture with visible and accountable leadership.

ALR Ltd's Health and Safety Policy has been developed and demonstrates the company's commitment to making sure everyone is kept safe and healthy at work. Board members have shown visible leadership for safety by undertaking visits to the project's geotechnical drilling sites where they were fully inducted to each site before their visit.

ALR Ltd finalised its health and safety management plan as a first step of documenting its health and safety procedures. Scheduled reviews will ensure the plan is a living document that reflects continued improvement and innovation of the company's health and safety system.

Worker involvement and capability development

To develop shared values and a culture of trust, openness and empowerment, ALR Ltd is focused on realising the potential of its employees and others to add their meaningful contributions to develop a robust and sustainable health and safety system.

Team members first experience ALR Ltd's health and safety culture during the mandatory health and safety induction when they join the project.

Working closely with the project Alliance, employees and workers are becoming more involved in active health and safety management through the establishment of the health and safety committee, as well as training staff in site emergency roles such as first aiders, fire wardens and mental health first aiders.

Coordinated management of risks

ALR Ltd is developing a culture that encourages a “fail-safe” environment where issues, risks and opportunities are raised and shared as early as possible to enable the best chance of mitigation and corrective action plans.

ALR Ltd and the Alliance have several overlapping responsibilities for health and safety in the workplace. A coordinated approach to managing risks prevents gaps or duplication in health and safety procedures.

Site specific safety plans are prepared for high-risk workplaces such as geotechnical drilling sites and communication, monitoring and review are part of the contractor management process.

The Risk Register is an open document for both ALR Ltd and the Alliance to share and communicate identified health and safety risks.

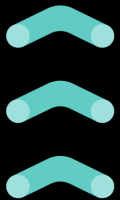
ALR Ltd is developing and embedding an active health and safety culture, with an aspiration to be an industry leader in this space.



ALR Ltd as a good employer

ALR Ltd is committed to career and capability development and providing a safe environment for its people. The company has a unique opportunity as a sector leader to shape and drive broader programme outcomes by creating a thriving supply chain through improving sector diversity, care for people, improving productivity and delivering an enduring skills legacy and future focused talent pipeline.

Tō Tātou Kaupapa



Serving Tāmaki Makaurau Ngakaunui ki Tāmaki

- Inspired by our communities
- Guardians of a legacy
- Lead with authenticity



Strength in Collaboration Mahitahi

- Synchronise our efforts
- Embrace diverse thinking
- Help others succeed



Pursuing Excellence Whaia ki te taumata

- Go bold in our ideas
- Focus on what matters most
- Celebrate with heart

Our purpose

We will be the catalyst for delivering light rail to bring us closer to home, work, study and play.

Our vision

Connecting Tāmaki Makaurau to create a thriving, sustainable future.

ALR Ltd's desire to create a thriving and sustainable future is further supported by Tō Tātou Kaupapa, a founding cultural document which espouses three key values to help achieve its goals and project deliverables:

- Ngakaunui ki Tāmaki Serving Tāmaki Makaurau
- Mahitahi Strength in Collaboration
- Whaia ki te taumata Pursuing Excellence.



Listening to Aucklanders is integral to building social licence for the project but also to building a customer-focused culture within our team. Board Chair Dame Fran Wilde joins the ALR team at a recent engagement opportunity at Pasifika.

A team building day with ALR Ltd and Alliance employees was successful in sharing the company's purpose and helping foster a team culture.

Communication of ALR Ltd's purpose and progress in delivering an ambitious programme has had a sustained focus as the company establishes and develops its culture and ways of working. The team is kept up to date with progress on the project through twice weekly stand-up meetings and a weekly newsletter.

The adoption of agile working practices such as fortnightly "sprints" keeps employees engaged on the key priorities of project deliverables and progress against milestones.

Wellbeing and inclusiveness are being threaded in the operations of the organisation through initiatives such as an in-office Wellbeing Coach, celebrating and supporting cultural and charity events, supporting and encouraging informal networks of diversity interest groups and wellbeing tips in weekly communications. A learning culture is being developed through lunch and learn sessions where speakers share best practice examples from other projects.



Offsite days are an important way to build our collective culture and communicate our shared purpose.

Statement of Performance for the eight months to 30 June 2023

The performance measures and targets for the eight months to June 2023 were established by ALR Ltd and are considered relevant in providing stakeholders and readers with a strong indication of project progress.

Auckland Light Rail (ALR Ltd) has one output class and four output areas which are consistent with the objectives and outputs in the Statement of Intent (SOI) and Statement of Performance Expectations (SPE) targets. The SOI has been prepared for the period 6 October 2022 (the date the Project Planning and Funding Agreement (PPFA) was signed) to 30 June 2024 as ALR Ltd was granted an exemption from the statutory requirement in section 139 of the Crown Entities Act 2004, which requires the Statements of Intent to cover at least four financial years. As the detailed planning phase for the Auckland Light Rail project is due for completion in 2024, ALR Ltd is exempt from the prescribed reporting period, and alternatively is required to align reporting to the expected date of completion of the detailed planning phase. ALR Ltd began operating as a Company on the 1st of November 2022.

ALR Ltd is responsible and accountable to its shareholders for advancing the ALR project through the detailed planning phase. This phase of the project involves detailed planning work, associated planning advice and activities required to develop a business case to enable the Crown to make a final investment decision in relation to ALR in mid-2024.



A Project Planning and Funding Agreement (PPFA) governs the ALR project during the detailed planning phase. This is an agreement between ALR Ltd, the Crown, and Auckland Council dated October 2022.

The ALR Company's primary objective is to advance the ALR project through the Detailed Planning Phase in accordance with the terms of this Agreement, which shall involve detailed planning work, associated planning advice, and activities required to develop the Business Case to enable the Crown to make the Final Investment Decision in relation to the ALR project, including (but not limited to) undertaking technical assessments, detailed design, master planning, community and stakeholder engagement and, preparatory work as approved by the Crown.

Reporting against the measures, targets and appropriations is on pages 26 to 33.

Statement of Compliance

The Statement of Performance has been prepared in line with the requirements of the Crown Entities Act 2004 which include the requirement to comply with the New Zealand generally accepted accounting practice (NZ GAAP) and the Companies Act 1993. The Statement of Performance has been prepared in accordance with Tier 1 Public Benefit Entity (PBE) reporting standards consistently throughout this period.

Disclosure of Judgements and Assumptions

In preparing the Statement of Performance, ALR Ltd made judgements on the selection of measures.

ALR's organisational and funding targets in this period focused on establishing the policies, frameworks and budgetary prudence and efficiency that the company will operate under now and into the future.

Programme targets reflect the key deliverables needed to enable an investment decision in 2024 and to secure planning approvals to enable the project to proceed.

Relationship outcomes reflect the need to build strong relationships, increase awareness and advocacy for the project and create trust and confidence in the project and ALR Ltd as a company. These efforts will support the securing of necessary consent and approvals in pre-construction and planning phases. The scale of the communications and engagement needed to support the successful delivery of the project will require sustained effort over many years.

There were no significant assumptions made on measurement, aggregation, and presentation of performance data.

Performance Measures

This section describes the progress made towards achieving the identified measures outlined in the Statement of Performance Expectations (SPE) for the eight-month period.

Output Class

The expected revenue and expenditure against budget for ALR Ltd's reportable output for the 8 months to 30 June 2023 was:

	Actual 2023 \$ (000)	Budget 2023 \$ (000)
Total Revenue	77,328	64,214
Total Expenditure	76,762	72,013
Net surplus/(deficit)	566	(7,799)

Costs exceeded budget as result of the agility provided by an Alliance structure to scale up resourcing and operations quickly. The cost of the Alliance is included in the financial statements as 'Professional Services'. As ALR Ltd is funded based on spend the revenue also exceeded budget. Additional explanations for variances to budget can be found in the 'Notes to the Financial Statements'.

Appropriation Reporting

The following provide the reporting against appropriation from 'Vote Transport - The Supplementary Estimates of Appropriations 2022/23'

Strategic Land Acquisition

This appropriation is limited to strategic land acquisition costs for the Auckland Light Rail project.

This is a new multi-year appropriation established to support Auckland Light Rail Limited in executing early land acquisition activities. The term of the appropriation is from 12 December 2022 to 30 June 2026.

Appropriation for Strategic Land Acquisition	\$ (000)
Original appropriation	131,000
Actual spend to 30 June 2023	-
Appropriation remaining as at 30 June 2023	131,000

** No properties were acquired in the 8 month period to 30 June 2023 due to delays in setting up the framework and agreement on how land will be acquired.*

Assessment of Performance

Assessment of performance	Target	Actual
Progress the Early property Programme in line with the detailed arrangements agreed by Cabinet and Shareholding Ministers	100%	0%

Progress for the Early Property Programme is assessed in line with the detailed arrangements agreed by Cabinet and Shareholding Ministers. No land acquisitions were made in the period to 30 June 2023. The first property purchase was settled in October 2023 and is disclosed as a subsequent event in the notes to the Financial Statements.

Capital Injection

This appropriation is limited to providing capital injections to Auckland Light Rail Limited for working capital and capital expenditure requirements.

This appropriation is intended to provide working capital funding to ensure Auckland Light Rail can meet its financial liabilities in a timely manner and will be used towards the completion of detailed planning activities to enable final investment decisions to be made on light rail for Auckland, which is intended to improve public transport options for Aucklanders, support a more connected city, reduce congestion and transport emissions, and encourage urban development.

Appropriation for Capital Injection	\$ (000)
Original appropriation	25,698
Actual drawdown	(25,414)
Appropriation remaining	284

** Drawdown against the capital injection was less than budgeted for FY2022/23 due to a lower spend required on capital items. The remaining appropriation will no longer be available for future drawdown.*

Detailed Planning Phase

This is a multi-year appropriation that commenced on 1 October 2022 and expires on 30 June 2025. This appropriation is limited to funding Auckland Light Rail Limited for the detailed planning phase for light rail in Auckland.

Appropriation for Output Expenditure	\$ (000)
Original appropriation	153,465
Actual spend to 30 June 2023	(76,762)
Appropriation remaining as at 30 June 2023	76,703

Assessment of Performance

Assessment of performance	Target	Actual
Milestones are completed in line with the programme developed and maintained by ALR Ltd as required through the Project Planning and Funding Agreement dated 6 October 2022.	100%	43%

The actual % has been assessed against the following internal milestones set in November 2022 by taking the number of milestones achieved out of the total number of milestones:




- Agreement with the Alliance on the Project Alliance Agreement (target Dec 22 – achieved Jan 23);
- Commence geotechnical investigations (target Dec 22 – achieved Feb 23);
- Commence Utility Investigations (target Feb 23 – not started);
- Public engagement starts (target Feb 23 – achieved Mar 23);
- Route and stations confirmed (target Apr 23 – achieved Apr 23);
- Consent design (target Jun 23 – achieved Jun 23);
- Designation plans for lodgement (target Jun 23 – achieved Jun 23).

For the detailed planning phase and capital injection appropriations above the performance is assessed by the milestones being completed in line with the programme developed and maintained by ALR Ltd as required through the Project Planning and Funding Agreement dated 6 October 2022 which form the measures used in both the SOI and SPE.

Statement of Performance Reporting

The performance is measured through the following performance targets for the eight months ending 30 June 2023. This includes reporting against the Statement of Performance Expectations and Statement of Intent. Where the measure only relates to reporting against strategic intentions it has been noted in the table below (SOI measure).

The following criteria has been used to rate and report on our performance measures:

-  **Achieved** – where the performance result for the year is equal to or above the target set, the performance measure target will be assessed as achieved
-  **On track** – where the performance result for the year is tracking as expected against target but has not been achieved due to the completion date falling into the next reporting period
-  **Not achieved** – where the performance is below the target.

Programme

The business case is developed to meet programme deadlines and Sponsors' expectations. This is measured by actual completion date against target completion date (April 2024).

🟡 **On track.** Work in progress drafts were submitted and reviewed by external peer reviewers in June 2023. This was the first key milestone for the business case and the review comments provided a level of assurance that the development of the business case remains on track for delivery in April 2024.

A design is developed sufficiently to ensure relevant planning applications are ready to be lodged by July 2023. This is measured by actual completion date against target completion date (July 2023).

🟡 **On track.** The technical work was presented to the ALR Ltd Board in July 2023. The Board noted that ALR Ltd had completed the work necessary to lodge the Notices of Requirement. The actual decision to lodge the Notices of Requirement is a Sponsor decision. There were a number of significant contextual shifts, including a change to the authorising environment, with a number of new Sponsors. As a result, the Board did not ask Sponsors to authorise lodging the Notices of Requirement. In addition, ALR Ltd has not yet been granted Requiring Authority Status under the Resource Management Act 1991 and cannot lodge the Notices of Requirement without Requiring Authority Status.

The Corridor Strategic Framework (CSF) is developed to meet programme deadlines and Sponsors' expectations. This is measured by actual completion date against target completion date (April 2024).

🟡 **On track.** 50% of the corridor strategies drafts were delivered, reviewed by senior members of the ALR team and presented to stakeholders in June 2023. This provides a level of assurance that the CSF is on track for delivery in April 2024.

Strategic land acquisition has been undertaken in accordance with the Early Property Programme (SOI measure)

🟡 **On track.** The early property programme was developed, and criteria was agreed by Cabinet during FY22/23. The mechanics of Ministerial approval and drawdown were finalised and communicated to ALR Ltd on 1 August 2023. No acquisitions were made to 30 June 2023, with the first acquisition being completed in October 2023. Acquisitions will continue during the subsequent reporting periods.

A Treasury Gateway Review has been completed (SOI measure)

🟡 **On track.** A Treasury gateway review is expected to be conducted in March 2024.

Organisational Health and Capability

Develop an approved Health and Safety Management Plan. Measured by Board approval of a Health and Safety Management Plan for ALR Ltd by April 2023.

🟢 **Achieved.** ALR Ltd Health and Safety Management Plan was approved by ALR Board in April 2023.

Develop an approved Culture and Leadership Plan. Measured through Board approval of a Culture and Leadership Plan for ALR Ltd by March 2023.


🟢 **Achieved.** ALR Ltd Culture and Leadership Plan was approved by ALR Board in March 2023.

Develop an approved Risk Management Plan. Measured through Board approval of a Risk Management Plan for ALR Ltd by March 2023.

🟢 **Achieved.** ALR Ltd Risk Management Plan was approved by ALR Board by March 2023.

Relationships

Building a culture that ensures authentic and enduring relationships with Mana Whenua through partnering opportunities as well as participation in all processes and decision making.


 **On track.** Mana Whenua are involved at every layer of decision making, from Sponsors, Governance/Rangatira and Chief Executive operational leaders' conversations to kaitiaki forum.

The Mana Whenua Kaitiaki forum was established in October 2022, with a goal for 75 percent of Iwi in Tāmaki Makaurau with an interest in the ALR project, to attend the Mana Whenua Kaitiaki Forum.


ALR conducted a Governance/Rangatira conversations led by the ALR Board Chair and management hui with Chief Executives and operational leaders.

As at June 2023, ALR held 16 Governance meetings with mana whenua leadership, six hui with Chief Executives and operational leaders and 16 Kaitiaki forum attended by representatives of iwi with an interest in the ALR project. In addition, mana whenua on the sponsors group have received support and additional briefings with the view to incorporate kaitiakitanga, sustainability, cultural history and design, from a tikanga Māori perspective, capture and opportunities to improve social, economic and Māori wellbeing and enable genuine partnership and participation.


Two annual stakeholder surveys measuring public sentiment about the project.

 **Achieved.** Two Kantar Public Surveys completed. One in December 2022 of 1508 people and the second in May 2023 of 1000 people. Total support in December 2022 was 61%, with 16% not sure. It remained steady with 60% total support in May 2023, with 14% not sure. Both surveys were carried out during a ten minute interview carried out online. The maximum margin of error was: 1,500 interviews, +/- 2.5% and 1,000 interviews: +/- 3.1%. There were quotas set by age, gender, ethnicity and geographical domicile to ensure the sample was representative of Aucklanders. Questions focused on understanding respondents' familiarity with the Auckland Light Rail project, initial support for the Auckland Light Rail project, agreement that Auckland Light Rail project will deliver on benefits, level of confidence the project will go ahead, likelihood to use light rail once the project is complete and concerns about the Auckland Light Rail project. This is used to gain insights into where communications and engagement activities should be focused to build greater understanding of the project.

There is active participation from a broad range of diverse communities to help inform decision making. This is measured by contribution to a minimum of five editorial publications.

 **Not achieved.** Four editorials and one podcast published by June 2023. One editorial was published in September 2022 while operating as the Auckland Light Rail Establishment Unit and before the establishment of ALR Ltd. This measure was aligned to ALR's expected work programme which changed and this has altered the timing for communications about key milestones.

There is increasing understanding and public awareness of the ALR project. This is measured by a minimum of eight proactive media releases and activations.

 **Not achieved.** Six media releases from November 2022 to June 2023. There was one media release issued in September 2022 while operating as the Auckland Light Rail Establishment Unit and before the establishment of ALR Ltd. This measure was aligned to ALR's expected work programme which changed and delayed communications about key milestones.

Stakeholder confidence that ALR Ltd is good to collaborate and partner with, whether that be Sponsors, local communities, employees and contractors, suppliers and broader stakeholders. This is measured through tracking and reporting event and engagement activities output by 2023.

➡ On track. Stakeholder Framework to actively monitor and manage health of relationships with key stakeholders established. Customer Relationship Management system used for tracking and monitoring engagement and stakeholder activities. Engagement Summary Reports completed for all engagement phases to capture sentiment and feedback. Tracking and monitoring shows positive feedback about the way ALR manages its relationships with stakeholders and partners. A Stakeholder Satisfaction Survey has been commissioned and results will be reported. There is an ongoing programme of community and stakeholder engagement. In addition to this there are targeted consultation phases to seek specific feedback and inform project decision making. The targeted engagement phase between October and December 2022 included 5 Neighbourhood Liaison Group meetings and 15 community events and activations. This was aimed at building understanding and awareness across the corridor through information sharing. The engagement phase between March and April 2023 was seeking input and feedback on various options to inform decisions about the route and station locations. It included 13 elected official briefings, 6 local board briefings, 10 key stakeholder briefings, 10 community and pop up events and 5 Neighbourhood Liaison Group meetings.

Funding Envelope

Achieve financial efficiency and operate ALR Ltd's functions within the approved budget. Measured through project spend versus approved appropriation and timely financial and variance to budget reporting for the financial measures by 30 June 2025.

➡ On track. Monthly and quarterly reports are provided to the ALR Ltd Board including variance reporting as well as monthly and quarterly reporting being sent to Ministry of Transport in accordance with the PPFA. Further detail is provided in the 'Non-departmental Output Expenditure' section above and variance reporting against FY22/23 budgets are detailed in the 'Notes to the Financial Statements'.

brake
IHOJ

Auckland's potential rapid
transit network (2050+)

WANGIRE PA





Financial statements

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Corporate directory

Board

Dame Fran Wilde

Chair

Leigh Auton

Heather Ash

Lucy Tukua

Leo Foliaki

Chris Aiken

Shane Ellison

Senior Management

Tommy Parker

Chief Executive

Lucy Riddiford

GM, Corporate & Policy

Sarah Azam

GM, Communications & Engagement

Cameron Law

Head of Business Case & Consenting

Tipa Compain

GM, Treaty Partnerships

Amanda Harland

Head of Urban Strategy

Alan Peddie

Head of Design & Delivery

Bankers

Bank of New Zealand

Auditors

Audit NZ on behalf of the Office of the Auditor-General

Registered Office

Chief Post Office

Level 3, 12 Queen Street
Britomart
Auckland 1010

Solicitors

Buddle Findlay Ltd

P O Box 2694
Wellington, 6140

Simpson Grierson

Private Bag 92518
Auckland, 1141



Statement of responsibility

Auckland Light Rail Ltd is a Crown Entity registered under schedule 2 of the Crown Entities Act 2004.

The Board is responsible for the preparation of the financial statements, statement of performance and any end of year performance information provided by Auckland Light Rail in accordance with the Public Finance Act 1989, the Crown Entities Act 2004 and the Companies Act 1993.

The Board is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting. In the opinion of the Board, the financial statements and statement of performance for the eight months ended 30 June 2023 fairly reflect the financial position and operations of ALR Ltd at that date.



Dame Fran Wilde

Chair of the Board

31 October 2023



Leo Foliaki

Chair of the Audit & Risk Committee

31 October 2023

Statement of financial performance

for the 8 months to 30 June 2023

	Note	Actual 2023 \$ (000)	Budget 2023 \$ (000)
Revenue			
Grant revenue	2	76,762	64,214
Interest revenue	2	566	-
Total revenue		77,328	64,214
Expenses			
Employment expenses	3	2,127	22,559
Professional services (Urban, Engineering, Design, Planning, Legal, Commercial)	4	67,927	47,013
IT expenses	5	938	360
General expenses	6	5,273	1,758
Operating Leases	7	476	323
Depreciation and amortisation expenses	10	21	-
Total expenditure		76,762	72,013
Surplus/(deficit) for the year		566	(7,799)
Total comprehensive revenue and expense for the year		566	(7,799)

This statement is to be read in conjunction with the notes to the financial statements.

Explanations of major variances against budget are provided within the notes to the financial statements.

Statement of financial position

as at 30 June 2023

	Note	Actual 2023 \$ (000)	Budget 2023 \$ (000)
Assets			
Cash and cash equivalents	8, 15	23,254	15,202
Trade and other receivables	9	33,215	9,727
Prepayments	9	186	-
Total current assets		56,655	24,929
Prepayments	9	28	-
Property, plant and equipment	10	369	500
Total non-current assets		397	500
Total assets		57,052	25,429
Accounts payable and accruals	11, 15	30,765	7,800
Current employee entitlements	12	307	428
Total current liabilities		31,072	8,228
Total liabilities		31,072	8,228
Net assets		25,980	17,201
Equity			
Contributed capital (ordinary shares)	13	25,000	25,000
Capital injection		414	-
Retained earnings		566	(7,799)
Total equity		25,980	17,201

This statement is to be read in conjunction with the notes to the financial statements.
 Explanations of major variances against budget are provided within the notes to the financial statements.

Statement of changes in equity

for the 8 months to 30 June 2023

	Note	Retained earnings \$(000)	Contributed capital \$(000)	Capital injection \$(000)	Total \$(000)
Opening balance		-	-		-
Total comprehensive revenue and expense for the year		566	-		566
Owner transactions:					
Funding received share issue	13	-	25,000		25,000
Capital injection		-	-	414	414
Balance at 30 June 2023		566	25,000	414	25,980

This statement is to be read in conjunction with the notes to the financial statements.

Statement of cashflows

for the 8 months to 30 June 2023

	Note	Actual 2023 \$ (000)	Budget 2023 \$ (000)
Cash flows from operating activities			
Grants received		46,994	54,487
Interest received		566	-
Employee costs		(1,769)	(22,131)
Superannuation		(51)	-
Suppliers		(44,063)	(41,654)*
Other receipts/(payments)		(3,447)	-
Net cash from operating activities		(1,770)	(9,298)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(390)	(500)
Net cash from investing activities		(390)	(500)
Cash flows from financing activities			
Proceeds from issue of contributed capital	13	25,000	25,000
Proceeds from capital injection		414	-
Net cash from financing activities		25,414	25,000
Net (decrease)/increase		23,254	15,202
Opening cash and cash equivalents		-	-
Closing cash		23,254	15,202
Made up of			
Bank balances		23,254	15,202
Total cash	8	23,254	15,202

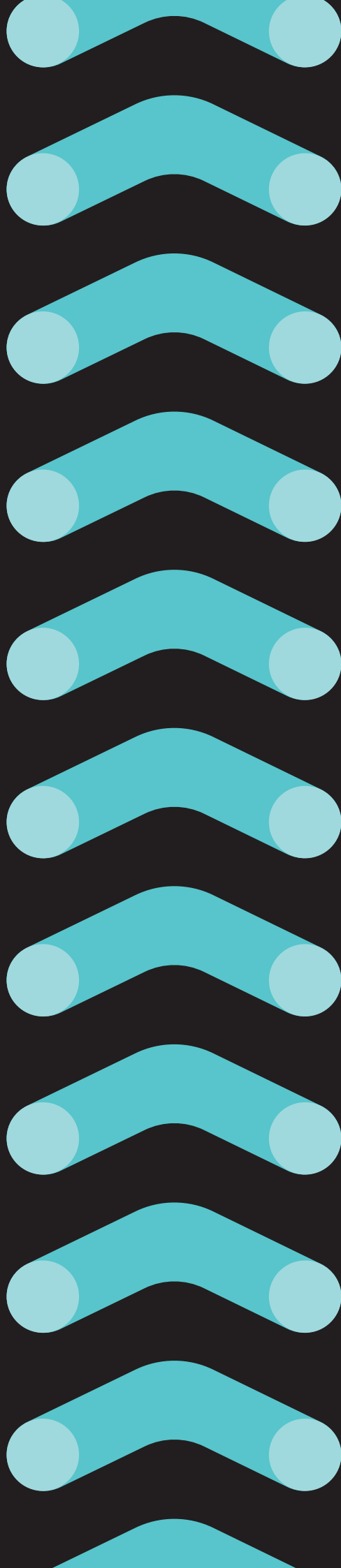
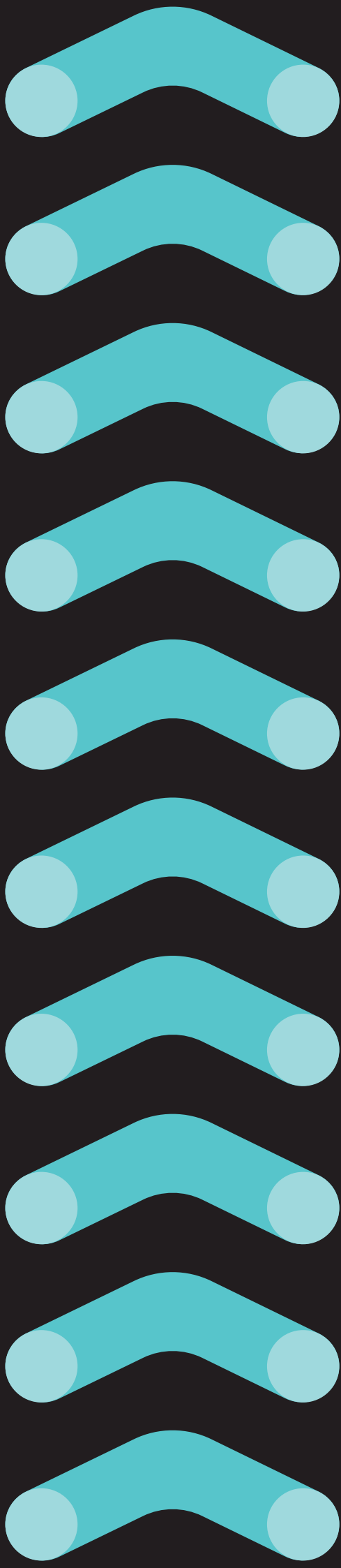
This statement is to be read in conjunction with the notes to the financial statements. Explanations of major variances against budget are provided within the notes to the financial statements.

* An error was identified in the published 'Statement of Performance' and the budget figure used for Suppliers was \$5,466. This has been corrected for reporting purposes to ensure variance to budget reporting is accurate.

Reconciliation of operating surplus with net cash from operating activities

	30 June 2023 \$ (000)	Budget 2023 \$ (000)
Surplus/(deficit) for the year	566	(7,799)
Adjustments for:		
Depreciation and amortisation	21	-
Working capital movements:		
(Increase) in accounts receivable, prepayments and other assets	(33,429)	(9,727)
(Decrease) in accounts payable, accruals and other liabilities	31,072	8,228
Cash generated from operating activities	(1,770)	(9,298)

This statement is to be read in conjunction with the notes to the financial statements.



Notes to the financial statements

1. Statement of accounting policies

Reporting entity

Auckland Light Rail Limited (the 'Company' or 'ALR Ltd') is a Crown Entity, registered under schedule 2 of the Crown Entities Act and is domiciled in New Zealand.

The Company was incorporated on 22 September 2022 and is wholly owned by the Crown through the Minister of Transport, Minister of Finance and the Minister of Housing.

The Company has been set up to develop a detailed plan and business case for the Auckland Light Rail project to enable the Crown to make a final investment decision and does not operate to make a financial return. ALR Ltd commenced operations with effect from 1 November 2022.

ALR Ltd has designated itself as a public benefit entity (PBE) for financial reporting purposes. The financial statements are for eight months to 30 June 2023. As this is the first year of operation there are no comparatives available.

Material uncertainty related to ALR Ltd's ability to continue as a going concern

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. The Directors are of the view that ALR Ltd will be able to continue operations to deliver the expectations of the Project Planning and Funding Agreement (PPFA) and meet its debts when they fall due for the foreseeable future.

However, factors have arisen during the year which give rise to material uncertainty about ALR Ltd's ability to continue as a going concern. The Directors note the following uncertainties relating to this:

- **Dependence on the continuing support of the Project Sponsors and the Crown.**

ALR Ltd is expecting to submit a business case (including route and station design, staging options, whole of life cost, technical assessment and design, utilities relocation, corridor strategic framework, consenting and land acquisition) in April 2024. A decision is still to be made by the Crown whether to approve the business case and proceed with the project. The Crown may decide not to continue with the project after receipt and analysis of the business case, or at any other time. At this point in time, the Directors are not aware of any decisions by the Project Sponsors or Crown to no longer support the development of the Business Case or the project.

- **Ability to manage costs over the next 12 months.**

ALR Ltd is funded by a multi-year appropriation to deliver the expectations within the Project Planning and Funding Agreement (PPFA). This funding does not expire until June 2025. However, the initial spend projection, as described in the FY2023/24 budget included in the Statement of Performance Expectations, indicated that the majority of the funding would be utilised by 30 June 2024. Subsequent to setting the FY2023/24 budget, ALR Ltd has rephased the planned timing of work. This involved focussing on the minimum output needed to submit the Business Case to the Sponsors in FY2023/24 and deferring other work not required to be completed by that date including more detailed design. As Sponsors did not make a decision to lodge the notices of requirement to designate the route and stations, work associated with consenting, including legal work, has also been deferred. This deferral was done to ensure that the company is managing funding and resources responsibly, whilst still ensuring the project can deliver within the agreed timeframe.

As a result, the Directors now forecast that unutilised funds will be available to meet costs through to a later date in FY 2024/25 than originally budgeted. ALR Ltd will also be relying on the use of the initial capital funding provided to support its operational expenditure from May 2024 onwards, based on revised forecasts.

If there is any change in delivery requirements that don't align with the rephased budget there is a risk that ALR Ltd won't have the funding necessary to continue operating for the foreseeable future.

Statement of Compliance

These financial statements have been prepared in accordance with the requirements of the Public Finance Act 1989 and the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP) and the Companies Act 1993. The Company is a Public Benefit Entity (PBE) for financial reporting purposes and reports under Tier 1 PBE standards.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), except for Board member remuneration and related party transactions which are rounded to the nearest dollar.

Standard issued but not yet effective

Amendments to PBE IPSAS 1

The amendments to PBE IPSAS 1 require entities to disclose the fees incurred for services received from its audit or review firm, and a description of each service, using the following specified categories:

- Audit or review of the financial report
- Other non-audit and non-review services
 - ▶ Audit or Review Related Services
 - ▶ Other Assurance Services and other Agreed-Upon Procedures Engagements
 - ▶ Taxation Services
 - ▶ Other Services

This amendment is effective for the year ending 30 June 2024 and requires additional disclosure.

Summary of Significant Accounting Policies

Specific accounting policies are disclosed in the notes to which they relate. All other accounting policies that do not relate to a specific disclosure note are outlined below.

Tax

ALR Ltd is a Public Authority in accordance with the Income Tax Act 2007 (sec CW 38) and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Items in the financial statements are presented exclusive of GST, except for receivables and payables which are presented on a GST inclusive basis.

Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from the IRD is included as part of receivables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are derived from the Statement of Performance expectations as approved by the Board at the commencement of the Company. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Significant accounting judgements, estimates and assumptions

In preparing these financial statements, ALR Ltd has made estimates and assumptions concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant, and equipment
- Useful lives of software assets

These significant estimates and assumptions are highlighted in the relevant note.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Funding from the Crown - see note 2

These judgements are highlighted in the relevant note.

2. Revenue

Accounting Policy

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

The specific accounting policies for significant revenue items are explained below:

Funding from the Crown

Critical judgements in Applying Accounting Policy

ALR Ltd exercises its judgement in determining whether funding from the Crown is received in an exchange or non-exchange transaction. In making its judgement, the company considers factors such as the following:

- Whether the funder has substantive rights to the scope/output. This is a persuasive indicator of exchange or non exchange.
- Nature of the funder.
- Specificity of the funding arrangement contract.

Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year funding appropriation.

ALR Ltd is primarily funded from the Crown. This funding is restricted in its use for the purpose of ALR Ltd meeting the objectives specified in the Project Planning Funding Agreement and the scope of the relevant appropriations of the funder.

The fair value of the revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Funding from the Crown is non exchange revenue.

There are no conditions attached to the funding and it is recognised as revenue at the point of entitlement. In accordance with the Project Planning and Funding Agreement, this is considered to be when the funding claim is invoiced monthly in arrears.

Grants are paid monthly in arrears based on spend to date and are recognised as revenue when they become receivable.

Interest revenue

Interest revenue is recognised by accruing on a time proportion basis. Interest is received on the cash held at the bank and is included in revenue in the statement of financial performance.

Explanation of major variances against budget

Grant revenue was \$12.5 million above budget. This is due to the agility under an Alliance structure to scale up resourcing and operations quickly. The budgets were prepared prior to the Alliance contract negotiations and phasing were completed.

3. Employment expenses

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the periods in which the employees rendered the related services, and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for sick leave are recognised when the leave is taken and are measured at the rates paid.

Employer contributions to KiwiSaver are accounted for as a 'Defined Contribution Superannuation scheme' and are expensed in the surplus or deficit as they are incurred.

Costs for additional resources for seconded staff to ALR Ltd are included in note 4 Professional Services as the employment relationship and responsibilities remain with their home organisations.

	30 June 2023
	\$(000)
Salaries and wages	1,947
Defined Contribution Plan Employer Contributions	56
Other employment related costs	124
Total	2,127

Explanation of major variances against budget

Employment expenses were below budget due to a delay in onboarding staff from other entities as well as budgeting staff that have a) not been required and b) may be filled by contractors.

4. Professional Services

Professional services are services provided by specialist external consultants, resources seconded to ALR Ltd and the ALR Alliance partners. These professional services are classified as design, engineering, non-engineering, resources on secondment and legal fees.

Types of Professional Services

	30 June 2023
	Actual
Design Professional Services	16,361
Engineering Services	7,351
Legal Fees & Disbursements - Consultants	653
Non-Engineering Services	41,245
Resources on secondment	2,317
Total	67,927

Explanation of major variances against budget

Professional expenses were over budget as a result of delays in onboarding seconded staff from other entities and a final delivery model as an Alliance.

5. IT Expenses

IT expenses include information technology support costs, computer software, licenses and maintenance costs required for business operations.

Breakdown of IT expenses

	30 June 2023
	Actual
IT support costs	562
Computer software	69
Computer licences	97
Software maintenance	210
Total	938

Explanation of major variances against budget

IT expenses exceeded budget due to additional support costs incurred with an office move that had not been anticipated.

6. General Expenses

General expenses includes costs such as advertising and communications, Directors fees, Iwi Engagement, telecommunications and other office operating costs.

Breakdown of other expenses and further information

	30 June 2023
	Actual
Fees to auditor	
- fees to Audit NZ for audit of financial statements	135
- fees to Audit NZ for other services	-
Advertising/Communications	321
Directors Fees	284
Iwi Engagement	226
Travel and accommodation	3,905
Other expenses	402
Total	5,273

Explanation of major variances against budget

General expenses were above budget. Travel expenses for specialist experts from overseas provided by the Alliance were budgeted as part of Professional Services.

7. Operating Leases

Accounting Policy

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease commitments - Company as a lessee

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased items to the Company. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

The Company has entered into commercial and rental property leases for two properties. These leases have remaining terms of between one and three years. Each lease includes a clause to enable upward revision of the rental charge on an annual basis and one of the leases has an option to renew for a further 3 years. Due to the terms of the Project Funding agreement it is assumed that ALR will vacate the premises at the end of the first lease period. ALR does not have the option to purchase either of the properties at the end of the lease terms.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are, as follows:

	30 June 2023
	Actual
Less than one year	508
One to five years	204
More than five years	-
Total	712

8. Cash and cash equivalents

Accounting Policy

Cash and cash equivalents include cash on hand and held on call.

	30 June 2023
	Actual
	\$(000)
Cash at bank	23,254
Total	23,254

Cash at bank earns interest at floating rates based on daily bank deposit rates.

While cash and cash equivalents at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

Explanation of major variances against budget

Cash and cash equivalents were \$8 million above budget. This is a result of the budget being based on recovery of actual spend. A decision by MoT in January adjusted this assumption to include accruals for the month based on the need to have the funds available to pay the invoices in the following month.

9. Trade and other receivables

Accounting Policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. ALR Ltd applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. These have been grouped based on the days past due.

	Note	30 June 2023
		Actual
		\$(000)
Current		
Trade receivables		79
Receivables from related parties	14 (ii)	29,689
GST receivable		3,447
Prepayments		186
Total		33,401
Non-Current		
Prepayments		28
Total		33,429

As at 30 June, the aging analysis of trade receivables was:

30 June 2023	\$(000) 0 - 30 days	\$(000) 30-60 days	\$(000) 60-90 days	\$(000) >90 days
Trade receivables 30 June 2023	-	-	-	79
Receivables from related parties	29,689	-	-	-

The estimation techniques or significant assumptions used in measuring the expected credit loss allowance during the reporting period are based on the trend over the 8 month period since ALR Ltd commenced operation. No credit loss allowance has been applied for the period ended 30 June 2023. Related party receivables relate to grant revenue from the Ministry of Transport as per normal arm's length transactions.

Prepayments relates to insurance premiums paid in advance and are recognised as both current and non-current assets. The insurance provides for environmental, statutory and general liability insurance.

Explanation of major variances against budget

Trade and other receivables were \$23.5 million above budget due to provision for May and June grant income.

10. Property, Plant & Equipment

Accounting Policy

Property, plant and equipment consist of furniture and fittings, computer hardware and office equipment.

Recognition and measurement

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Company, and the item's cost can be measured reliably.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the entity.

Repairs and maintenance costs are recognised as expenditure as incurred.

Depreciation

Assets are depreciated on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life.

The estimated useful lives of plant and equipment are as follows:

Furniture and fittings	5 years	20%
Office equipment	5 years	20%
Computer hardware	5 years	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

These are included in surplus or deficit.

30 June 2023	Furniture & Fittings \$(000)	Plant & Equipment \$(000)	Computer Hardware \$(000)	Total \$(000)
Cost				
Opening balance	-	-	-	-
Additions	149	85	156	390
Disposals	-	-	-	-
Balance at 30 June 2023	149	85	156	390
Accumulated Depreciation				
Opening balance	-	-	-	-
Depreciation for the 8 months	2	7	12	21
Disposals	-	-	-	-
Balance at 30 June 2023	2	7	12	21
Net book value at 30 June 2023	147	78	144	369

There are no items of PPE where title has been restricted or that have been used for security against liabilities.

11. Accounts payable and accruals

Accounting Policy

Accounts payable and accruals represent liabilities of goods and services provided to the entity that have not been paid at the end of the financial year.

Short-term payables are recorded at the amount payable.

Breakdown of Accounts payable and accruals and further information

	30 June 2023 Actual \$(000)
Trade payables	12,384
Accrued expenses	18,381
Total	30,765

Explanation of major variances against budget

Accounts payable and accruals were above budget, \$13 million related to the Alliance partners covering 5 weeks' (22 May - 30 June 2023) of estimated costs due to the billing cycle of the Alliance.

12. Employee entitlements

Breakdown of Employee entitlements

	30 June 2023 Actual \$(000)
Annual leave	148
Accrued salaries and wages	159
Total	307

13. Equity

Accounting Policy

Equity is made up of accumulated comprehensive revenue and expense and contributed capital.

Accumulated comprehensive revenue and expense is the Company's accumulated surplus or deficit since the formation of the Company.

Contributed capital represents the initial funding amount paid in consideration for the issuance of shares in ALR Ltd. 90 Ordinary shares were authorised, issued and paid for in full at a par value of \$277,777 on an equal basis across each of the Shareholders.

Capital injection funding relates to funding received from ALR Ltd's capital appropriation for the purchase of fixed assets on commencement of the Company.

Equity is measured as the difference between total assets and total liabilities. Equity is classified into the following components:

- Contributed capital (Ordinary shares)
- Surplus/(deficit)

Shares

Ordinary shares:

Right, preferences, and restrictions attached to the ordinary shares are:

- Every share in the Company must be held on behalf of the Crown by a Minister of the Crown.
- Neither the Board nor any other person may issue any shares, or securities convertible into shares, or options to acquire shares, in the Company unless the issue (including the terms of the issue) is expressly authorised in writing by the Shareholders.

	Minister of Finance	Minister of Transport	Minister of Housing	Total number of shares	Total value of shares
2023					
Number of shares	30	30	30	90	
Total value of shares (\$000)	8,333,333	8,333,334	8,333,333		25,000,000
					25,000,000

Capital Management

ALR Ltd's capital is its equity, which comprises capital and accumulated surplus/(deficit). Equity is represented by net assets.

ALR Ltd is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities, and the use of derivatives.

ALR Ltd has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

ALR Ltd manages its equity by prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that ALR Ltd effectively achieves its objectives and purpose, while remaining a going concern.

14. Related parties

ALR Ltd is controlled by the Crown.

Transactions with other government agencies (e.g. government departments and Crown entities) are not disclosed as related party transactions when they are on normal terms and conditions consistent with the normal operating arrangements between government agencies.

i) Key management personnel

Key management personnel include the senior management team and the Board of Directors.

	FTE	Number of Personnel	30 June 2023 Actual \$(000)
Leadership Team	5.69	7	1,424
Directors'		7	283
			1,707

	Number of Personnel	Remuneration \$(000)	Incentive \$(000)	Benefit \$(000)
Thomas Parker (Chief Executive)				
FY23	1	395	26	13
Executive remuneration (excluding Chief Executive)				
FY23	6	972	-	18

The Chief Executive remuneration consists of Fixed Remuneration. The incentive was included as part of the Chief Executive's employment contract with Waka Kotahi and the employment terms and conditions were transferred to ALR Ltd.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel. If the number of personnel were reported as FTE the number of Leadership Team members would have been 5.69 FTE (2022: Nil FTE). The Company did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year.

The Company did not provide any loans to key management personnel or their close family members.

No Directors received compensation or other benefits in relation to cessation (2022: \$Nil).

ii) Related party transactions and balances

Related party transactions other than remuneration of key management personnel

All related party transactions that the Company entered into during the year occurred within normal client/supplier relationship and under terms equivalent to those that prevail in arm's length transactions in similar circumstances.

	Due from \$(000)	Owed to \$(000)
30 June 2023		
Crown	29,689	-
	29,689	-

15. Financial assets and liabilities and financial risk management

Accounting Policy

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets were initially recognised at fair value.

Trade and other receivables are usually received within 30 days of recognition. ALR Ltd actively manages unpaid debtors beyond 30 days.

After initial measurement, such financial assets are subsequently measured at amount due less an allowance for credit losses.

Financial liabilities

Financial liabilities are classified as payables. The Company's financial liabilities include trade and other payables.

Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

i) The table below summarises the maturity profile of the Company's financial liabilities which show the timing of the cash outflows and the maturity profiles of financial assets held by the Company which are readily saleable or expected to generate cash inflows to meet the cash outflows of the financial liabilities. The amounts disclosed are undiscounted contractual cashflow.

	30 June 2023 Actual \$(000)
Financial assets (at amortised cost)	
Cash and cash equivalents	23,254
Trade and other receivables	29,768
	53,022
Financial liabilities (at amortised cost)	
Trade payables	12,384
Accrued expenses	18,381
	30,765

30 June 2023	Carrying amount \$(000)	On demand \$(000)	Less than six months \$(000)	Six to twelve months \$(000)	Total contractual overflow \$(000)
Non derivative financial assets					
Cash and cash equivalents	23,254	23,254	-	-	23,254
Trade and other receivables	29,768	29,768	-	-	29,768
Total non derivative financial assets	53,022	53,022	-	-	53,022
Non derivative financial liabilities					
Trade payables	12,384	12,384	-	-	12,384
Accrued expenses	18,381	18,381	-	-	18,381
Total non derivative financial liabilities	30,765	30,765	-	-	30,765
Net contractual cashflows	22,257	22,257	-	-	22,257

ii) Financial instrument risks

The Company's risk policies identify and analyse the risks faced by the Company and set appropriate risk levels and controls to monitor those risks.

a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

b. Credit risk

Credit risk is the risk that one party will default on its obligation to ALR Ltd causing it to incur a loss.

The Company is mainly exposed to credit risk from its financial assets, and the maximum exposure to credit risk at balance date is represented by the total amount of financial assets in the statement of financial position:

- Cash and cash equivalents
- Trade receivables

The Company manages credit risk by analysing the credit worthiness of its customers. On call deposits are placed with Bank of New Zealand which has a long-term AA- credit rating by Standard & Poor's rating agency as at April 2023.

c. Liquidity risk

Liquidity risk is the risk that the Company will have difficulty meeting the obligations associated with its financial liabilities. ALR Ltd's approach to managing liquidity is to ensure that it has sufficient liquidity to meet its liabilities when they are due. An initial cash injection was provided by Shareholders when the company was created and funding is requested in a prescribed format on a monthly basis in arrears and therefore the Company has no significant exposure to liquidity risk.

d. Counterparty risk

Counterparty risk is the likelihood or probability that one of those involved in a transaction might default on its contractual obligations. ALR Ltd has a number of key contractual counterparties. ALR Ltd receives financial information from and regularly monitor the financial creditworthiness of these counterparties to ensure there is no risk of disruption to the project and that those counterparties being able to continue to satisfy their current and future commitments under their contracts with ALR Ltd. In reviewing financial creditworthiness ALR Ltd considers financial performance (including rating agency reports where available) of both the counterparty and, as applicable, their parent.

Sensitivity analysis

As ALR Ltd does not have a net exposure to a change in currencies at 30 June 2023, if the NZD had weakened/strengthened against any currencies, with all variables held constant, there would be no impact on ALR Ltd's deficit or surplus for the year.

16. Contingencies

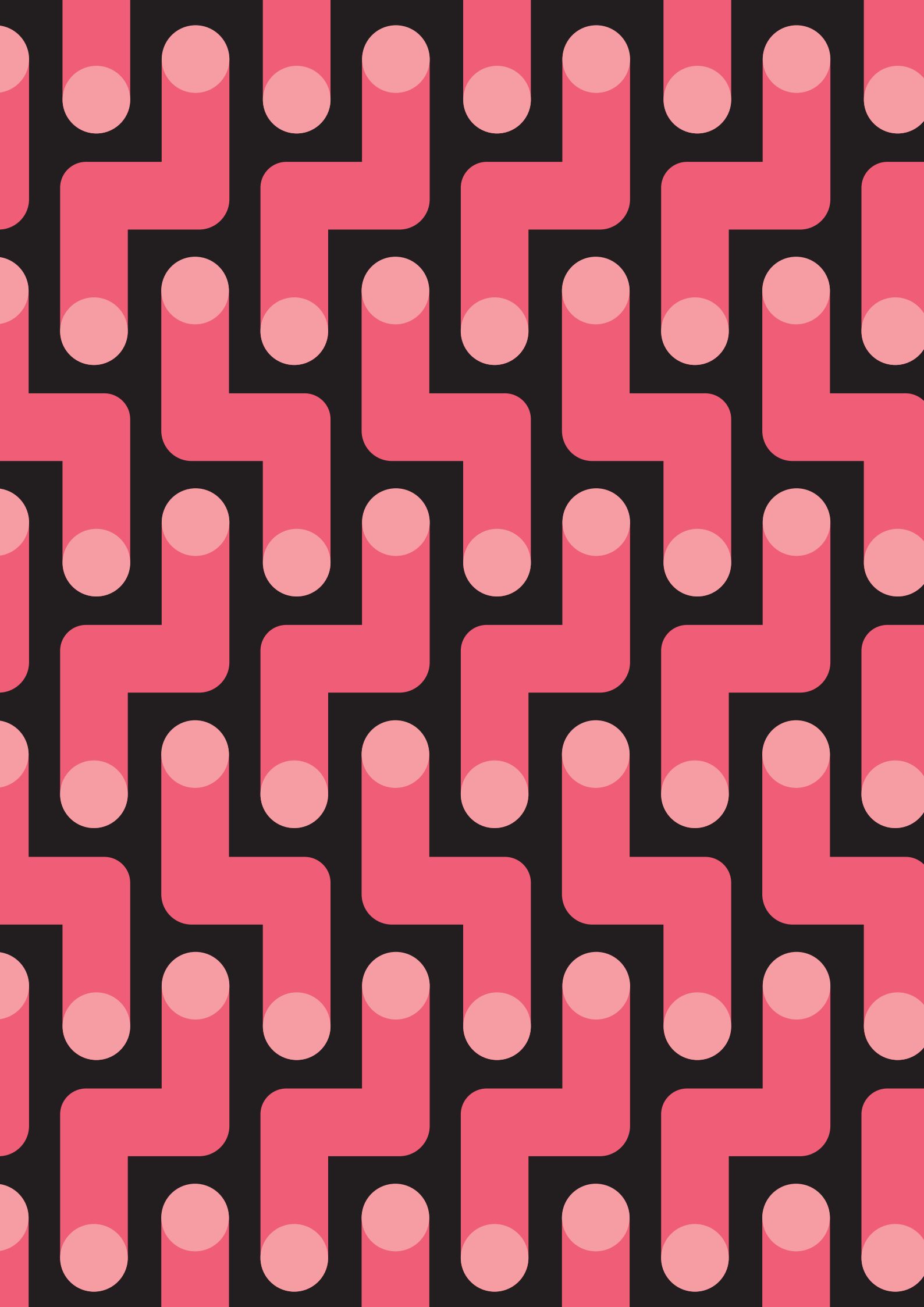
ALR Ltd has no contingent assets or liabilities as at 20 June 2023 (2022: Nil).

17. Subsequent events

In October 2023 ALR Ltd made settlement on its first property under the 'Early Property Programme'. The acquisition was made by tender on a 'willing seller, willing buyer basis' at an agreed value of \$33m.

18. Capital commitments

At 30 June 2023, the Company had no capital commitments (2022: Nil). While the Company has entered into an Alliance agreement the work being delivered in this pre construction phase is not capital in nature.



Remuneration and governance disclosures

Employee remuneration bands

Total remuneration paid or payable that is or exceeds \$100,000:

	30 June 2023 Actual
\$100,000 - \$109,999	3
\$110,000 - \$119,999	2
\$120,000 - \$129,999	1
\$150,000 - \$159,999	1
\$170,000 - \$179,999	1
\$330,000 - \$339,999	1
Total employees with remuneration of \$100,000 and over	9

Where remuneration bands are not shown in the table above, this represents that no employees were paid within those bands during the current year. No previous year comparator information because ALR Ltd is in its first year of operation. The data reflects the 8 months of operation to 30 June 2023.

Severance payments

No termination benefits relating to severance amounts were paid to employees in 2023 (2022: Nil) as a result of reorganisation of the Company.

Redundancy payments

No termination benefits relating to redundancy amounts were paid in 2023 (2022: Nil) as a result of the reorganisation of the Company.

Directors' remuneration

(Included in general expenses in the Statement of Financial Performance)

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

	30 June 2023 \$000
Dame Fran Wilde (Chair)	76
Heather Ash	41
Leigh Auton	36
Lucy Tukua	34
Leo Foliaki	37
Shane Elison	33
Chris Aiken	26
	283

No previous year comparator information because ALR Ltd is in its first year of operation

There have been no payments made to committee members appointed by the Board who are not Board members during the year.

Indemnities and insurance

In accordance with section 162 of the Companies Act 1993 and ALR Ltd's Constitution ALR Ltd has provided a deed of indemnity to Directors for certain activities undertaken in the performance of ALR Ltd's functions. ALR Ltd has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or cost of Directors and employees.

No Board members received compensation or other benefits in relation to cessation (2022: \$nil).

Directors' Interests

In accordance with Section 211(1)(e) of the Companies Act 1993, below are the details of entries made in the interests register of ALR Ltd during the financial year:

Director	Interest
Rt. Hon Dame Fran Wilde	<ul style="list-style-type: none"> • Chair of Te Papa Tongarewa Museum of New Zealand • Chair of the Royal New Zealand Plunket Trust • Chair of Asia New Zealand Foundation • Chair of Nikau Foundation • Chair of Wellington Lifelines Group • Director of Frequency NZ Limited
Chris Aiken	<ul style="list-style-type: none"> • Director of Kiwi Property Limited¹ • Chair of Kāinga Ora's Construction Programme Assurance Panel¹
Heather Ash	<ul style="list-style-type: none"> • Trustee of Te Akitai Waiohu¹
Leigh Auton	<ul style="list-style-type: none"> • Director of Auton & Associates Limited • Chair of Papakura Kootuitui Trust • Chair of Papakura Commercial Properties Group for Papakura Local Board/ Tātaki Auckland Limited² • Chair of Manurewa Town Centre and Steering Group for Manurewa Local Board/Tākaki Auckland Unlimited² • Deputy Chair/Trustee of Ako Mātātupu Tech First NZ²
Shane Ellison	<ul style="list-style-type: none"> • Deputy Chair of Dunedin International Airport Limited¹ • Director Tāwhirimātea Advisory (Ngā Kaitohutohu o Tāwhirimātea) Limited¹ • Advisor to Koau Capital Partners¹ • Advisor to Queensland Investment Corporation¹ • Advisor to Chapter and Verse Limited¹
Leo Foliaki	<ul style="list-style-type: none"> • Council Member of Auckland University of Technology¹ • Director of New Zealand Opera Limited¹ • Director of Tāmaki Regeneration Limited¹ • Trustee of Dilworth Trust¹ • Trustee of Fred Hollows Foundation NZ¹ • Trustee of TupuToa Trust¹ • Partner of PwC (until 31 December 2022)^{1,2}
Lucy Tukua	<ul style="list-style-type: none"> • Board member of Hauraki Māori Trust¹ • Waiheke Marine Project - Ngati Paoa Forum ^{1,2} • Board member of Auckland Council Urban Design Panel¹ • Executive member of Ngā Aho Incorporated Society¹ • Board member of Hauraki Māori Trust¹ • Employee of Mott MacDonald

¹ Entry added by notice given by the director during the financial year.

² Entry removed by notice given by the director during the financial year.

Directors' meeting attendance

Attendance by each Director was as follows:

ALR Meeting Attendance	ALR Board Meetings	ALR Board Workshops	Audit and Risk Committee Meeting ⁴	People and Culture Committee Meetings ⁵
Total Number of Meetings Held ¹	9	6	1	2
Rt. Hon. Dame Fran Wilde	9	6	1	2
Chris Aiken ²	5	3	-	-
Heather Ash	9	6	-	-
Leigh Auton	9	6	-	2
Shane Ellison ³	6	3	1	-
Leo Foliaki	9	4	1	1
Lucy Tukua	8	6	-	2

1. Auckland Light Rail Limited, incorporated during the financial year on 22 September 2022.

2. C Aiken appointed 14 February 2023.

3. S Ellison appointed 19 December 2022.

4. Committee only constituted in the last quarter of the financial year, membership for this committee is L Foliaki (Chair), S Ellison, and F Wilde (ex-officio).

5. Committee only constituted in the last quarter of the financial year, membership for this committee is L Auton (Chair), L Tukua, and F Wilde (ex-officio).

Information used by Directors

There were no notices from Directors requesting to disclose or use Company information in their capacity as Directors that would not otherwise have been available to them.

Independent Auditor's Report

To the readers of Auckland Light Rail Limited's financial statements and performance information for the period ended 30 June 2023

The Auditor-General is the auditor of Auckland Light Rail Limited (the company). The Auditor-General has appointed me, JR Smail, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 38 to 58, that comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in equity and statement of cash flows for the period ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information which reports against the company's statement of performance expectations and appropriations for the period ended 30 June 2023 on pages 26 to 33.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the period then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the company's performance information for the period ended 30 June 2023:
 - presents fairly, in all material respects, for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and

- its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
- presents fairly, in all material respects, for the appropriations:
 - what has been achieved with the appropriations; and
 - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure appropriated or forecast to be incurred; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to material uncertainty related to going concern. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matter - Material uncertainty related to going concern

Without modifying our opinion, we draw attention to the disclosure in note 1 on pages 44 and 45 about the use of the going concern assumption for preparing the company's financial statements. This note outlines the uncertainty over the future viability of the company, which is dependent on future decisions to be made by the Crown and Project Sponsors about proceeding with the project, and the company's ability to manage its costs over the next 12 months. These matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

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 audit opinion.

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

The Board is responsible on behalf of the company for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board 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 is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the company, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

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 the company's statement of performance expectations.

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 the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the performance information which reports against the company's statement of performance expectations and appropriations.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 the company 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 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 is responsible for the other information. The other information comprises the information included on pages 1 to 25, pages 34 to 37, pages 59 to 63 and pages 69 to 78, 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 the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in black ink, appearing to read 'JR Smail', with a long horizontal stroke extending to the left.

JR Smail
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand



Corporate Governance Statement

The Board has adopted a corporate governance framework that is appropriate for the size and nature of ALR Ltd's operations. The Board reviews and assesses governance structures and processes to ensure they remain appropriate and effective and are consistent with best practice standards. The Board endorses the corporate governance principles embodied in the Financial Markets Authority – Corporate Governance in New Zealand Principles and Guidelines 2018 (FMA Guidelines).

PRINCIPLE 1

Ethical Standards

“Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for delivering these standards throughout the organisation”.

The Board of ALR Ltd expects its Directors, officers, employees and contractors to maintain high standards of ethical conduct and to act legally, ethically and with integrity and in a manner that is consistent with its values and policies.

Code of Conduct

The Board sets a standard of ethical behaviour for the conduct of its business and adopts an ethics-based approach to its operations and decision-making. This approach is underpinned by a number of policies, including the Board adopted Code of Conduct (Code).

The Code provides general guidance and outlines the minimum expectations of the

behaviour expected of ALR Ltd employees and contractors. The Code contains a framework to help employees decide what to do when dealing with behaviour or facing a situation that does not seem right.

The Code draws together and summarises other key policies and expectations within the organisation, with the ongoing programme to maintain employee awareness and understanding of these policies and standards. This includes procedures for the reporting of breaches of the Code or other policies or laws, and a commitment from ALR Ltd that it will support any person who reports any legal or policy breach in good faith.

Conflict of Interest

The Board is cognisant of the risk posed by conflicts of interest. Therefore, the management of perceived and actual conflicts of interest is an important part of ALR Ltd's day-to-day governance practices.

The principles that govern the management of conflicts of interest are addressed in a number of the governance documents, including the Board

Charter, Code, and a range of internal policies. The Board has also adopted a Conflict of Interest Policy, which guides in the respective identification and management of conflicts of interest.

PRINCIPLE 2

Board Composition & Performance

“To ensure an effective board, there should be a balance of skills, knowledge, experience, independence and perspectives.”

The Board is responsible to shareholding Ministers for directing and monitoring the management and affairs of ALR Ltd. ALR Ltd’s principal purpose is set out in its Constitution, ‘to undertake, deliver and construct the Auckland Light Rail Project in the manner contemplated by, and subject to, all decisions made by the Crown.’

Consistent with the Crown Entities Act 2004, the Board will ensure that:

- Every decision made is consistent with the Company’s objectives, functions, current Statement of Intent and current Statement of Performance Expectations; and
- ALR Ltd performs efficiently and effectively, and in a manner consistent with the spirit of a public entity.

The Board’s roles and responsibilities are formalised in a Board Charter. The Board Charter outlines the functions that are reserved for the Board and those that are formally delegated to the Chief Executive and the senior leadership team. Directors review the Board Charter, to ensure it remains consistent with the Board’s objectives and responsibilities and sets an appropriate balance between the governance matters for which the Board retains responsibility and those operational matters which have been delegated to management. The relationship between the Board and management is a closely aligned one, with regular communication and interaction.



Composition of the Board, Appointment of Directors and the Chair

ALR Ltd's Constitution requires that the number of Directors may be varied from time to time but will not be fewer than two nor more than nine.

All Directors are non-executive and independent, and appointed by shareholding Ministers. Before appointing new Directors, shareholding Ministers consider the balance of competencies and experience on the Board, in consultation with the Chair.

Director Induction

All new Directors are appointed by way of a formal letter of appointment setting out the key terms and conditions of their appointment. New Directors participate in an induction programme with relevant information necessary to prepare new Directors for their role.

Indemnity and Insurance

In accordance with the Constitution, and to the extent permitted by law, ALR Ltd indemnifies and arranges insurance for all current and former Directors and key members of management. To the extent permitted by law, the indemnity and insurance protects the Directors against any liabilities that arise against any party, as they undertake their required roles and obligations.

Professional Development

The Board conducts continuing professional development for Directors, which includes briefings from the senior leadership team and other third parties. This is intended to enable Directors to maintain the knowledge and skill set required for the office of a Director of ALR Ltd. Directors may undertake appropriate training to remain current on how to best perform their duties as Directors.

Board Review

Directors carry out an annual performance review, which can be either an internal review or

engaging an independent third-party external review, to assess its performance and its engagement with the senior leadership team. The Board's objective with annual reviews is to enhance Board effectiveness by strengthening governance and leadership and ensuring these are aligned with achieving the ALR Ltd's purpose and strategy.

Diversity and Inclusion

The ALR Ltd Board understands that different perspectives contribute to a more successful business and recognises the value in diversity of thinking and skills.

ALR Ltd is committed to an inclusive workplace that embraces and promotes diversity through initiatives that focus on equal opportunity. ALR Ltd considers that diversity encompasses differences that relate to gender, marital status, religious belief, colour, race, ethnicity or national origin, disability, age, political opinion, employment status, family status or sexual orientation. It recognises the importance of fostering a diverse workforce to drive sustainable operational success and creating a high performing culture.

PRINCIPLE 3

Board Committees

“The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility”.

Committees play an important role in ALR Ltd's governance framework, allowing a subgroup of the Board to focus on a particular area of importance, while still ensuring the Board as a whole is responsible for decision-making. The Board has two standing committees, which are: the Audit and Risk Committee and the People and Culture Committee. All committees operate under a written charter.

Board and Committee Meetings

The Board schedules a minimum of 10 meetings per year, at which Directors receive written

reports and presentations from the Chief Executive Officer and senior leadership team providing an overview of the project and financial results for the period in review, matters for Board approval, and an outline of key health and safety matters and as appropriate, risk and governance reports. Directors also attend workshops with members of the senior leadership team and advisors, and other meetings in connection with their role as a Director of ALR Ltd.

Details of Board and Committee Meeting attendance can be found in the 'Governance and Remuneration Disclosure' section.

PRINCIPLE 4

Reporting and Disclosure

“The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”

The Audit and Risk Committee assists the Board in providing oversight of all matters relating to financial management, risk management and controls, financial accounting and the audit and external reporting requirements related to ALR Ltd.

The Board establishes processes to identify and consider the material business risks faced by ALR Ltd, and regularly receives risk management reports and reviews key risks to the organisation and the controls implemented to manage exposure to these risks. All identified risks have specific mitigation strategies where appropriate, and management regularly reviews the effectiveness of these strategies.





PRINCIPLE 5

Remuneration

“The remuneration of directors and executives should be transparent, fair and reasonable.”

Directors’ Remuneration

Directors are remunerated in the form of Directors’ fees as set by shareholding Ministers, with a higher level of remuneration for the Chairperson of the Board and no additional amount for the respective Chairs of the Board committees and members of the committees. No Director of ALR Ltd is entitled to any remuneration other than by way of Directors’ fees and the reasonable reimbursement of travel, accommodation and other expenses incurred in the course of performing duties or exercising their role as a Director.

Director remuneration for those Directors who held office in the year to 30 June 2023 is set out in the ‘Governance and Remuneration Disclosure’. These fees are consistent with those approved by shareholding Ministers.

Chief Executive and Senior Leadership Team Remuneration

The ALR Ltd Board is committed to a fair and reasonable remuneration framework for the Chief Executive and members of the senior leadership team. ALR Ltd’s remuneration policy for its senior executives (including the Chief Executive) and other staff are based on a fixed remuneration policy as the basis for the remuneration package. ALR Ltd compares remuneration to the median of market data across the commercial and state sector.

Chief Executive and Senior Leadership Team remuneration for those who held office in the year to 30 June 2023 is set out in the ‘Governance and Remuneration Disclosure’ section.

People and Culture Committee

The People and Culture Committee has oversight of the annual performance review process and makes recommendations to the Board. Performance evaluations of the Chief Executive Officer are undertaken each year.

PRINCIPLE 6

Risk Management

“Directors should have a sound understanding of the key risks faced by the business and should regularly verify there are appropriate processes to identify and manage these.”

Risk Management Programme

The Board recognises that identification and management of risks to ALR Ltd’s operations is essential to the success of the ALR Ltd project. The Board is responsible for overseeing and approving ALR Ltd’s risk management strategy and policies, as well as ensuring effective audit, risk management and compliance systems are in place. ALR Ltd has established a risk management programme, documented in the risk appetite statement and risk management framework and supported by a set of risk-

based policies appropriate for ALR Ltd and its operations. The principal purpose of this programme is to integrate risk management into operations, and to formalise risk management as part of ALR Ltd's internal control and corporate governance arrangements. As part of the risk management framework, management maintains a comprehensive risk register, assigning each risk a rating based on the likelihood and impact of the risk, both before and after application of controls. The risk register is reviewed regularly, and the high and critical risks are reported to the Board in addition to any risk that move beyond the set Board appetite, as well as any new risks.

The risk management programme also reflects its commitment to health and safety. The Board acknowledges that effective governance of health and safety is essential for its continued success and ensuring the health, safety and wellbeing of its people.

PRINCIPLE 7

Auditors

“Boards should ensure the quality and independence of the external audit process.”

External Audit

Audit New Zealand is the current auditor of ALR Ltd, on behalf of the Office of the Auditor General.

The principles that govern the relationship between ALR Ltd and its external auditors are set out in the Audit and Risk Committee Charter. The external auditor attends all meetings of the Audit and Risk Committee and has the opportunity to meet without any representatives of management present. Directors are free to make direct contact with the external auditor as necessary to obtain independent advice and information.

Internal Audit

PRINCIPLE 8

Shareholder & Stakeholder interests

“The board should respect the rights of shareholders and foster constructive relationships with shareholders and stakeholders that encourage them to engage with the entity.”

As a Crown Entity, ALR Ltd has three shareholding Ministers acting on behalf of the Crown, who hold the company's shares. In addition to producing a Statement of Corporate Intent, Statement of Performance Expectation and Annual Report (all of which are tabled in Parliament), ALR Ltd also provides monthly and quarterly reporting to the Sponsors' representatives.

Shareholding Ministers are also kept informed about developments of significance on an ongoing basis and in accordance with their “no surprises” policy. ALR Ltd has formal and informal processes for regular engagement with stakeholders to identify and explore issues of concern to them that impact on the company's business or are likely to in future.

Relationship with Other Stakeholders

ALR Ltd engages with many other stakeholders associated with its purpose and the ALR project. ALR Ltd adopts and promotes a range of practices which reflect the respect it holds for its stakeholders and the value that good relationships with stakeholders holds, in achieving its purpose.







Auckland
Light Rail Limited



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