



Auckland Light Rail Limited

Statement of Performance Expectations

For year ending 30 June 2024

Bringing us closer





Auckland Light Rail Limited Statement of Performance Expectations

For the year ending 30 June 2024

This statement of performance expectations (SPE) is submitted by the Board of Directors of Auckland Light Rail Ltd, pursuant to the Crown Entities Act 2004 and sets out the activities of Auckland Light Rail Limited for the period from 1 July 2023 to 30 June 2024.

The Board are responsible for the financial statements presented, including the appropriateness of the assumptions made in preparing the financial information and all other disclosures.



Dame Fran Wilde

30 June 2023



Leo Foliaki

30 June 2023

Introduction

This Statement of Performance Expectations (SPE) sets out the performance expected of Auckland Light Rail Limited (ALR Ltd) for the 12 months from 1 July 2023 to 30 June 2024 and how we will measure progress.

The areas of focus in this document are informed by the Cabinet Paper (Auckland Light Rail – decision to progress), the Project Planning and Funding Agreement, as well as direction provided by Cabinet, the Crown and Sponsors as the project progresses.

Establishment

From April 2021, a unit initially working through Waka Kotahi and subsequently the Ministry of Transport advanced the ALR programme (ALR Unit).

In October 2022 ALR Ltd was established 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 ALR Unit.

Financial cutover from the Ministry of Transport to ALR Ltd was 1 November 2022.

Auckland Light Rail Limited



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Strategic Objectives of the Auckland Light Rail (ALR)

Tāmaki Makaurau is growing and increasingly becoming New Zealand's innovative, globally connected, economic engine. The scale of the growth brings major benefits but 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 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 (defined in this section and referred to as the ALR Project). 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.

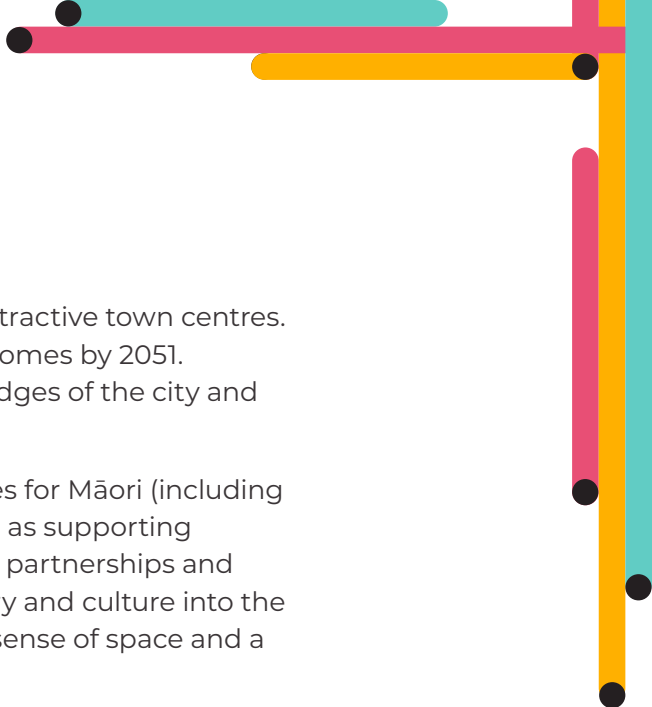
The initial corridor stretches 24-kilometres from Auckland's City Centre to Māngere, comprising up to 18 stations. This will help fill the current significant gaps in Auckland's public transport connectivity where it is most needed. For example, public transport journey times from Māngere are lengthy and unreliable, with private vehicles accounting for 85 percent of all journeys to work by Māngere residents.

Carrying up to 17,000 passengers at peak, light rail will remove 14,500 cars an hour from roads at peak times. It will also halve travel times to the city from most destinations and enable an additional 50,000 more households to have access to the city centre within 45 minutes. A station servicing the city's two universities will also make tertiary education more accessible by public transport, particularly for students in Onehunga and Māngere.

The City Centre to Māngere corridor, 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 quality compact urban form.

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

Auckland Light Rail will help shape neighbourhoods, connecting people to work and study, giving easy transport access between the city and new, quality housing, shops, businesses and community facilities.



Future stations will be located within the heart of safer more attractive town centres. Light rail will be a catalyst to create an additional 66,000 new homes by 2051. Revitalising communities will reduce the need to grow at the edges of the city and save infrastructure costs.

It will provide greater access to cultural and educational facilities for Māori (including marae, kōhanga reo, kura kaupapa Māori and wānanga) as well as supporting opportunities to grow the Māori economy through commercial partnerships and workforce development. By incorporating mana whenua history and culture into the urban design and planning process it will help develop a clear sense of space and a rich cultural identity.

ALR will help meet the Government's climate change response targets by delivering public transport choice and compact urban form to encourage mode shift, reducing carbon emissions generated from transport and improving air quality.

ALR will help 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. ALR construction will pump hundreds of millions of dollars into the economy and will create long term opportunities to strengthen and improve New Zealand's entire construction industry supply chain.

Objectives and Purpose of Auckland Light Rail Limited

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 ALR in mid-2024.

A Project Planning and Funding Agreement governs the ALR Project during the detailed planning phase. This is an agreement between ALR Ltd, the Crown, and Auckland Council dated 7 October 2022.

This agreement sets out:

- The roles and responsibilities of the Crown, Sponsors (being in addition to the Crown, Auckland Council and Mana Whenua (collectively known as the Sponsors and defined as such in the Project Planning and Funding Agreement)) and ALR Ltd in relation to ALR;
- Assurance and monitoring arrangements in relation to the ALR Project;
- The terms under which the Crown will provide funding to ALR Ltd; and
- The key objectives and other terms and conditions on which ALR Ltd is appointed to advance ALR through the detailed planning phase.

Reportable Outputs

This section provides a description of the intended outputs for the period 1 July 2023 to 30 June 2024 which are reportable under section 149E(1)(a) of the Crown Entities Act 2004. ALRs reportable outputs are as follows:

To provide 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.

ALR Ltd has an established baseline forecast for the cost of the detailed planning phase of \$189m. This is a multi year appropriation established in 2022/2023 and includes a capital appropriation of \$26m.

An additional \$131m for delivery of the Early Property Programme and reporting against this baseline will assist Management and the Board in the delivery of the business case and early property acquisition for the ALR Project and keeping the Shareholders informed of progress. ALR Ltd will report regularly to the Shareholders, and to the Sponsors as set out in the Project Planning and Funding Agreement.

Given its planning function ALR Ltd will not be expected to make a profit or provide a dividend to its shareholders.

The expected revenue and expenditure for each reportable output for the 12 months to 30 June 2024 is as follows:

The performance of the output will be measured using the following performance targets for the financial year ending 30 June 2024 relate to the planning phase of the project.

Detailed planning phase for the Auckland Light Rail Project	Revenue (\$000)	Expenditure (\$000)
Corridor business case and Corridor Strategic Framework by June 2024 to inform a final investment decision	87,414	97,986
Capital Appropriation	Funding (\$000)	Expenditure (\$000)
Funding available for capital purchases to facilitate the operations of Auckland Light Rail Ltd	302	302
Early Property Programme	Funding (\$000)	Expenditure (\$000)
The early property programme was established in 2022/2023 to support the execution of early land acquisition activities	124,335	124,335

The performance of the output will be measured using the following performance targets for the financial year ending 30 June 2024 related to the planning phase of the project.

Areas of Focus

ALR Ltd is a new entity and this will be its first full year of operation.

It has identified 7 areas of focus for the next 12 months:

- Build confidence in the delivery of the project
- Establishing a genuine relationship with Mana Whenua and Māori
- Building and maintaining good relationships with stakeholders, local and central government and local communities
- Urban development
- Early property programme
- Integration with other wider transport network, including Additional Waitematā Harbour Connections and North West Rapid Transit Corridor
- Zero harm and thriving infrastructure

Build confidence in delivery of the project

There are three key deliverables ahead of the final investment decision, which are:

- A corridor business case (CBC), which will demonstrate the case for investment for both the transport infrastructure (to Detailed Business Case level) and to articulate the case for urban change (to Indicative Business Case level) within the City Centre to Māngere corridor.
- A Corridor Strategic Framework (CSF), which establishes the vision and aspiration for how the corridor will evolve over time. It identifies the outcomes and benefits to be realised beyond the delivery of project and NoR. The narrative articulated in the CSF supports and is aligned with the CBC. The CSF will also align with and inform Auckland's planning and policy framework including the Future Development Strategy (FDS) and the Auckland Unitary Plan.
- Applications for statutory approvals for the majority of the route and stations.

Corridor Business Case (CBC)

The point of entry for the business case is set out in an Investment Management System letter dated June 2022, which built on the content and findings from the Indicative Business Case and the Auckland Light Rail – decision to progress Cabinet paper.

The business case is being developed in accordance with Treasury's Better Business Case (BBC) framework and the government's wider Investment Management guidance. The business case will be subject to Treasury's BBC gateway review process which will occur prior to finalisation of the business case and the final investment decision.

The purpose of this CBC is to demonstrate the case for investment for both the transport infrastructure (to Detailed Business Case level) and to articulate the case for urban change (to Indicative Business Case level) within the City Centre to Māngere

(CC2M) corridor. It will enable an investment decision on the transport infrastructure and an understanding of the corresponding urban benefits at the corridor level. The CBC will also set out options for achieving increased certainty of urban benefits and associated levels of investment. A preferred option for urban benefit realisation will be presented for consideration to progress to Detailed Business Case.

Understanding the extent of the urban benefits that can be realised is integral to achieving the benefits of the transport investment.

Key milestones in this reporting period include:

August 2023 – March 2024 - Market Engagement

- ALR are planning to engage with the market to inform the transport commercial, urban commercial, financial and management cases. This engagement will be undertaken in stages with initial market sounding scheduled for August and targeted market sounding scheduled to commence in November.

Feb 2024 – Treasury Gateway Review

- The final draft CBC will go through treasury gateway review in February 2024.

April 2024 – final CBC to Sponsors

- The final CBC will be taken to Sponsors for their endorsement in April 2024.

Mid 2024 – Final Investment Decision

Corridor Strategic Framework

The Corridor Strategic Framework is the enduring framework that will guide the ongoing implementation and delivery of the project over time. It contains the Vision for the Corridor, as well as:

- Corridor Strategies that will weave together the structural and non-structural components that make up the corridor's urban form. The strategies will set out corridor-wide principles and outcomes which will be supported by key moves and initiatives required to realise these. The strategies provide a tangible understanding of benefits to support measurement and assessment by the business case team. A Mana Whenua Cultural Values Framework is being developed which will inform the outcomes and opportunities identified in the strategies.
- Provisional Catchment Development Frameworks (PCDF) will articulate the initial place-based aspiration for each station, or cluster of stations, in the corridor including an understanding of the total quantum of urban uplift across the corridor. They will guide decisions to unlock land for future connectivity and urban development.
- Context Analysis Report (CAR) which holds the evidence base and background information for the whole project. It is a live report which will be updated overtime as and when new evidence and information comes to light. The CAR includes evidence and information across the seven Corridor Strategy disciplines which has been provided by Partners and Infrastructure Providers. It is spatially structured to ensure we consider evidence and information at the city, corridor and catchment level.

Key milestones during this reporting period include:

August 2023

- Context Analysis Report

November 2023

- Provisional catchment development frameworks
- Corridor Strategic Framework

Statutory approvals

Sponsors have approved a Statutory Approvals Strategy, comprising:

- Lodgement of Notice of Requirement (NORs) for the full corridor, including six of the underground stations and all surface stations;
- Lodgement of a full suite of coastal crossing resource consents (for occupation and construction) following NOR lodgement
- Concurrent notification of the NORs and coastal crossing resource consents, followed by a request for Direct Referral to the Environment Court
- Stage the lodgement of the remaining underground stations and all required resource consents for the entire corridor at a later date.

The key milestones in this reporting period are:

- Lodgement of 18 NORs for the route and stations between Te Waihorotiu Station to Te Ararata Station (includes 12 stations and the depot) – August 2023
- Lodgement of 4 NORs for Mangere Town Centre and Mangere Industrial stations with associated route, and coastal resource consents for crossing of the Manukau Harbour Crossing, Onehunga Lagoon and Te Ararata Street – November 2023.
- Concurrent notification of all NORs and coastal crossing resource consents anticipated for February 2024.
- Environment Court hearing anticipated in late 2024.

Establishing a genuine relationship with Mana whenua and Māori

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. The ALR relationship with Ngā Mana Whenua o Tāmaki is embedded in Te Tiriti o Waitangi and underpinned by Te Rautaki Huangā Māori: Māori Outcomes Strategy, which 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 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, and opportunities identified by mana whenua entities.

In 2022, ALR approached Mana Whenua with an interest in the ALR project and established the Kaitiaki Forum to ensure Mana Whenua participation in the process and work with ALR to incorporate kaitiakitanga, sustainability, cultural history and design, from a tikanga Māori perspective, as well as capture the opportunities to improve social, economic and Māori wellbeing. To date, we 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 Paoa
- Ngāti Tamaoho
- Ngāti Tamaterā
- Ngāti Te Ata Waiohua
- Ngāti Whanaaunga
- Ngāti Whātua Ōrākei
- Te Ahiwaru Waiohua
- Te Ākitai Waiohua
- Te Kawerau ā Maki
- Te Patukirkiri
- Te Runanga o Ngāti Whātua
- Ngāti Whātua o Kaipara
- Ngāti Maru
- Waikato-Tainui.

Given the level of input required by Mana Whenua for the Notice of Requirement process, ALR will continue to offer support to Mana Whenua, utilising specialists who offer technical support on behalf of Mana Whenua to help them make informed decisions for the project.

Te Ōhanga Māori: The Māori Economy workstream - developed for the ALR work programme – is a critical driver for one of the key outcomes for the project – contributing to the intergenerational wealth, prosperity and wellbeing of Mana Whenua and Māori across Tāmaki Makaurau.

Te Ōhanga Māori is in the initial stage of its approach. This significant work programme will build on the economic opportunities outlined in Te Rautaki. Alongside this, progress is being made in commercial partnerships, procurement and Pakihi Māori, our Māori business programme.

Building and maintaining good relationships with stakeholders, local and central government, local communities

At the heart of ALR's purpose and objectives is building and growing inclusive and sustainable communities with equitable access to public transport that provides employment, education, social and cultural opportunities. To achieve this it is critical that we build strong community relationships and that we are excellent at partnering and collaborating with others.

Understanding the distinctive and shared aspirations and challenges of the different communities along the light rail corridor and using these insights to shape decision making will be key to building trust and support for the project, as well as delivering its overall objectives.

This will be achieved by prioritising early, regular and genuine engagement with communities and stakeholders who will be affected by and will benefit from ALR. This includes a programme of regular community events and activities to encourage participation and feedback, as well as communications to provide regular, relevant information to the distinct audiences in corridor communities, greater Tamaki Makaurau and more broadly across Aotearoa.

Many of ALR's goals will be created in partnership with others, including central and local government and their agencies, as well as community groups. ALR is embedding organisation-wide partnering and relationship management frameworks, processes and tools to support a collaborative approach. We will continue to develop our partnering capability with a focus on building trusted, long-term relationships to deliver shared outcomes. The quality and effectiveness of partnerships, engagement and communications will be measured and reviewed regularly through stakeholder feedback and surveys, as well as engagement outreach measures including website and engagement portal visits and levels of participation in formal engagement phases.

Urban Development

A key determinant of the scale, quantum and timing of urban regeneration will be the Corridor Strategic Framework which includes detailed analysis of the urban uplift potential at each of the station locations. As described above, this analysis will be provided through the Provisional Catchment Development Frameworks.

The delivery of urban development will be guided by the application of urban interventions to increase the certainty of achieving the desired outcome across the corridor. The four categories of intervention are policy, planning and statutory, financial, and delivery. All of these, or a combination of some, will be deployed within station catchments depending on the level and type of intervention required.

As an example, within the 'delivery' intervention category, ALR will develop partnerships with Eke Panuku and Kāinga Ora. Such an intervention is particularly relevant for Māngere and Onehunga but may also be used to support the delivery of opportunities at other priority station locations. Partnering enables ALR to leverage knowledge, skills and resources to increase the collective impact of the public investment.

ALR will continue engagement with Kāinga Ora to support alignment between Crown investments in transport and urban development, in particular at Wesley.

During the reporting period, ALR will establish a joint Strategic Relationship Group with Kāinga Ora and Eke Panuku and agree a programme of work and resourcing to support it.

Early property programme

ALR Ltd has been established as a legal entity which enables it to acquire and hold land. ALR will be able to proceed with early strategic land acquisition on the open market on the basis of willing buyer willing seller once it has final approval from ALR Ministers.

ALR Ltd has prepared a strategy known as the Early Property Programme (EPP). Under the EPP, ALR Ltd intends to acquire three categories of land:

- Rail – corridor, stations, depots.
- Station Precinct – for station development and including land needed for construction layover.
- Wider station catchment development land – to facilitate land assembly for urban development outcomes.

Partnerships between ALR Ltd and Kāinga Ora and Eke Pānuku will be an essential component of the wider land acquisition strategy for ALR Ltd going forward.

In this reporting period, we expect to agree the preferred approach to land acquisition and enter into the necessary agreements to enable those property purchases.

Subject to agreement how land will be acquired, we expect to start acquiring property in this reporting period on a willing buyer/ willing seller basis. Priority sites have been identified in Onehunga and Dominion Junction in the first instance.

Integration with other wider transport network, including Waitematā Harbour Connections and North West Rapid Transit Corridor

The City Centre to Mangere corridor 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 quality compact urban form.

The Waitematā Harbour Connections and North West Rapid Transit Corridor projects are being delivered by Waka Kotahi.

ALR is aligned with Waka Kotahi at all layers of the project, with an operational interface group, as well as a governance group comprising three members from each board, as well as senior management to ensure alignment of assumptions and outputs to enhance the network.

Zero harm and thriving infrastructure

Cabinet has directed ALR Ltd to adopt a “zero harm and thriving infrastructure approach” that embeds a focus on caring for the wellbeing of people at every level, including governance and procurement.

There are two elements to this:

- Being a good employer
- Safety

Being a good employer

As a new operating entity model in infrastructure delivery, ALR is committed to career and capability development and providing a safe environment for our people. We also have the 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.

Our desire to create a thriving and sustainable future is further supported by To Tātou Kaupapa, our founding cultural document which espouses three key values to help us achieve our goals: Serving Tāmaki Makaurau, Strength in Collaboration and Pursuing Excellence.

To Tātou Kaupapa



Our vision

Connecting Tāmaki Makaurau to create a thriving, sustainable future.



Serving Tāmaki Makaurau Ngakaunui ki Tāmaki

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



Our purpose

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



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

Safety

ALR is committed to a culture that holds safety as a core part of the company's identity. This commitment ensures that ALR Ltd will deliver rail infrastructure that is safe to everyone: constructors, operators, maintainers, and passengers, during the life of the railway. ALR Ltd has adopted internationally recognised standards and an industry best practice approach for safety management and safety assurance to support the construction, operational acceptance and rail licensing of the ALR system. This includes fostering strong safety culture and human centred design principles by all project parties. The approach ensures that safety is considered from the start and in all decisions taken by the project, and that progressive assurance is provided for the achievement of safety goals and requirements. The project is committed to strong safety governance and to provide the necessary resources and support to all personnel involved in the project to achieve excellence in safety.

The ALR project is actively engaging with safety regulators, emergency services and other key stakeholders, including community, mana whenua and accessibility groups to ensure that the project delivers infrastructure that is safe, accessible, reliable and user centric.

In the consent design phase, the project is undertaking hazard identification and safety in design activities to ensure that safety risks related to both construction and operation of the ALR system have been identified and that these will be eliminated or minimised so far as is reasonably practicable in the coming design phases of the project. The project has also undertaken planning for safety assurance and setting up governance structures for safety, with the issue of the ALR Safety Assurance Management Plan and the establishment of the Rail Safety Assurance Working Group. A Safety Assurance Report will be published at the end of consent design to summarise the safety assurance activities undertaken in this phase and the activities planned for the next phases of the project. A Safety Stage Gate will also be held to demonstrate the completion of safety assurance activities to senior leaders in the project as well as to Waka Kotahi NZ Transport Agency, as the Rail Regulator.

Safety activities that will be progressed in the coming year include:

- Safety in design workshops covering both construction and operational safety hazards and risks
- Hazard identification sessions for the operational railway
- Safety Assurance Management Plan updated
- Systems Engineering Management Plan updated
- Health and Safety Management Plan created covering construction safety
- Safety Assurance Report per project phase
- Safety Stage Gate per project phase
- Continuing regular liaison with Waka Kotahi NZTA as the Rail Regulator, Work Safe, Emergency Services teams, and accessibility groups

Performance Measures for 2023-2024

In selecting the performance measures, ALR Ltd has been guided by the Cabinet Paper (Auckland Light Rail – decision to progress), the Project Planning and Funding Agreement, as well as direction provided by Cabinet, our Ministers and Sponsors as the project progresses.

Given the significant Crown investment and a high level of public interest in ALR Ltd's delivery, it is important that ALR Ltd has careful stewardship and effective oversight across its activities. Our annual, quarterly and monthly reporting will maintain focus on accountability and transparency of ALR Ltd's outcomes. We will consult Sponsors on Sponsor Guidance Matters and Sponsor Decision Matters.

Acknowledging the obligation to responsibly spend public money, ALR Ltd will continue to follow prudent financial stewardship to manage risk.

Measuring and reporting on our progress towards our outcomes is fundamental to our continued success. An open and transparent approach allows the Government and our stakeholders to measure our performance on delivering Auckland Light Rail. The performance measures relate to the stage of the project, which is still in the planning phase. The measures below relate to our areas of focus.

We will provide monthly and quarterly reporting to the sponsors' representatives, in accordance with the PPFA.

We will use the following criteria to rate and report on our performance measures in our annual report at the end of the financial year:

- **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
- **Substantially achieved** – where the performance result for the year is below the target but has not been achieved by a slim margin, it will be assessed as substantially achieved
- **Not achieved but progress made** – where the performance result for the year is below the target, but progress has been made
- **Not achieved** – where the performance is below the target.

Area of focus	Outcome	How this will be measured
Build confidence in the delivery of the project	<ul style="list-style-type: none"> The Crown has sufficient information to make the Final Investment Decision as to whether or not to proceed the ALR Project into the Delivery Phase following receipt of the CBC and associated advice. 	<ul style="list-style-type: none"> Monthly and quarterly reporting in accordance with the PPFA. Monthly meetings with the Crown monitor and sponsors' representatives. Actual completion date for the key milestones against target completion date:

Corridor Business Case (CBC)

August 2023– March 2024	<ul style="list-style-type: none"> Market Engagement.
February 2024	<ul style="list-style-type: none"> Treasury Gateway Review.
April 2024	<ul style="list-style-type: none"> Final CBC to Sponsors.
Mid 2024	<ul style="list-style-type: none"> Final Investment Decision.

Corridor Strategic Framework

August 2023	<ul style="list-style-type: none"> Context Analysis Report.
November 2023	<ul style="list-style-type: none"> Provisional catchment development frameworks. Corridor Strategic Framework.

Statutory Approvals

August 2023	<ul style="list-style-type: none"> Lodgement of 18 NORs for the route and stations between Te Waihorotiu Station to Te Ararata Station (includes 12 stations and the depot).
November 2023	<ul style="list-style-type: none"> Lodgement of 4 NORs for Mangere Town Centre and Mangere Industrial stations with associated route, and coastal resource consents for crossing of the Manukau Harbour Crossing, Onehunga Lagoon and Te Ararata Street.
February 2024	<ul style="list-style-type: none"> Concurrent notification of all NORs and coastal crossing resource consents anticipated.
late 2024	<ul style="list-style-type: none"> Environment Court hearing anticipated.

Area of focus	Outcome	How this will be measured
Establishing a genuine relationship with Mana Whenua and Māori	<ul style="list-style-type: none"> 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. Commercial opportunities for mana whenua and Māori identified. 	<ul style="list-style-type: none"> Number of governance and leadership meetings with mana whenua. Number of meetings with kaitiaki. Māori (Mana Whenua, Mataawaka) feedback has been heard and responded to, evidenced by reporting to ALR Board and Sponsors. Te Ohanga Māori strategy developed.
Maintaining good relationships with stakeholders, local and central government and local communities	<ul style="list-style-type: none"> There is active participation from a broad range of diverse communities to help inform decision making. Our structures and processes support and ensure organisation-wide partnering, collaboration and relationship management is embedded into all outcomes. We use fit for purpose tools to apply local approaches to address community issues and opportunities. There is increasing understanding and public awareness of the ALR Project. Stakeholders have trust and confidence that ALR Ltd is good to collaborate and partner with, whether that be Sponsors, local communities, employees and contractors, suppliers, and broader stakeholders. 	<ul style="list-style-type: none"> Two annual stakeholder surveys to measure the level of public understanding and sentiment about the project so that communications and engagement activities can be targeted to deliver an increase in knowledge. Organising, tracking and reporting event and engagement activities that support delivery of programme milestones to inform decision making. Six monthly survey measuring satisfaction with ALR Ltd, as an organisation with which to deal. Year on year increase in visits to engagement channels including website and engagement portal. Contributing to a minimum of five editorial publications. Minimum of 8 proactive media releases and activations.
Urban development	<ul style="list-style-type: none"> Preferred options are identified to fully realise the benefit of the transport infrastructure investment through attracting a greater proportion of city development to the corridor. 	<ul style="list-style-type: none"> Joint Strategic Relationship Group has been established with Kāinga Ora and Eke Panuku. A programme of work to progress priority locations for intervention has been agreed and resourced.

Area of focus	Outcome	How this will be measured
Early property programme	<ul style="list-style-type: none"> The mechanism for acquiring property has been agreed with shareholding Ministers. Subject to the approach, agreements have been entered into with urban development agencies Kāinga Ora and Eke Pānuku. Commencement of property purchases on a willing buyer/ willing seller basis. 	<ul style="list-style-type: none"> Agreement on the approach to acquiring property. Subject to the approach, agreements with Kāinga Ora and Eke Pānuku to acquire property in place. Commencement of property purchases in accordance with delegations and meeting reporting requirements.
Integration with other wider transport network and particularly projects, including Additional Waitematā Harbour Connections and North West Rapid Transit Corridor	<ul style="list-style-type: none"> Decision makers can make decisions based on a view of the whole Auckland rapid transit network. 	<ul style="list-style-type: none"> Common assumption base across the three projects used. Statement of no objection received from the two projects and Auckland Transport received in support of the notice of requirement.
Zero harm and thriving infrastructure	<ul style="list-style-type: none"> Project has been developed in accordance with zero harm and thriving infrastructure principles. 	<ul style="list-style-type: none"> Improvement on the Satisfaction score in the Human Synergistics OCI/ OEI survey. Number of near misses on site reported. Number of meetings with the Waka Kotahi rail regulator.



Forecast Financial Statements

The forecast financials include a Statement of Forecast Performance, Statement of Forecast Financial Position, Statement of Forecast Changes in Equity and Statement of Forecast Cash Flows for the year ended 30 June 2024 .

ALR Ltd is funded to deliver the programme above under the terms set out in the Project Planning and Funding Agreement dated 07 October 2022. The funding is recognised as 'Grant Revenue' and funded by a multi year opex appropriation to advance the 'Early Property Programme' (EPP) which is funded via capital appropriation.

ALR Ltd incurs expenditure as part of its various activities. Operating expenditure (i.e. the day to day running of ALR Ltd) and project expenditure unable to be capitalised is recorded in Total Comprehensive Revenue and Expenses. This expenditure is funded by the shareholders.

Statement of Forecast Performance

for the year ended 30 June 2024

	Budget FY 23/24 \$ (000)	Forecast 8 months Nov 22-Jun 23 \$ (000)
Revenue		
Grant Revenue	87,414	77,051
Interest Revenue	500	566
Total revenue	87,914	77,617
Expenses		
Employment expenses	5,552	2,133
Professional services (Urban, Engineering, Design, Planning, Legal, Commercial)	79,954	70,621
IT expenses	1,583	960
General expenses	10,675	3,255
Insurance expenses	185	65
Depreciation and amortisation expenses	37	18
Total expenditure	97,986	77,052
Surplus/(Deficit)	(10,072)	565
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense for the year	(10,072)	565

Statement of Forecast Financial Position

as at 30 June 2024

	Budget FY 23/24 \$ (000)	Forecast 8 months Nov 22-Jun 23 \$ (000)
Assets		
Cash and cash equivalents	18,794	22,591
Trade and other receivables	-	16,778
Prepayments	50	49
Total current assets	18,844	39,418
Capital work in progress	-	-
Prepayments	30	117
Property, plant and equipment	124,756	158
Total non-current assets	124,786	275
Total assets	143,630	39,693
Liabilities		
Accounts payable and accruals	3,431	13,762
Current employee entitlements	300	294
Total current liabilities	3,731	14,056
Total liabilities	3,731	14,056
Net assets	139,899	25,637
Equity		
Contributed capital	25,000	25,000
Capital injection	124,406	72
Retained earnings	(9,507)	565
Total equity	139,899	25,637

Statement of Changes in Equity

for the year ended 30 June 2024

	Retained earnings \$ (000)	Contributed capital \$ (000)	Capital injection \$(000)	Total \$ (000)
Balance at 1 July 2023	565	25,000	72	25,637
Total comprehensive revenue and expense for the year	(10,072)	-		(10,072)
Owner transactions:				
Funding received share issue	-	-		-
Capital injection	-	-	124,334	124,334
Balance at 30 June 2024	(9,507)	25,000	124,406	139,899
Balance at 1 November 2022	-	-	-	-
Total comprehensive revenue and expense for the year	565	-		565
Owner transactions:				
Funding received share issue	-	25,000		25,000
Capital injection			72	72
Balance at 30 June 2023	565	25,000	72	25,637

Statement of Forecast Cash Flows

for the year ended 30 June 2024

	Budget FY 23/24	Forecast 8 months Nov 22-Jun 23
	\$ (000)	\$ (000)
Cash flows from operating activities		
Grants Received	104,192	60,273
Cash paid to suppliers and employees	-	-
Interest received	500	566
Cash received from other operating activities	-	-
Employee costs	(5,390)	(1,683)
Superannuation	(156)	(156)
Suppliers	(102,642)	(61,305)
Other payments	-	-
Net cash from operating activities	(3,496)	(2,305)
Cash flows from investing activities		
Cash received for Capital Purchases	-	-
Acquisition of property, plant and equipment	(124,635)	(176)
Acquisition of intangibles	-	-
Acquisition of investments	-	-
Net cash from investing activities	(124,635)	(176)
Cash flows from financing activities		
Proceeds from issue of contributed capital	-	25,000
Proceeds from Capital injections	124,334	72
Net cash from financing activities	124,334	25,072
Net (decrease)/increase	(3,797)	22,591
Opening cash and cash equivalents	22,591	-
Closing cash	18,794	22,591
Made up of		
Bank balances	18,794	22,591
Total cash	18,794	22,591

Notes to the Forecast Financial Statements

1. Statement of accounting policies

1.2 Reporting entity

Auckland Light Rail Limited (the 'Company' or 'ALR Ltd') is a Crown Entity, registered under schedule 2 of the Public Finance Act and is domiciled in New Zealand. The Company was incorporated on 22 September 2022. The Company is owned by the Crown through the Minister of Transport, Minister of Finance and the Minister of Housing. The Company's purpose is to develop a detailed plan and business case for the Auckland Light Rail project to enable the Crown to make a final investment decision. ALR Ltd commenced operations with effect from 1 November 2022.

1.2 Basis of preparation

These forecast financial statements have been prepared in accordance with the requirements of the Public Finance Act 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. The forecast financial statements are presented in New Zealand Dollars (\$000), which is the Company's functional currency and have been prepared on an accrual and historical cost basis. The information in the statements may not be appropriate for purposes other than those described.

1.3 Cash and cash equivalents

Cash comprises cash at bank and short-term deposits with a maturity of three months or less.

1.4 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 will be recognised at fair value.

Trade and other receivables will be received within 30 days of recognition. ALR Ltd will actively manage 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.

1.5 General expenses

General expenses includes costs such as operating leases, rates, Directors fees, telecommunications and other office operating costs.

1.6 Property, plant and equipment

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

Recognition and measurement

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

Land, buildings and subterranean land held for the development of rail tunnels and stations are not depreciated. All other 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 or valuation of the asset less any estimated residual value over its remaining useful life.

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

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

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

Derecognition

An item of property, plant and equipment is derecognised upon disposal, demolition 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.

1.7 Leases

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 the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

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.

1.8 Employee benefits

Liabilities for wages and salaries (including non-monetary benefits) 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.

1.9 Equity

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.

1.10 Revenue

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.

Grant revenue

ALR Ltd receives funding from Sponsors to deliver their objectives as set out in the Project Planning Agreement.

Outstanding customer receivables are monitored monthly and balances >30 days are followed up for recovery.

1.11 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 is included as part of receivables or payables 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.

1.12 Capital Funding

It is anticipated the 'Early Property Programme' funded by a capital appropriation will result in the issue of shares to the Shareholders. This funding is not recognised as revenue in the forecast financial statements.

1.13 Significant accounting judgements, estimates and assumptions

In preparing these forecast financial statements, ALR have made judgements, estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Opening balances of the statement of financial position are derived from the best assumptions for the closing balances at 30 June 2023.

These statements comply with Public Benefit Entity Financial Reporting Standard (PBE FRS 42 Prospective Financial Statements).

The significant forecasting assumption used in developing the financial forecasts in the Statement of Performance Expectation is that the majority of the grant funding including the full amount of Sponsor Contingency will be utilised by the end of the financial year. ALR will also be using a portion of the start up equity as was anticipated to happen towards the latter stages of this portion of the project.



Auckland
LIGHT RAIL
Bringing us closer



Auckland Light Rail Limited



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